



PRESS RELEASE

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Swedish Match acquires match business in Bulgaria

Swedish Match have, at a price of 2.35 MUSD, acquired 58% of the shareholding of PLAM Bulgarski Kibrit JSCo, Bulgaria's leading match manufacturer.

PLAM has aprox. 400 employees in one factory and headoffice located in the town of Kostenets, 70 km Southeast of the capitol Sofia. Sales 1997 amounts to approx. 35 MSEK. PLAM is being sold as part of Bulgaria's privatisational campaign. The company controls virtually all the Bulgarian Match market (approx. 9 billion matches, almost the size of the German market). In addition, half of the matches produced are exported to neighbouring countries.

Bulgaria have extensive ethnic, cultural and commercial ties with many markets in the Balkans (Serbia, Romania, etc.) and the Black Sea (Georgia and Ukraine), a market of approx. 140 million people and opening up to western way of life.

PLAM is intended to become the vehicle for Swedish Match's expansion in the field of Matches, Lighters and Tobacco products in the above described areas, where Swedish Match has practically no presence today.

Swedish Match is a company specialised in Matches, Lighters and Tobacco products with a turnover of approximately 7.500 MSEK. Swedish Match is a listed company both at the Stockholm Stock Exchange and at the Nasdaq Stock Exchange, in New York.

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