



# SWEDISH MATCH

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## South Africa – platform for new markets

The acquisition of Leonard Dingler provides Swedish Match with access to new and exciting markets, in both South Africa and its neighboring countries. More than 300 persons are employed at the snuff and pipe tobacco plant.

PAGES 8-10



## Partnership

General Cigar Holdings and Swedish Match AB recently announced, that they have signed definitive agreements for Swedish Match to acquire a 64% interest in General Cigar.

PAGE 2

## “Structural changes characterized 1999”

“Swedish Match’s sales increased by 15% to SEK 9,420 M in 1999 – a year characterized by structural changes,” says Sven Hindrikes, Executive Vice President and Chief Financial Officer.

PAGE 3

## Detailed strategy behind success

Swedish Match’s big cigar success is La Paz. Behind its success lies a carefully thought-out branding strategy. Maaïke Oomen, International Brand Manager for La Paz, knows how important details are.

PAGE 12



# Swedish Match to make major investment in General Cigar Holdings

- Swedish Match to acquire 64% of General Cigar common stock.
- The Cullman family will continue its management responsibility of the company and retain ownership of the remaining 36%.
- Partnership with General Cigar strengthens Swedish Match position as a leading global cigar company.



Photo: Peter Jönsson

Lennart Sundén, CEO, Swedish Match.

General Cigar produces the number one selling premium cigar in the United States, Macanudo, and several other strong premium brands sold in the US, including Partagas, Punch, Hoyo de Monterrey, and Cohiba. The company, which traces its roots to 1906, has been managed by the Cullman family since 1961 and is recognized as a world leader in the premium cigar business. General Cigar reported sales of \$108 million for the nine-month period ended August 28, 1999.

Swedish Match will invest approximately \$170 million to buy certain family-owned shares and to provide part of the financing to allow all of the outstanding non-family shares to be acquired in the transaction. General Ci-

gar will provide the remainder of the financing required for the transaction. Following the transaction, General Cigar's shares will no longer be publicly traded.

The transaction is subject to the vote of General Cigar's stockholders at a meeting anticipated to be held in the spring, including a vote of a majority of the publicly-held shares. The Cullman family has agreed to vote all of its shares of General Cigar stock in favor of the transaction, which has been recommended by the unanimous vote of an independent committee of the company's Board of Directors.

Edgar Cullman, Sr., the Chairman of the Board, and Edgar Cullman, Jr., the President and CEO of General Cigar, will both continue in their existing roles. General Cigar corporate headquarters are in New York City, New York, with production facilities in Santiago, Dominican Republic; Kingston, Jamaica; San Pedro Sula and Danli, Honduras; and Tampa, Florida. General Cigar is one of the leading suppliers of high-quality Connecticut shade wrapper to the world.

"We have formed a strong business relationship with Swedish Match following the sale of our mass market business to them last

spring. With the cigar market becoming more global, Swedish Match's interest in our premium cigar business has now resulted in this transaction and allowed us an opportunity to improve significantly shareholder value. Indeed, our family will be selling approximately one-third of our holdings along with all the shareholders," said Edgar M. Cullman, Jr., General Cigar's Chief Executive Officer.

Lennart Sundén, Swedish Match's President and CEO said, "In General Cigar and the Cullman family we are associating ourselves with one of the most respected and experienced cigar management teams in the world. This provides an opportunity to jointly develop and expand our global position for some of the world's greatest cigar brands. Our worldwide strength in cigar distribution, and General Cigar's outstanding market position in the US provide both parties with exciting growth opportunities. We also believe that this transaction is an important step in the consolidation of the world cigar business."

The transaction is subject to a number of conditions including receipt of requisite shareholder consent, regulatory approvals, and other customary conditions.



## Swedish Match Grand Prix Sailing Tour gets under way

Swedish Match has decided to become a co-sponsor of a global match-racing series to be known as the Swedish Match Grand Prix Sailing Tour.

The Swedish Match Grand Prix Sailing Tour will be one of the three major sailing events in the world," maintains Pierre Tinnerholm, who is in charge of sponsorship within Swedish Match and is president of the new competition.

The other two major contests are, of course, the Americas Cup and the Volvo Ocean Race (formerly the Whitbread Round the World Race). But while both of those races only take place once every four years, the Swedish Match Grand Prix will be an annual contest, starting in March.

The contest will be of the type most popular with spectators – match racing. This is the same type of competition as Swedish Match already sponsors in Marstrand on the west coast of Sweden. Two boats at a time compete against each other for a period of about 20 minutes. The entire contest can be watched from the mainland. The winner is the boat that crosses the line first, after rounding all the marks. The Marstrand event was watched by one hundred thousand spectators in July of last year.

The Swedish Match Grand Prix is a natural extension of the Group's previous involvement in sailing, with the same purpose of creating external goodwill and internal solidarity.

The fact is that sailing has become a classic Swedish Match sport. The company has been involved with the Swedish Match Cup in Marstrand since 1994 and participated in the Whitbread Round the World Race in 1997–1998. The timing of the Whitbread race coincided with the restructuring and stock exchange listing of Swedish Match. Suddenly, some 7,000 employees from all parts of the world were to be gathered under one banner.

Jointly following the fortunes and adventures of the Swedish Match crew during successive legs of the race had a bonding effect on the company's employees. Participation in the Whitbread also provided the company with the opportunity to develop closer ties with business contacts. A total of some 2,500 specially invited guests enjoyed Swedish Match's hospitality in the various harbors visited by the race.

"The same idea underlies the Swedish Match Grand Prix Sailing Tour," says Pierre Tinnerholm.

To date, eight countries have signed up to participate:

Date	Location
March 21–25	Auckland, New Zealand
March 27– April 2	Perth, Australia
May 23–27	Split, Croatia
June 7–12	Lake Constance, Germany
July 3–9	Marstrand, Sweden
July 11–16	Ravenna, Italy
August 15–20	Skovshoved Harbor, Denmark
October 22–29	Hamilton, Bermuda



1999

# A year of structural changes

*Sven Hindrikes, Executive Vice President and Chief Financial Officer, sums up 1999 as a year characterized by structural changes.*

*"The Group's cigarette operations were sold, a number of companies were acquired, and operations were rationalized and made more efficient, while cost-consciousness increased throughout the entire organization," notes Hindrikes.*

Group sales increased by 15 percent to SEK 9,420 M. Operating income before items affecting comparability rose 13 percent to SEK 1,689 M.

"The fact that operating income did not increase at the same pace as sales was due to the sale of Swedish Match's cigarette operations to Austria Tabak during the third quarter," explains Hindrikes. "We still retain distribution of tobacco products, including cigarettes, in Sweden, but since the profit margin in distribution is lower than in production, the total operating margin shows a decline. The sale of the cigarette operations contributed an additional SEK 4.8 billion to liquid funds. Portions of this additional amount were utilized to finance acquisitions within segments that, in our view, have better future prospects than the cigarette operations."



Sven Hindrikes.

