



**PRESS RELEASE**

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SWEDISH MATCH and KAV ORMAN SANAYI, a company controlled by Koç Holding A.S. which is a leading industrial conglomerate in Turkey have entered into negotiations for the evaluation of possibilities concerning the development of match, lighter and tobacco products in Turkey and Turkic states.

KAV is the largest of four match producers in Turkey. Its total turnover in 1996 was about USD 14 million and the number of employees are 260.

SWEDISH MATCH is the world biggest match producer. The match business of SWEDISH MATCH has a total turnover of close to 1 billion SEK (130 million USD) and employs approx. 2000 people.

In the event the negotiations results positively KAV and SWEDISH MATCH will establish a new company in Turkey in which KAV will transfer its existing match business with its fixed assets to the new Company.

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