

APPENDIX 3.1
(referred to in paragraph 3.1)

A chronology of the major events in the sale by Stora of the CP Division

8 June 1989. Stora issued press announcement with respect to the sale of the CP Division.

July 1989. MSI, on behalf of Stora, entered into confidentiality agreements with, and circulated an offering memorandum to, 25 to 30 selected potential bidders.

September 1989. Preliminary non-binding bids received from potential bidders.

September to November 1989. Preliminary discussions were held with various potential bidders, including Gillette, concerning the nature and structure of their bids.

October to November 1989. Legal and financial 'due diligence' was conducted by various potential bidders. This included presentations by management.

October 1989. Stora's form of stock purchase agreement (or a description thereof) was delivered to the potential bidders.

October 1989. Stora was notified by Gillette in a meeting that it intended to make a bid as part of a consortium in which it would take a minority non-voting equity position and would not form part of the management or the Board of Directors of the bidding company.

Early November 1989. Bids (or indications of continued interest) were submitted by or on behalf of proposed investors in Eemland and two substantial industrial groups. Eemland was a corporate vehicle to be organised and used by a bidding group consisting of the CP Division management, various Scandinavian investors (including Procuritas), Morgan and Gillette. It was chosen as the principal bidder by Stora primarily because of the price it was prepared to pay but also because of its perceived ability to raise the financing necessary to complete the transaction and the good reputation of its proposed shareholders and their links to Sweden. (Eemland subsequently changed its name to Swedish Match NV.)

November 1989. The proposed investors in Eemland executed confidentiality agreements with Stora.

November to December 1989. The definitive stock purchase agreement was negotiated with the prospective shareholders of Eemland, especially Morgan, Gillette and Procuritas, which played an active role in settling outstanding commercial issues with Stora. In the course of the negotiations Stora was informed that the prospective investors in Eemland had requested that Stora should accept a loan note in partial payment of the proposed purchase price to complete the transaction. In these circumstances, Stora agreed to accept a non-interest-bearing loan note for SEK 300 million (approximately \$48 million) made by Eemland. Gillette has agreed, in certain events, to make payments approximating interest on the note.

20 December 1989. The definitive Stock Purchase Agreement was signed with Eemland and the initial closing (as defined in the stock purchase agreement) was held. Stora was aware that Eemland planned to on-sell certain intellectual property rights and businesses to Gillette. These rights and businesses included substantially all of Wilkinson Sword's operations outside the EC. Because of the staggered nature of the closings, Stora negotiated transitional Intellectual Property Licence Agreements with Eemland and Gillette to allow Stora to continue to operate those remaining shaving operations it had not yet transferred to Eemland but in respect of which the intellectual property had already been transferred.

30 March 1990. The 'third closing' under the Stock Purchase Agreement was held; amendment of the Stock Purchase Agreement to include the Dutch company as part of the third closing.

10 April 1990. Stora delivered to Eemland the closing balance sheet and definitive inter-company account statement as defined in the Stock Purchase Agreement.

7 June 1990. Eemland delivered its auditors' report with respect to closing balance sheet and the inter-company account statement.

15 June 1990. Stora and Eemland executed an amendment to the Stock Purchase Agreement extending the time to resolve disputes with respect to the closing balance sheet and inter-company account statement.

29 June 1990. Stora and Eemland settled outstanding disputes with respect to the closing balance sheet and inter-company account statement.

Source: MMC from Stora data.