## Acquisitions

"Smokeless and brown tobacco products are the market segments on which we are focusing, because we regard them as having the best growth potential. The acquisitions made during the year were in these areas," notes Hindrikes.

General Cigar's operations in machine-produced cigars were acquired in May. In September, US com-

## Sales by product area

MSEK	1998	1999	%
Chewing Tobacco	1068	1068	0
Cigars	902	1438	59
Lighters	735	662	-10
Matches	1573	1673	6
Pipe Tobacco & accessories	218	420	93
Snuff	1337	1688	26
Other operations	893	1742	
<b>Subtotal</b>	<b>6726</b>	<b>8691</b>	<b>29</b>
Divested business	1468	729	
<b>Total</b>	<b>8194</b>	<b>9420</b>	<b>15</b>

## Operating income by product area

MSEK	1998	1999	%
Chewing Tobacco	331	297	-10
Cigars	117	206	76
Lighters	18	14	-22
Matches	134	107	-20
Pipe Tobacco & accessories	38	109	187
Snuff	641	828	29
Other operations	-228	-127	
<b>Subtotal</b>	<b>1051</b>	<b>1434</b>	<b>36</b>
Divested business	438	255	
Items affecting comparability	-108	3707	
<b>Total</b>	<b>1381</b>	<b>5396</b>	

pany El Credito, which operates in the premium cigar segment, was also acquired. In January 2000, an agreement was signed for the acquisition of 64 percent of the shares in General Cigar Holdings, that is, the remaining portion of General Cigar, with operations in the premium cigar segment. As from the fourth quarter of 1999, South African snuff and pipe tobacco company Leonard Dingler is also included in the Group's accounts.

"The acquisitions have considerably strengthened our position," says Hindrikes. "We are second in the world in the cigar segment, and the recent acquisition of General Cigar Holdings increases our annual sales to nearly SEK 3.5 billion if we include our partnership in Arnold André in Germany."

Swedish Match is also among the world leaders in the pipe tobacco segment, while in the snuff segment the Group is the leader in the Nordic region and one of the leaders in the US.

## Product areas

All of the Group's prioritized product areas – snuff, cigars and pipe tobacco – show improved operating income figures compared with the preceding year.

The market for snuff is growing both in the Nordic region and in the US. In the Nordic region, Swedish Match is the dominant player and the Group's growth is keeping pace with market growth. Growth in terms

of volume was approximately 6 percent during 1999. In the US, market growth during 1999 was just over 3 percent. Swedish Match's growth rate was substantially higher. With a volume increase of fully 44 percent, the Group's share of the US snuff market amounted to about 6.5 percent.

Operating income for snuff increased by 29 percent to SEK 828 M. It is worth noting that during the most recent five-year period, operating income for snuff has increased by an average of 30 percent per year.

"It is clear that snuff is a growth product," says Hindrikes, who anticipates a continuation of the positive trend during the current year.

The Group's sharp sales and earnings increases in the cigar and pipe tobacco product areas were mainly attributable to the acquisitions made during the year.

The rationalization program, including plant shut-downs, that the Lighters product area has undergone, is now apparent in the results.

"Lighters showed improved profitability for the fourth quarter," says Hindrikes. "We are now proceeding with a rationalization program aimed at increasing profit margins, for matches as well as lighters. SEK 395 M was earmarked for the program in the year-end report for 1999. However, since write-downs of fixed assets account for more than half of the appropriations, cash flow is affected only to a limited extent. The planned rationalization measures will extend over a three-year period."

## Capital structure

Despite the acquisitions during the year, the consolidated balance sheet continues to be extremely strong.

"As a result of our strong balance sheet and continued favorable cash flow, we have sufficient capacity both for additional acquisitions and the transfer of surplus funds to shareholders," says Hindrikes. "In order to achieve a more optimal capital structure and improve earnings per share, the Board of Directors is proposing a share redemption program to the Annual General Meeting, whereby SEK 1,000 million will be transferred directly to shareholders, and a long-term program for the repurchase of shares, with the amount involved varying from year to year. If the share-repurchase proposal is accepted by the Annual General Meeting, it will provide an entitlement to repurchase up to 5 percent of the outstanding shares up to the next Annual General Meeting.

"During the coming year, we plan to devote considerable attention to integrating and consolidating the acquisitions implemented during 1999 and those announced at the beginning of 2000," says Sven Hindrikes in conclusion.

## Joint venture to market gum-based nicotine products

Swedish Match and Gum Tech International have agreed in principle to establish a joint venture to investigate new business opportunities for non-tobacco-based nicotine products. A few months ago, Swedish Match and Gum Tech International formed an independent company to develop, produce and market the products.

Gum Tech International, which has its headquarters in Phoenix, Arizona, specializes in the development and production of "functional" chewing gum.

Under the terms of the agreement, Swedish Match will own 51 percent, and Gum Tech 49 percent, of the

new company. Gum Tech will contribute intellectual-property rights, while Swedish Match plans to inject USD 10 million as start-up capital.

"So far, our operations in the tobacco area have focused on smokeless tobacco. This initiative will also enable us to examine the potential for broadening our core operations to include nicotine products that are not based on tobacco," says Lennart Sundén.

"The joint venture will give us the chance to see what additional business opportunities exist in terms of offering alternative products to people who cannot smoke or do not wish to smoke."

"Swedish Match possesses impressive knowledge and expertise in the areas of global marketing and distribution of high-turnover consumer goods, particularly those aimed at tobacco consumers," says Gary Kehoe, president of Gum Tech.

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# Brands – Swedish Match's

*Nothing better represents Swedish Match's shareholder value than the Group's brands. Behind some of the brands lie centuries of investments in production and marketing. Above all, the brands symbolize the loyalty and trust of millions of consumers – the Group's most important success factors.*

Loyalty and trust are so-called "soft" values, just as difficult to put a price tag on as they are to develop and nurture.

"The way I see it, Swedish Match today has the most valuable and the most complete brand portfolio of any tobacco company in the tobacco segments that are growing, namely smokeless products and cigars," says Lennart Sundén, CEO of Swedish Match. "In addition, we have the

world's best-selling pipe tobacco, Borkum Riff, and a number of brands in the matches and lighters segments that are known throughout the world."

To put a valuation on this portfolio is extremely difficult because tobacco brands are not like other brands.

First and foremost, they are unusually stable. The degree of brand loyalty is unique. Once consumers have made their choice, they remain loyal for many years. This is an unusual strength – Swedish Match can capitalize on for a very long time. However,

this also means that it is risky to modernize or reposition brands. Loyal consumers may be lost in the hunt for new ones.

The tobacco brands are, in many cases, extremely old. Swedish Match has some brands that are more than 100 years old, and quite a number that have existed for 50 years or more. Justus van Maurik was introduced in 1794 and La Paz in 1813. Both are cigar brands. The Swedish snuff brands have a history dating back to the 1890s.

