

## **Swedish Match a Principal Partner in 1997-98 Whitbread Race**

Swedish Match has decided to become a principal partner in a Whitbread project organized by Krantz/Nilson Team for participation in 1997-98 Whitbread Round The World Race.

“The global character of the Whitbread enables us to display Swedish Match as a worldwide enterprise in a number of ways,” says Göran Lindén, President and Chief Executive Officer of Swedish Match. “We will utilize the Whitbread project to promote the Swedish Match name both internally and externally and to generate business.”

“As the principal partner in our Whitbread project, Swedish Match will obtain the greater part of the commercial value generated by the project,” according to Roger Nilson, Project leader and Co-skipper/navigator. “The financial commitment will secure a competitive participation in the 1997-98 Whitbread.”

“We have chosen to participate in the Whitbread rather than the Grand Mistral because the former offers the greatest sporting competition and the largest commercial benefits for our partners,” says Gunnar “Gurra” Krantz, Sports Manager and Skipper of Krantz/Nilson Team.

The Whitbread Round The World Race, which is being staged in 1997-98 for the seventh time, is the world’s longest sailing race and one of the most demanding team events for professional sailors. It also offers one of the great challenges and adventures of our times. This has created broad interest in the race, making it one of the most publicized sporting events in the world. Television exposure will be at least tripled for the 1997-98 race in comparison with last race as a result of a contract negotiated by Trans World International on behalf of the Whitbread organization.

“The global character of the Whitbread Race fits well with Swedish Match’s profile as a worldwide company. We are a globally operating company, based in Sweden and recently listed on the Stockholm Stock Exchange. We have production in 12 countries and sales in approximately 140”, says CEO Göran Lindén. “The company has sales of nearly SEK 8 billion, with slightly more than 7,000 employees.”

As the principal partner, Swedish Match will obtain the greatest part of the commercial value generated by the project and will have the right to designate the name of the project as well as the boat.

“A primary objective is to promote the Swedish Match name both internally and externally,” Göran Lindén notes. “But equally important are the opportunities given to generate business and create contacts, with priority on our customers but also other important commercial interests.”

“Our financial commitment to the project amounts to SEK 65 million that, as a result of the duration of the project, can be distributed over the 1996, 1997 and 1998 fiscal years,” says Lars Elmenius, Executive Vice President of Swedish Match. “The greatest part of our total investment will be made through use of funds that would otherwise have been allocated for more traditional image-building and marketing.”

### **Good experience from last summer’s co-operation and Swedish Match Cup**

Swedish Match’s decision to invest in the Whitbread project was made following evaluation of the commercial benefits as well as the co-operation with Krantz/Nilson Team from last summer’s project involving the Grand Mistral boat “Very Bright”.

Along with the participation in the Around Gotland race, the summer project featured participation in the Swedish Match Baltic Cup Race between Stockholm and St. Petersburg, in competition with the Russian Grand Mistral boat. The summer project also consisted largely of exhibition sailings in Russia and Sweden, as well as commercial sailings for important business relations to the various partners in the summer project.

“We also have good experience from the successful last three years’ Swedish Match Cup, one of the races included in the World Cup in match racing,” Lars Elmenius notes. “As a result of an expanded involvement in sailing, we are now making a further claim on the marine theme in our image-building and marketing.”

### **Joint decision on participation in the 1997-98 Whitbread**

“A Whitbread project is a commercial project with a foundation in sports,” says Roger Nilson, who heads the project within Krantz/Nilson Team. “Therefore, we always have to create the best sporting and commercial conditions for our projects.”

Where The Card project and the 1989-90 Whitbread was concerned, the main choice facing the Krantz/Nilson Team was not selection of boat, but the selection of rigging. The choice of two masts rather than one became a strategic sports decision with important commercial consequences. In connection with the Intrum Justitia project and participation in the 1993-94 Whitbread, the choice was between a Maxiboat or a W60 boat.

“This time, we have mainly focused on which of the two round-the-world sailing competitions to participate in, the Whitbread or the Grand Mistral”, says Roger Nilson. “We aimed for the Whitbread at an early stage, without excluding the Grand Mistral.”

“This was one reason why last summer’s project was implemented with a Grand Mistral boat,” says Gunnar “Gurra” Krantz, Sports Manager and Skipper of Krantz/Nilson Team. “We wanted to wait before deciding which of the competitions to participate in, and simultaneously to use the summer to test and evaluate a Grand Mistral boat.”

“Together with Swedish Match the decision was taken to participate in the Whitbread”, adds Roger Nilson. “This because the race offers the greatest commercial potential, in particular as a result of the increased television exposure that has been contracted. Another reason is that the Whitbread offers the greatest sporting competition in the form of skippers as Lawrie Smith in one of EF’s boats and Chris Dickinson, in the Toshiba-project boat organized by Dennis Connor.

## **Whitbread 1997-98 - New rules**

The Whitbread Round The World Race is a eight-month, round-the-world sailing competition. The race takes place every fourth year, with the start in September and the completion of the final leg in May.

A number of changes will be implemented in 1997-98 Whitbread with respect both to its sporting content and commercial interests. For the first time, only W60 boats will be permitted to participate, and overall victory will be decided according to a new, more equitable point scoring system for each leg rather than the previous formula which was based on elapsed time sailed. This means that you can win the entire race despite a poor result or sustaining damage on the boat in one of the legs.

The Whitbread race was subdivided into six legs, but 1997-98 will consist of nine. The intermediate routes entail approximately 120 days at sea and encompasses about 32,000 nautical miles.

The race begins in September 1997 off Southampton, England, with the first leg to be completed in Capetown. The subsequent legs are by way of Freemantle and Sydney, Australia, and Auckland, New Zealand.

The Pacific and South Atlantic are to be crossed this time with a new sub-goal, Sao Sebastiao, outside Sao Paulo, which broadens interest and creates possibilities for market activities in Brazil. The following leg concludes, as earlier, in Fort Lauderdale, Florida, but Baltimore, Maryland, on the U.S. east coast, has been added as a new intermediate stop raising possibilities of commercial exploitation in the U.S.

The North Atlantic is to be crossed via a new stopover at La Rochelle, France, stimulating interest in the Whitbread in France and promoting prospects of French market activities. The new French stopover also entails the assembling of the boats prior to the final leg. This will be of short duration, with a tighter-paced and more predictable finish date, planned for May 24, 1998.

## **Krantz/Nilson Team**

The Krantz/Nilson Team has been formed to initiate and conduct a project for participation in the Whitbread Round The World Race, in close co-operation with commercial partners.

The individuals behind the project initiative for Whitbread 1997-98 are Gunnar Krantz and Roger Nilson, as well as Göran Ekdahl, Odd Michael Stavnes and Lars Åhrén, who also comprise the Board of the company which has now been formed for the Krantz/Nilson Team. Odd Michael Stavnes has been named president of this company.

---

For additional information:

Roland Perlström	SVP, Public Relations, Swedish Match	tel +46-8- 658 0436
Roger Nilson	Project leader & Co-skipper/navigator	tel +46-70-797 9801
Gunnar "Gurra" Krantz	Sports Manager and Skipper	tel +46-70-797 8902

---