



## Press release

16 May 2012

### Interim report January – March 2012

- **Net sales** for the first quarter amounted to SEK 1,084m (1,043). **Operating profit** was SEK 6m (77).
  - **Underlying net sales** growth for the Group was –1.8 per cent. The decrease is mainly due to weak market conditions.
  - **Underlying EBITA**, excluding items affecting comparability and changes in exchange rates, amounted to SEK 50m (74). The decrease is mainly due to higher raw material costs that have not yet been fully compensated by price increases.
  - **Cash flow from operating activities** amounted to SEK 117m (140) despite a substantial decrease in operating profit.
  - **The merger between Cloetta and LEAF** was successfully completed on 16 February 2012.
- The first quarter of the year was both rewarding and challenging. Rewarding since the merger between Cloetta and LEAF was successfully completed, and challenging mainly due to the soft market conditions and continued higher raw material costs, says Bengt Baron, CEO of Cloetta.
- In the past six months, our primary focus has been on completing the merger between Cloetta and LEAF and planning for the new joint company. In addition, we executed a rights issue as part of the merger and announced a proposal for a supply chain restructuring programme. These activities have been very time-consuming and demanded significant management attention. We have now initiated a process to integrate the two companies in order to realise synergies, primarily in Sweden. The integration work is proceeding according to plan.
- The somewhat weaker market development impacted our sales performance. Underlying net sales fell by 1.8 per cent, while reported net sales increased by 3.9 per cent, attributable to the acquisition of Cloetta. We have been able to implement price increases during the quarter to offset higher raw material costs, but not all have reached full effect yet. This, in combination with lower underlying net sales, led to a drop in underlying EBITA by 32.3%. In all essential aspects, our results for the quarter are in line with expectations.
- The merger between Cloetta and LEAF has had a good start and will contribute to a stronger and more profitable Group, says Bengt Baron.

#### For additional information contact

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*The information contained in this press release is such that Cloetta is required to disclose pursuant to the Swedish Financial Instruments Trading Act and/or the Swedish Securities Markets Act. The information was submitted for publication on 16 May 2012 at 07:30 a.m. CET.*

#### About Cloetta

Cloetta, founded in 1862, is a leading confectionary company in the Nordic region, the Netherlands, and Italy. In total, Cloetta products are sold in more than 50 countries worldwide. Cloetta owns some of the strongest brands on the market, such as Läkerol, Cloetta, Jenkki, Kexchoklad, Malaco, Sportlife, Saila, Red Band and Sperlari. Cloetta has 12 production units in six countries. Cloetta's class B-shares are traded on NASDAQ OMX Stockholm. More information about Cloetta is available on [www.cloetta.com](http://www.cloetta.com)