Another unique factor is that marketing is strictly regulated in many countries and that consumption is restricted. The places where smoking is allowed are becoming fewer and fewer. This is having a significant effect on the value of brands. It is difficult to introduce new tobacco brands when there are so few marketing channels to consumers in the western countries. Few new brands are introduced, which means that the value of existing brands is rising.

"In view of these factors, working with brands at Swedish Match is one of the most challenging jobs you can have," says Peter Strüber, Vice President Marketing and Business Development. "It is a combination of

subtle interpretations of consumer psychology and hard-headed cost/revenue calculations."

Tobacco is not only something to be enjoyed, it is also an expression of the user's personality and social stature. Consumers seldom make rational choices about flavor, size, color and price. It also has to do with giving out signals to others as to how you want to be perceived. For example, the cigar is a classic symbol of status and wealth.

Swedish Match's brands are handled by the respective divisions, with competence centers for the products, and brand managers who are responsible for the different brand families.

"For Group management, the brands and their positions are a crucial variable in decisions relating to acquisitions. During the past year, the Group has deliberately used acquisitions to secure a leading position in the cigar segment in the US," continues Peter Strüber.

The status of brands must constantly be monitored and evaluated. Brand managers control developments with the help of matrixes that show the position and movements of brands vis-à-vis consumers and in relation to competing brands. Ongoing surveys identify gaps in the market, the characteristics of competitors and consumer preferences. A strategic and tactical game develops, which may involve new launchings, repositionings and intensified marketing efforts, including customer support and education.

"Brands are, and will continue to be, one of Swedish Match's most important strategic areas of competence," says Lennart Sundén. "All of our work is based on the trust and loyalty we earn by ensuring that our brands stand for quality, satisfaction and enjoyment. They symbolize the values we can create for our shareholders."

## Review of snuff portfolio

Three years ago Swedish Match began a review of all the snuff brands in the company's snuff portfolio.

"We felt that we needed a better understanding of the changes in consumer preferences and that we needed to modernize and strengthen our snuff brands," says Anna Neiås, strategic brand manager for the General brand. "In Sweden, snuff is a product that is steeped in tradition. However, a lot has happened during the past 10–15 years, with new consumer groups who are turning to snuff in pace with the decline in smoking. Snuff and the use of snuff were spontaneously changing, so to speak."



Peter Strüber.



## Swedish Match launches General Whisky



Anna Neiås, Swedish Match, Kevin McGurk, Caroline Löfgreen, Christer Karlsson, Bibendum and Patrik Hildingsson, Swedish Match.

*Swedish Match is relaunching its General brand, with new packaging and a new logotype for General snuff.*

*A new whisky – General Pure Malt Scotch Whisky is to be launched simultaneously.*

We have been working on our brands for some time," says Caroline Löfgreen at Swedish Match. "We plan to strengthen and clarify the values that are already associated with Generalsnus and also utilize the potential to further capitalize and develop the brand."

General Malt Whisky, a specially distilled 12-year-old pure malt whisky, will be launched simultaneously with the brand relaunch, which is part of the company's program to strengthen the existing positions of a number of snuff brands, including Ettan, Catch and Grov, as well as Generalsnus.

Why whisky in particular?

"The idea of matching whisky and snuff came in a meeting with the head of marketing of a Swedish wine wholesaler," relates Patrik Hildingsson, marketing manager for snuff.





# main success factor

In order to identify these trends and obtain conscious control over the positioning of its brands, Swedish Match initiated a comprehensive program aimed at clarifying the sociology and psychology of snuff-taking.

"We conducted in-depth interviews with a big number of snuff users and gained a valuable picture of consumers' values and preferences. We are now utilizing this data to develop an accurate profile of each brand," states Patrik Hildingsson, marketing manager for snuff.

One important discovery was that snuff users lack an effective way of expressing their enjoyment and the experience of using snuff. Such terminology exists for cigars, with the flavor, quality, types and forms of cigars providing the basis for a conversation in a similar manner to wine connoisseurs. Marketing was characterized by this situation. The messages of the various brands were largely directed to the same types of values and people.

Branding work now focuses on differentiating and distinguishing the different snuff brands for different categories of consumers. The largest brand, General, with close to 40 percent of the Swedish market, has always had a stamp of quality, an air of masculinity, and global potential. The same applies to the Catch brand.

"We have been working intensively on the General brand for almost two years in order to strengthen it and make it more distinctive," continues Anna Neiås. "We have developed a strategy and updated the visual appearance. This type of work is very detailed. It is important to make exactly the right choices regarding how much black and how much gold to use in the brand's visual design, as well as which style and font to use for letters, the shape and material for the cans, and so on. Too much gold or too bright a gold, for example, would give a 'cheap' impression, which would be completely wrong."

Now General is out in the market. After

education and practical training, the sales team will visit thousands of stores in person and make telephone calls to other stores. It is a major operation that not only involves marketing directed at the consumer in the store but also the preparation of sales materials and sales arguments, the replacement of logotypes on packagings and promotional material in the stores, and the redesign of all the refrigeration units at the retail level.

"We have simultaneously advertised in trade publications and sent out letters about the change in design. We have also had meetings with all the major central retailers' organizations."

The positions of the main brands, Catch, Ettan and General, have now been strengthened and clarified. Now it is the turn of Grovsnus and Göteborgs Rapé.

"Through these measures, we have created a strategy and tool to enable us to actively promote brand development," concludes Patrik Hildingsson.

## Chess game over cigars becomes global strategy game

In the cigar segment, brand positioning is a regional chess game, which, thanks to Swedish Match's aggressiveness, has become a global strategic contest. With the recent acquisition of the majority holding in General Cigar, there is no question that the Group now has an extremely valuable brand portfolio within the cigar segment.

For a very long time, cigar brands have been a delicate matter, with demanding consumers who are extremely sensitive to changes.

Peter Strüber unfolds his "game plan" with boxes representing various positioning possibilities and arrows indicating branding strategies for the approximately 30 different brands



he has to handle as Vice President Marketing and Business Development. Here, on a map of Europe, consumers' demographics are part of the equation, together with their buying power and attitudes.

"A certain amount of discretion is necessary – competitors scrutinize every conceivable piece of information about branding strategies," explains Peter Strüber. "But to keep it simple, you could say that we promote and are developing four brands on a global scale. Then, we have about ten other brands that we support at the local and regional level. In addition to these, we have a number of brands that will be expanded either on a selective basis or locally or regionally."

The geographical dimension is only one. In addition, there is a broad spectrum of sociological and psychological factors that must be interpreted.

"La Paz is our best example – a local quality brand that we transformed into a world brand in less than 20 years. It was a bold undertaking, involving a new logotype, new packagings, new sizes and a totally new brand image of masculinity, vitality, independence and daring."

The repositioning of La Paz was a groundbreaking project in the conservative cigar industry. The result was the industry's first modern brand, strictly controlled by Swedish Match's brand managers on their "chessboard" matrix. It has become a classic example of "brand extension," where Swedish Match has succeeded in maintaining the initiative and making La Paz a leading brand in its niche in nearly 100 countries. Numerous imitators have attempted to capitalize on this success.

