

APPENDIX 3.3
(referred to in paragraphs 3.12 and 3.23)

Swedish Match NV: loan capital structure

notes)	Amount (\$ million)	Percentage of debt class	Percentage of total debt	Interest	Final maturity dates (see also
<i>Senior debt</i>					
Banco di Lugano, Lugano	4.9	1.2	0.8		
Bank Cantrade, Zürich	4.9	1.2	0.8		
Banque Fédérative du Crédit Mutuel, Strasbourg	4.9	1.2	0.8		
Berliner Handelsbank, London	25.0	6.1	4.2		
Kansallis-Osake-Pankki, London	15.1	3.7	2.6		
Luzerner Kantonalbank, Lucerne	2.0	0.5	0.3		
National Westminster Bank, London	49.9	12.2	8.4		
Saudi Swiss Bank, Geneva	2.9	0.7	0.5		
Sumitomo Trust & Banking Co, London	14.7	3.6	2.5		
Swiss Cantobank Intl, Zug	2.0	0.5	0.3		
Union Bank of Switzerland, Zürich	40.1	9.8	6.7		
Westdeutsche Landesbank (Europa), Copenhagen	25.0	6.1	4.2		
MGTC	<u>217.6</u>	<u>53.2</u>	<u>36.6</u>	LIBOR plus 2%	\$300m on 31.12.91; \$109m on 31.12.94
	<u>409.0</u>	<u>100.0</u>	<u>68.7</u>		
<i>Mezzanine debt</i> (see also note 4)					
Institutional:					
Underwritten and syndicated by:					
ICG	29.7	21.5	5.0		
MGTC	29.7	21.5	5.0		
Copenhagen Handelsbank	<u>9.6</u>	<u>7.0</u>	<u>1.6</u>	LIBOR plus 4%	31 December 1997
	69.0	50.0	11.6		
Lustrasilk (Gillette) (subordinated to institutional debt)	<u>69.0</u>	<u>50.0</u>	<u>11.6</u>	LIBOR plus 6%	31 December 2003 (see Note 5)
	<u>138.0</u>	<u>100.0</u>	<u>23.2</u>		
<i>Stora loan note</i>					
(Subordinated to senior and mezzanine debt)	<u>47.9</u>		<u>8.1</u>	Non-interest-bearing	
Total debt	594.9		100.0		

Source: Swedish Match NV.

Notes:

1. The senior and mezzanine debts are denominated in US dollars, but advances may be drawn as follows:

- (a) *The senior debt* may be drawn down in different currencies and the currency of the tranche may be swapped between US dollars, Deutschmarks or Sterling at the expiry of each interest period.
- (b) *The institutional mezzanine debt* may be drawn down in Sterling or Deutschmarks only and changed between them at the expiry of the first interest period.
- (c) *The Gillette mezzanine debt* may be drawn down in US dollars, Deutschmarks or Sterling, but in only one currency at a time. However, Swedish Match NV may specify the currency prior to each interest period.

The Stora loan note is denominated in Swedish Kroner with a nominal value of SEK 300 million.

2. Syndication of the senior debt, which had been underwritten by MGTC, took place in February 1990.

3. The senior debt comprised an asset sale facility of \$300 million, repayable by 31 December 1991 which is expected to be repaid out of the proceeds of sale of the matches and disposable lighters businesses; and a revolving credit facility of \$109 million repayable by 31 December 1994.

4. ICG told us that the institutional mezzanine debt is at present held in Deutschmarks as follows:

Dm million

ICG	36.4
National Westminster Bank	8.0
Saudi International Bank	6.0
MGTC	3.4
Orix	43.6
Great Leasing BV	3.4
Den Danske Bank*	<u>16.3</u>
	<u>117.1</u>

*With which Copenhagen Handelsbank has merged since December 1989.

5. Interest on the Gillette mezzanine debt is to be capitalised and not payable until the debt is repaid. The debt is repayable in 12 equal six-monthly instalments, beginning six months after the institutional mezzanine debt has been paid in full (which cannot happen until the senior debt has also been paid in full) the last instalment being due on 31 December 2003 at the latest.

6. The maturity date of the Stora loan note is the earlier of 31 December 1995 or such date as all of the senior and mezzanine debts are fully repaid.

7. As the senior and mezzanine debt may be in various currencies, the LIBOR rate will be that applicable to the currency in question.