For a very long time, the brand war within the cigar area was primarily a regional and local battle except for the most exclusive premium segment. About a year ago, however, Swedish Match threw down the gauntlet by changing its strategy and prioritizing efforts in the two segments that are showing growth: the smokeless segment and brown tobacco products, primarily cigars.

With a couple of acquisitions, the Group has acquired a leading position both in the US and globally. The acquisitions of El Credito and the majority holding in General Cigar have brought Swedish Match several of the most outstanding brands in the US: La Gloria Cubana, Garcia y Vega, White Owl, Tiparillo and Tijuana Smalls. Swedish Match now covers all the price segments in the North American market.



whisky. Accordingly, Swedish Match will own the General brand while the Swedish wine wholesaler Bibendum will assist with product development of the whisky, as well as assuming responsibility for importing, distributing and marketing it.

"This will be a new way for us to make ourselves visible," adds Patrik. "The bottle stands out in the bar. Exclusive brands of whisky are also sold in tax-free stores, and this gives our brand the right cachet."

General Whisky is produced at a well-known distillery in Scotland. It will occupy the equivalent premium segment to Generalsnus. Beginning in February, it will be on sale in Sweden's state-controlled liquor stores, as well as in restaurants, bars and tax-free stores.

**Kevin McGurk, British branding expert, wanted to give the new whisky its own integrity, while at the same time matching it with Generalsnus. The result was a simple but exclusive-looking transparent bottle.**



"Detailed surveys of the interests of snuff consumers have shown that there are strong common core values relating to snuff and whisky. These values include masculinity, tradition and folksiness. Both products involve refinement processes that require specialized knowledge and experience, as well as being associated with countless traditions, rituals and an aura of mystery."

There are also differences, however. Whisky appeals to a somewhat older age group, among whom it is a common trait to wax philosophical about flavor, aroma and character, in a manner that would be unusual for snuff users.

"On the other hand, snuff users do enjoy talking about snuff, and there is scope for refining the language used in this context, 'verbalizing' snuff and helping the consumer to become a snuff connoisseur," continues Patrik.

Initially, however, Patrik had difficulty getting anyone to take the idea seriously.

"I knew that the project was viable from a strategic viewpoint, but my colleagues emphasized that the area in which we are experts is tobacco, not



# The people who manage Swedish Match

*Swedish Match's management group comprises Lennart Sundén and ten other people. But who are they, what types of backgrounds do they have, and what are their duties?*

## **Lennart Sundén, President and CEO**

Lennart Sundén was hand-picked in 1998 to lead Swedish Match into the 21st Century. After earning degrees in engineering and economics, he started his professional career with Electrolux. He held several international management positions, including global responsibility for Electrolux vacuum cleaners and small appliances from 1993 to 1998. He is accustomed to working under fire, which provides an excellent qualification for his present position as President and CEO of a tobacco company. In the late 1980s, while serving as Vice President in charge of the Electrolux Group's Refrigeration and Freezer Division, he was thrust into the public debate surrounding CFCs and played a leading role in the development that eventually led to the world's first CFC-free refrigerator.

As new President and CEO of Swedish Match, he started at a hectic pace by introducing a new, more cost-efficient organization and conducting a comprehensive review of Group strategies in preparation for the new millennium. Prioritization and focus are important concepts for Lennart Sundén, and his priority goals include business growth and shareholder value.

## **Bo Aulin, Senior Vice President Corporate Affairs and Legal Counsel**

Of all the members of Swedish Match's corporate management, Bo Aulin is the one who has had to face the most brickbats in the media when challenged to explain why the company sells tobacco products. In countless discussion programs and interviews, he has represented Swedish Match and the tobacco industry in a manner that has earned him the respect of even the most outspoken critics of the industry.

Bo Aulin holds a law degree from Uppsala University. His legal career has included work in a lawyer's office and as a corporate lawyer at the Swedish National Forest Enterprise. The breadth of experience needed to combine corporate affairs and law was acquired when he worked in the management of an advertising agency and as chief legal counsel for the Swedish Association of Wholesalers.

Bo Aulin joined Swedish Match in 1990. His work within Group management encompasses issues such as negotiations, agreements, contacts with politicians and the media, internal and external communications and image development and profiling.

## **Sven Hindrikes, Executive Vice President and Chief Financial Officer**

Sven Hindrikes is a native of Sweden's Dalarna region who never wanted to leave Sweden but spent 12 years on foreign contract assignments in Mexico and Canada. He worked for ABB and various ABB subsidiaries during his years abroad. He eventually moved back to Sweden to accept a job as Chief Financial Officer and, later, Executive Vice President of Linjebuss, before joining Swedish Match in 1998. He is now working again in a global business atmosphere.

One of his first assignments was to formulate concrete improvement targets for every business area, with

special emphasis on shareholder value, which he defines as generating value for the money invested by shareholders in a company's shares.

Today, Sven Hindrikes works primarily with other members of corporate management in coordinated efforts to establish and implement Swedish Match's revised and more focused business strategy, which also includes an action plan to achieve improved earnings in the short term.

## **Göran Streiffert, Senior Vice President Human Resources**

Göran Streiffert recognizes the correlation between sound personnel policies and successful companies. His academic background lies in behavioral sciences and economics, and he has worked with personnel issues in the past for Gullspång, PLM and Scancem. He believes strongly in the personal development of management personnel and other employees, and he supports the theory that companies with well-managed personnel policies are usually efficient and profitable companies. Göran Streiffert joined Swedish Match in 1997, attracted by the rapid market feedback in the consumer products sector.

He believes his most important job at present is to assist in developing a high-performance corporate culture through management development programs, structural reorganization, the renewal of incentive systems and other measures.

## **Massimo Rossi, Executive Vice President and Deputy CEO**

It's impossible to present Massimo Rossi without mentioning two things: his remarkable career and his extensive experience in international business. He came to Sweden from Italy in the 1960s, worked for a while as a chef, enjoyed the Swedish lifestyle and eventually earned a bachelor's degree in business management, economics and sociology. Massimo Rossi has worked for Swedish Match for 25 years. Since 1975, he has taken part in more than 60 acquisitions and divestments. During the most hectic restructuring period, he implemented strategic sales of 25 match companies in 25 developing nations within a period of only two years. Moreover, he has experienced six ownership changes during his career with Swedish Match. In 1994, he was awarded the Royal Order of the North Star in recognition of his contributions to Swedish industry and humanitarian efforts, including a donation to Solstickan, a foundation for the support of handicapped children.

Today, Massimo Rossi oversees Group acquisitions, ensuring that they support Group strategies by providing sound geographic coverage and business expansion in the Other Tobacco Products (OTP)

sector, which comprises cigars, snuff products, pipe tobacco and chewing tobacco.

## **Stefan Gelkner, Head of North Europe Division**

If you mention Mr. Snuff in Swedish Match, very few people would not readily identify the title with Stefan Gelkner. He has been linked closely with snuff since his appointment as Vice President responsible for snuff products in the mid-1980s. He was highly instrumental in winning Sweden's exemption when the EU planned to introduce a general ban on snuff products in the early 1990s. He practically lived in Brussels for two years. His lobbying efforts yielded favorable results and thousands of Swedish snuff consumers breathed a sigh of relief.

Stefan Gelkner joined Swedish Match in 1977. Today, he is responsible for the North Europe Division, with responsibility for both snuff products and cigarette operations in Sweden.







**Swedish Match's management group – front row, from left, seated: Graham Jones, Match Division and Ingemar Olsson, Overseas Division. Second row, from left: Frans Vogels, Continental Europe Division, Lennart Sundén, CEO, Sven Hindrikes, Chief Financial Officer, and Peter Nilsson, Lighter Division. Back row, from left: Massimo Rossi, Deputy CEO, Lennart Freeman, North America Division, Bo Aulin, Legal Counsel and Corporate Affairs, Göran Streiffert, Human Resources, and Stefan Gelkner, North Europe Division.**

#### **Peter Nilsson, Head of Lighter Division**

Peter Nilsson began his career with Swedish Match at the House of Blend in 1987. He has since worked with nearly every product group made by Swedish Match. The only exception is match operations. Peter Nilsson has also familiarized himself with all of the Group's main market areas: Scandinavia while working for House of Blend, the European markets while working for the former EBAS Group (cigars) in the Netherlands, and the U.S. while working with American lighter operations.

His greatest challenge today is to strengthen Swedish Match positions in the highly competitive market for disposable lighters. The strategy includes establishing a more competitive cost structure for the Group's lighter operations.

#### **Graham Jones, Head of Match Division**

Swedish Match's international match operations are headed by English-born Graham Jones. Graham holds degrees in geology and economics. His career to date includes two years working for diamond merchants

De Beers Prospecting Ltd in Central and East Africa, and three years as an accountant with Arthur Anderson & Co, during which time he qualified as an authorized public accountant. He then switched to the food industry, working first for confectionery company Mars and subsequently for Scot Bowyers Ltd. In 1984 he began working for Bryant & May Ltd., which was acquired by Swedish Match in 1987.

His two most important tasks at present are to integrate and make profitable the recently acquired match operations and to revitalize the European match range.

#### **Frans Vogels, Head of Continental Europe Division**

Dutchmen are a ubiquitous feature of the business world – if there isn't a Dutchman around, there isn't any money to earn. The words are those of Frans Vogels, the Dutch representative in Swedish Match's corporate management. He is a graduate in economics and business administration, but has also worked in the human resources area in the telecom sector. In 1985, he began his career with Swedish Match by becoming marketing manager for the La Paz cigar operation in the Netherlands. Today he is in charge of Swedish Match's operations in all markets in Continental Europe, a region covering almost the whole of Europe except for the Nordic countries and Eastern Europe.

He sees his most important task at present as being to further strengthen Swedish Match in the cigar segment and to make the Group "the world's leading and most resourceful cigar company."

#### **Lennart Freeman, Head of North America Division**

Another veteran of many years with Swedish Match, Lennart Freeman spent a year with Saab Cars before joining Svenska Tobaksbolaget as a trainee in 1975. He briefly abandoned his career in the tobacco industry, however, to work for three years as Exxon's advertising manager in Stockholm. He has served as marketing manager of several Swedish Match subsidiaries in the U.S., in addition to assignments with the Group business development staffs in Brussels and Nyon. Among his tasks in Brussels was the integration of Svenska Tobaksbolaget into Procordia, its owner at that time. Lennart Freeman was head of the Cricket lighters operation and, most recently, Vice President in charge of the Group's cigarette operations. Today, he is responsible for all Swedish Match operations in the U.S.

He sees his main tasks at present as being: The integration of General Cigar's mass-market operations, the development of the Timber Wolf brand and to reverse the trend for chewing tobacco

#### **Ingemar Olsson, Head of Overseas Division**

Ingemar Olsson is a native Swede, but he has worked in Sweden for only a brief period of time during his career with Swedish Match. His first job within the Group (which he joined in 1983) was an assignment as plant manager and chief technician at the Fosforera match production plant in Bogota, Colombia. After a few years, he advanced to become manager of the entire operation. He moved back to Sweden in the early 1990s as head of Swedish Match Industries, with responsibility also for other match production plants in Europe and for Arenco, whose products include match machines. From 1993 to 1995 he was head of Match Division Europe and in 1995 he was appointed head of Swedish Match in Brazil. Two years later he was named head of the entire Latin American sales region. In his present assignment as head of Overseas Division, he is responsible for Group activities in Latin America as well as Africa, the Middle East and Asia.

The Overseas Division is a relatively new unit within Swedish Match, and the most important items on Ingemar Olsson's agenda at present are to consolidate the division's organizational structure and study expansion potential in the division's area of responsibility.





## ACQUISITION OF LEONARD DINGLER IN SOUTH AFRICA

South African tobacco company Leonard Dingler Ltd has been part of the Swedish Match Group since last autumn. The South Africa in which Swedish Match has invested is a country in a process of change – a South Africa characterized by hope and belief in the future, undeterred by the size of the obstacles and difficulties along the way. The acquisition has major strategic importance for Swedish Match, which sees South Africa as the gateway to other markets in southern Africa.

# Profitable company with long tradition – is starting-point for expansion



Managing director Mark Wraith is the great-grandson of the company's founder Leonard Dingler. "Once we had decided to sell, Swedish Match was the best option," he says.

"Once we had decided to sell the company, which has been in our family for a hundred years, Swedish Match was the best choice of purchaser. The two companies form an ideal match, since both have the same product orientation," says Mark Wraith, managing director of South African tobacco company Leonard Dingler.

Our first few months together have gone very well, with earnings continuing at a favorable level," he adds.

Leonard Dingler Ltd is located in the Boksburg industrial area on the outskirts of Johannesburg, a city with well over a million inhabitants. On the lawns outside the gates sit a number of job-seekers. It is unlikely that their perseverance will be rewarded, since few of Leonard Dingler's employees leave their jobs

voluntarily. Many of Leonard Dingler's employees have been with the company for more than 20 years, and a few for more than 30 years.

A rich aroma of tobacco pervades the interior of the plant, where more than 300 employees carry on the company's 100-year-old tradition.

Since the company was founded in 1904, Leonard Dingler has been producing and selling pipe tobacco and snuff in South Africa and its neighboring countries. Today, the company has annual sales of approximately SAR 300 M, with good profitability.

"South Africa is a large and interesting market for smokeless tobacco products and therefore fits in well with our strategy," says Ingemar Olsson, head of the Overseas Division, of which Leonard Dingler is now part.

South Africa is a large and stable tobacco market. The consumers are loyal to their brands and, despite the constantly increasing levies and taxes on tobacco and the increasingly hostile climate with which the tobacco industry as a whole has to contend, the total market is growing slightly every year. However, the increasing weight of anti-smoking opinion is a cause for concern. While the trend has not advanced as far in South Africa as in



Europe, it is still likely that various types of restrictions will be imposed in the long term. Other causes of concern include the growing tax and excise duty on tobacco products.

However, the inevitable consequence of such impositions – the increased incidence of cigarette smuggling – does not represent a threat for Leonard Dingler, since the company does not sell cigarettes.

"Our greatest challenge at present is to increase our already large market share and develop new products. Other possibilities include expanding the market for our Boxer pipe tobacco by increasing our presence in more countries in Africa," says Chad Limbert, the company sales manager.

Both Chad and his colleague Ivan McQueen began their careers with Leonard Dingler as traveling sales representatives – Chad 10 years ago and Ivan 30 years ago. But sales methods have changed dramatically.

"Today, our products are sold exclusively via distributors, and none of our sales personnel handle cash," explains Chad. "We also make less and less use of vehicles carrying the company name. Just about everybody here is familiar with the Boxer and Taxi brand names, and tobacco is a highly prized target for thieves."

## Boxer and Taxi – top-selling brands

Leonard Dingler's top-selling product is its Boxer brand pipe tobacco, which accounts for more than 70 percent of the company's sales. Boxer is the clear market leader among pipe tobaccos in South Africa, with about 70 percent of the market.

The snuff brand Taxi accounts for about 20 percent of sales. Taxi is available in three different flavors and is sold in small red, green or blue plastic cans, depending on the flavor.

Leonard Dingler's other products include 1904 pipe tobacco, Magnet snuff and Black&White pipe tobacco. The latter is exported to Namibia, where it is the market leader.







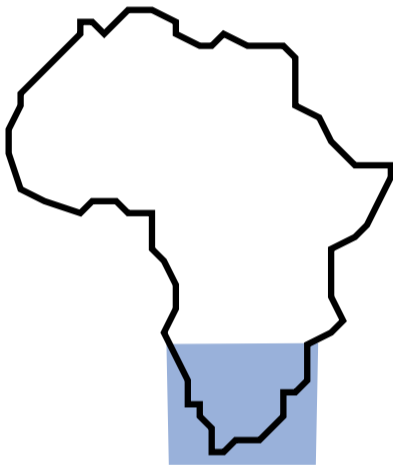
PHOTO: VIKTOR LENSON BROTT



Enock Ntombela is a tobacco loader.



Innosence Mtuli wheels bales of tobacco into a special steam room.



Packaging quality is also important. Juba Buthelezi (left) and Koos Mndebele check packaging material for Boxer pipe tobacco.



"I began working here when I was 20 and have been here for 17 years. I get on well with my work colleagues and enjoy working here," says Kenny Matlaisane.



Sam Sibanyoni works in quality control.

## Immigrant with a feeling for tobacco

The company's history began when a Dutch immigrant named Leonard Dingler began selling pipe tobacco to British soldiers in Transvaal during the Boer War. The only assets he possessed were his experience of the tobacco industry and a simple cutting machine.

When the war ended, his customers disappeared and he moved his base of operations to Johannesburg – where gold fever was raging. People streamed into the area by the tens of thousands – every one of them a potential customer. Today's best-selling product, Boxer, was introduced in 1937. The name derived from the fact that one of

Leonard Dingler's sons was an amateur boxer. To this day, the packaging bears a picture of a boxer.

An interesting sidelight is that all the flavorings at this early stage in the brand's history were shipped to the plant from the Netherlands. During World War II, this source dried up and Leonard Dingler was forced to ration the amount of flavoring in his products. This resulted in increased sales – the slightly milder flavor clearly suited South African consumers better!

In 1957, the plant moved to the premises it now occupies, and 1971 saw the introduction of Taxi snuff, the company's second largest-selling product.

The father of the current managing director, Mark Wraith, was the nephew of the two sons of Leonard Dingler, Leonard and Fritz.



Smoking is forbidden inside the plant. Dorington Sits-hetshe – he has worked here for more than 20 years. His shirt carries an advertisement for Taxi snuff.



Mabasa Mncunu takes a break from driving his forklift to enjoy a pipe.



Elias Mosire moves a ready-packed carton of Boxer pipe tobacco. Elias has been an employee of Leonard Dingler for 32 years.



**ACQUISITION OF LEONARD DINGLER IN SOUTH AFRIKA**

# High expectations of social reforms

*The social reforms that are expected to characterize South African business during the next few years will also be of crucial importance for the operations of Leonard Dingler Ltd. The Employment Equity Act of 1998 stipulates that companies have only five years to create a better balance in the work force, concerning gender, race or impairment.*



**Personnel manager David Masina (left) and company president Mark Wraith have a number of problems to resolve before they will be able to satisfy government demands for greater equality in the workplace. The aim is that the composition of the workforce should reflect that of the country's population. This means, for example, more women on the factory floor and more black supervisors.**

The responsibility for ensuring that this occurs rests with corporate managements. Negotiations with the unions are currently under way at Leonard Dingler to prepare the action plan required by the government, which is intended to show that companies are working actively to fulfill the equal-rights requirements laid down in the legislation.

"Now people are impatient to see results. They expect greater openness, a better work environment and improved development opportunities," notes newly appointed human resources manager David Masina.

He is the first non-white in corporate management, and is fully aware that high expectations are also riding on him.

"Under the terms of the Act, we must ensure

that our workforce reflects the composition of the population in South Africa," explains Masina. "In our case, for example, we must take steps to employ more women in production and appoint more colored people as supervisors."

Discussions are also under way regarding other changes, such as clearer career-advancement paths and descriptions of responsibilities,

as well as common benefit systems.

David Masina predicts that the next few years will be a period of upheaval for everyone in South Africa, but he takes a positive view of developments.

"Most people I know, regardless of their skin color, have accepted the inevitability of social change," he says.



# Language skills important for job

*Leonard Dingler's products are sold throughout South Africa and in the neighboring countries. Simon Malekutu, who has worked for the company for 18 years, is in charge of distribution.*

I like my job," says Simon. "Always plenty to do and lots of contacts with customers."

He takes a highly positive view of the change of owner.

"I hope to see the company grow, so that we can create more job opportunities in due course. There is an urgent need for jobs in South Africa."

Nowhere else in Africa is there such a complex population mix as in South Africa. Blacks, whites, coloreds and Asians are the largest groups, and each of these groups can be divided into a number of subgroups. Blacks represent the bulk of the population and whites are the second largest population group. It is quite usual for a South African to speak several different languages on a daily basis. Simon Malekutu is fluent in eight languages: English, Afrikaans, North Sotho, Zulu, Xhosa, Venda, Tswana and Swazi.

"I need all these languages to be able to communicate with my colleagues," he explains.

Simon's white colleagues, and immediate superiors, plant manager André Oosthuizen and his assistant Deon Putter also benefit

from knowing several languages. They spend their working days on the factory floor and have their office in the heart of the plant.

"We apply an open-door policy," says André. "All employees are welcome to drop in and discuss whatever is on their minds, regardless of whether it concerns the job or their private life."

André Oosthuizen's responsibilities include the purchase of tobacco, as well as production and product quality in the factory.



**"Hardly anyone quits their job here," says Deon Putter, deputy plant manager, whose father also works at the plant.**



**Simon Malekutu (center) is Leonard Dingler Ltd's only black foreman. He is in charge of distribution for the entire company. "I hope the change of ownership will increase Leonard Dingler's growth potential so that we can create more job opportunities," says Simon.**



**Foreman Apie Putter discusses tobacco quality with plant manager André Oosthuizen. About half of the tobacco used at the plant comes from South Africa; the remainder is from South America.**





## PROFILE: LENNART FREEMAN

**W**e are a complete and independent division in a growth market. We are a good team. I like the U.S. – there is scope for initiative, plenty going on, and you quickly and clearly see the effects of your own actions.”

While it is true that there is a powerful anti-tobacco lobby in the U.S., Swedish Match is involved in the Other Tobacco Products (OTP) segment, which includes snuff, chewing tobacco and cigars, and Lennart Freeman is confident that these products will be increasingly well received. Another factor that contributes to his general sense of well-being is that he enjoys being a manager.

His associates describe him as the very image of cheerfulness and vitality: “inspiring, laughs a lot, easily wins people over, like a breath of fresh air, dynamic, there are only two speeds – fast and fast,” but also “good at forward planning (both large-scale and small-scale – he tells you well in advance if you are required to work overtime, and is also far-sighted in terms of business strategy), efficient and structured (his desk is always clear, with no heaps of papers).”

His own way of expressing it is that he loves life and likes people, but that he perhaps tends to talk too much and can be impatient. He also admits to being more than a little stubborn. But he is capable of changing, at a pinch, and promises to try to listen to people.

Lennart's career at Swedish Match began already in 1975, when, after finishing his degree in economics and business administration and working at Saab for a while, he began work as a trainee at what was then Svenska Tobaksbolaget. Following an interlude of a few years during which he worked as advertising manager in the Stockholm office of the Exxon oil company, he returned to his “home base” in 1983 as international marketing manager.

During the period 1987–1990, he was stationed in the U.S. From 1990 to 1993 he worked in Brussels, where his assignments included the integration of Tobaksbolaget with Procordia, which was the owner at that time.

The next stop was Nyon in Switzerland, where he from 1994 to 1996 focused on the Group's disposable lighters – as

# “I have the best job”

*“I have the best job anyone could have at Swedish Match just now,” says Lennart Freeman, head of North America Division.*

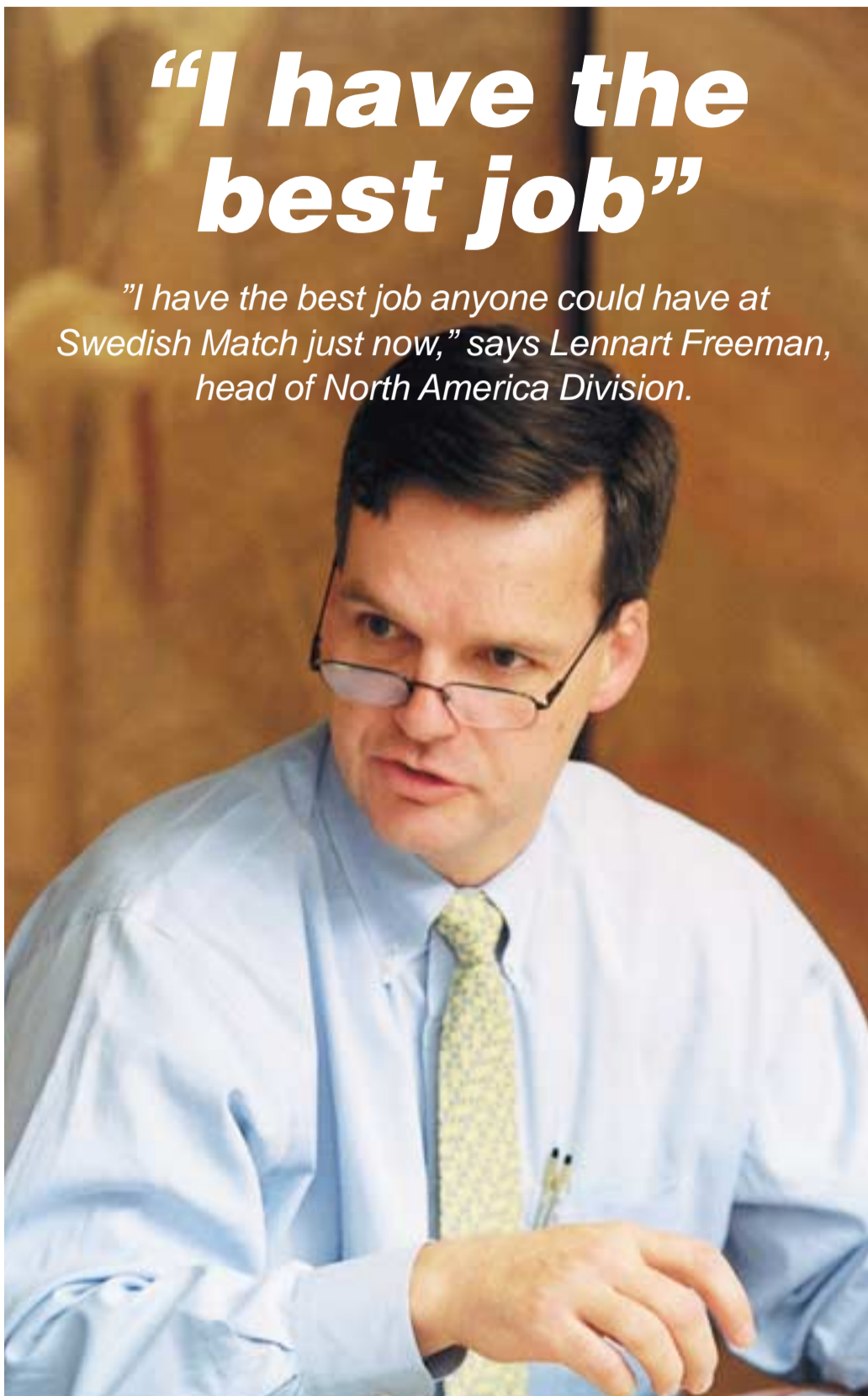


Photo: Victor Brott

### PERSONEL FACTS

Age: 48 years old.

Family: Three children.

Lives: In Richmond, Virginia.

Hobbies: Golf, skiing and sailing

that it was the birthday of one of the table guests. Without a moment's hesitation, he organized the singing of Happy Birthday, only to realize at the crucial line that he had forgotten to find out the person's name!

“I have a tendency to speak before I think,” says Lennart. “But I am slowing down a bit as I get older, so the problem should take care of itself.”

head of the division during the last of those years. After making a loss in 1994 and 1995, lighters turned around and made a profit in 1996.

“Those were important years, during which I learned to be extremely cost-conscious and also learned the importance of having everybody support you if you are hoping to go from loss to profit,” recalls Lennart.

1996 he was appointed head of Swedish Match's Cigarette Division.

Johan Wallin is now responsible for business development under Lennart's management in the U.S. After having Lennart as his manager for a total of three years, Johan gives the following assessment:

“Although Lennart has spent so much time living outside Sweden, he is a typical Scandinavian manager, who delegates a lot and has a steady and agreeable temperament. For someone who is used to another type of leadership, this can take a while to get used to. While it is true that he expects the employees under him to be able to think and act independently, he is a good sounding-board when you talk to him after you have done your job.”

Lennart himself notes that he prioritizes communication and information:

“If all employees are in agreement regarding the strategy, they can also act in a manner that aids its implementation.”

The word “love” recurs frequently when people are conversing about or with Lennart Freeman. He loves doing business, for example.

“I have traveled with him in many countries and observed how he puts the other negotiating party at ease,” relates Johan Wallin. “He will eat turtle soup, make a speech in a discotheque, and so on, all in the same warm-hearted manner. Nothing is impossible for him.”

But at times he can get a bit carried away, as on the occasion when, during a visit to Russia, he heard

## Spanish Pipe-Smoking Championship in the best Borkum Riff spirit

**T**he best Borkum Riff spirit prevailed when the Spanish Pipe-Smoking Championship was held in Barcelona. The host of the prestigious event was the Barcelona Pipa Club, and the 65 contestants, including 10 women, represented various pipe clubs in Spain.

The object of the contest is to try to keep a pipe burning for as long as possible. The contestants are allowed three matches to light their pipes. Contestants who use up the three matches without managing to light their pipes are dis-

qualified. Each contestant is given three grams of pipe tobacco with which to fill their pipes.

For this year's contest, both the pipe tobacco – Borkum Riff Malt Whiskey – and the Savinelli pipes were supplied by Swedish Match. This year's winner managed to keep his pipe burning for slightly more than two hours. The best female contestant, a twenty-one-year-old from Barcelona, puffed away for one hour and ten minutes. The world record is about three hours. The length of time a

pipe can be kept burning depends on the quality of the tobacco – and naturally also on the smoker's technique.

Swedish Match is among the market leaders in the Spanish pipe-tobacco market, with Borkum Riff as its largest brand.

**Maria Nicholl, product manager for Borkum Riff, reports that “the silence was almost as palpable as the smoke was thick. The men and women in this contest take their pipes very seriously indeed!”**







## Future of popular brand in good hands

*Her enthusiasm for the brand is boundless, and she knows the importance of every detail of presentation, such as packaging and color tones. She is aware of how even a small change can boost sales overnight, and she has the figures to prove it. Maaïke Oomen is the International Brand Manager for Swedish Match's best-selling cigar brand: La Paz.*

Maaïke always begins the day at her office in Valkenswaard in the Netherlands with a cup of coffee and a good cigar – La Paz of course, and preferably a Panatela.

“The first thing I did when I was offered the job at Swedish Match was to try one of the company’s cigars,” relates Maaïke. “Although I had not actually smoked for ten years, I felt that it was important for me to form my own impression of the products with which I would be working and become familiar with the opinions of consumers. As luck would have it, they tasted fine!”

Maaïke has considerable experience of promoting and marketing brands in the consumer goods sector, partly as a result of several years with Unilever.

### Changes enhance emotional appeal

“We have to assume nowadays that most products on the market are ‘good’ in one way or another, and that they satisfy different tastes. This explains the importance of strong brand strategies based on a brand’s special emotional appeal,” explains Maaïke.

She cites La Paz as an example:

“Previously our marketing strategy focused primarily on the fact that La Paz is a natural cigar made from 100-percent genuine tobacco. But today we are far from being unique in that regard, so in both our advertising and our packaging strategies we changed our focus to strengthen the association between La Paz and an image of adventure and manliness.”

Since she started working for Swedish Match in 1994, Maaïke has also made a number of other changes, all of them meticulously planned. The color of the packaging was changed to a slightly more muted brownish-yellow shade, and the increasingly common smooth

wooden box previously used for the La Paz Wilde cigars was replaced by a slightly more rough-textured variant – which had the effect of increasing sales overnight. A totally new type of packaging was also launched – click-cans, with snap-on lids that better preserve the freshness of cigars that are sold individually. One of Maaïke’s special favorites is the totally new king-size cigar, La Paz Corona Superior, which is easy to smoke despite its size and has become so popular that the production plant cannot keep up with the demand.

### First cigar with an uncut end

The origins of the La Paz brand date from 1813, when the La Paz company was founded by a Dutchman named Pasch. The brand’s claims to fame include Wilde, the first cigar to be sold with an uncapped end. History relates that the Wilde range arose at the end of the 1960s when the workers at the plant were looking for a cigar that could be smoked sufficiently quickly and easily to fit into their short breaks. Their choice fell on the unfinished cigars that were still “raw” at one end, because with these they experienced the full aroma as from the first puff. These cigars became so popular that they were offered for sale exactly as they were. The success of the new product was assured when students seized upon the La Paz Wilde Havana cigar as a new trend that represented a break with the past.

### Nearly one fourth of cigar sales

Today, La Paz accounts for more than 20 percent of Swedish Match’s cigar sales by volume and makes a proportionally even larger contribution to earnings. La Paz is sold in some 90 countries and is world-wide market leader in the “short filler” cigar category made from 100-percent genuine tobacco. Thus La Paz profits from Swedish Match’s global network of sales organizations.

All of this ensures that the prospects for continuing to build on the strength of the La Paz brand are excellent. And this is exactly what Maaïke Oomen has in mind. In particular, she plans to continue with international expansion, to strengthen the position for certain products in the range and increase the appeal of La Paz to 30–40 years old cigar smokers.

### Price a sensitive issue

The largest markets for La Paz are France, the Netherlands, Belgium, Spain, Luxemburg and Germany. The La Paz family of products belong to the more exclusive part of the segment, which means that they are of higher quality and correspondingly slightly higher-priced than the mass of the market.

“Price is a sensitive issue,” affirms Maaïke. “Our competitors have launched cigars in the same category, but at lower prices. One alternative for us was to look for ways to follow their pricing strategy, but instead we decided to maintain our price level while strengthening our advantages. Essentially, we are placing our faith in acting the role of the clear market leader that we are, rather than resorting to defensive tactics. In this way we preserved credibility with our retailers and we further tied our loyal consumers to the brand.”

“However, it is important to always bear in mind that in this business strength can also turn out to be a weakness – the pressure is always on to stay in the lead and come out with new products. But at the same time, living with a threat can also create new opportunities. It is all a question of making the best use of the situation,” concludes Maaïke Oomen.

