CLOETTA FAZER

Interim report for Cloetta Fazer

January – September 2005

THIRD QUARTER

Sustained growth for our prioritised brands

Operating profit was SEK 78 (101) million, or SEK 87 (101) million excluding non-recurring items, equal to an **operating margin** of 12.4 (13.6) per cent

JANUARY – SEPTEMBER

Net sales amounted to SEK 2,098 (2,102) million

Operating profit was SEK 188 (263) million, or SEK 231 (254) million excluding non-recurring items, equal to an **operating margin** of 11.0 (12.1) per cent

Profit after financial items was SEK 203 (274) million, or SEK 246 (265) million excluding non-recurring items

Profit after tax totalled SEK 133 (196) million

Earnings per share amounted to SEK 5.49 (8.09)

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CEO'S COMMENTS

"Cloetta Fazer continued to focus on its prioritised brands in the third quarter and sales of these products grew by 5 per cent. Due to a combination of mounting price pressure and costs arising from ongoing restructuring measures in production, operating profit fell from SEK 101 to 78 million. In all markets, we are working to strengthen our prioritised brands and optimise efficiency.

Innovation is also vital for creating growth in the confectionery business, and in 2005 Cloetta Fazer has launched more products than ever before. In our Swedish and Finnish home markets, sales of the prioritised brands were up by 10 per cent in the first nine months of the year.

The Group's sales volume has decreased compared with the previous year, mainly due to the wind-up of our Polish subsidiary. We will continue to sell the prioritised brands on the Polish market through our own sales force, which was deployed in September. Cloetta Fazer has signed an agreement to sell the Polish subsidiary's property, machinery and local brands to the Polish confectionery manufacturer Bomilla. The sale will have no effect on earnings."

SALES AND PROFIT

January – September 2005

Net sales reached SEK 2,098 (2,102) million. Sales in the Nordic market rose by 3 per cent to SEK 1,912 (1,855) million. Sales in the non-Nordic markets declined by 25 per cent to SEK 186 (247) million, mainly due to ongoing restructuring of the Polish operations.

Sales of the 12 prioritised brands rose by 8 per cent year-over-year. The highest growth was seen in the Swedish and Finnish home markets, at 10 per cent each. The Norwegian and Danish markets also showed strong sales development for the prioritised brands. A sustained high rate of product launches contributed to this growth. In the non-Nordic markets, sales of the 12 prioritised brands declined mainly due to the closure of the Polish subsidiary. Cloetta Fazer will continue to sell a selection of the prioritised brands in Poland through the new sales force that was deployed in September.

Operating profit was SEK 188 (263) million and included restructuring charges of SEK 43 million, of which SEK 29 million refers to costs for the wind-up of the Polish operations and SEK 14 million to the closure of the Norrköping plant. The year-earlier figure included a capital gain of SEK 9 million on the sale of the Norwegian associated company Brynild Salg AS. Excluding these items, operating profit was SEK 231 million for the current year and SEK 254 million for the same period of 2004. Gross profit excluding restructuring charges was SEK 712 million, a year-over-year decrease of SEK 21 million. The decrease is attributable to the third quarter, when profit was impacted by price pressure in sales and ongoing restructuring measures in production. Overheads were unchanged during the period.

In accordance with the new accounting standards (IFRS) effective as of 2005, all financial instruments are stated at fair value. This change has affected the valuation of forward exchange contracts and short-term investments, which had a positive impact of SEK 2 million on operating profit. Net financial items were only marginally affected.

Profit after financial items was SEK 203 (274) million. Net financial items amounted to SEK 15 million, compared with SEK 11 million the year before. Adjusted for non-recurring items according to the above, profit after financial items was SEK 246 million, compared with SEK 265 million in the year-earlier period. Profit after tax decreased to SEK 133 (196) million, equal to earnings per share of SEK 5.49 (8.09). Adjusted for restructuring charges and other non-recurring items affecting comparability between years, earnings per share amounted to SEK 7.13 (7.69). The period's tax expense was SEK 70 (78) million, corresponding to an effective tax rate of 34 (28) per cent. The higher tax rate is due to wind-up costs in Poland.

July – September 2005

Net sales fell by 4 per cent to SEK 709 million. Sales in the Nordic market rose by 1 per cent to SEK 652 million. The strongest growth was reported in Finland. Non-Nordic sales declined by 42 per cent to SEK 57 million, mainly as an effect of restructuring in Poland. Excluding Poland, sales were down by 3 per cent.

Sales of the 12 prioritised brands grew by 5 per cent during the period. Several successful product launches were carried out during the quarter. The miscellaneous brands and pick-and-mix categories showed a sustained falling trend. Operating profit for the third quarter was SEK 78 million, compared with the year-earlier figure of SEK 101 million. Excluding restructuring charges, profit was down by SEK 14 million compared with the previous year and amounted to SEK 87 million. The operating margin was 12.4 per cent, compared with 13.6 per cent in the year-earlier period. The ongoing

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production transfer, and related start-up problems, led to higher manufacturing costs and weaker earnings. In the Swedish market, severe price pressure caused a year-over-year drop in profit despite higher sales.

Market valuation of forward exchange contracts had a negative effect of SEK 2 million on operating profit.

Rolling 12 months

Operating profit before restructuring charges for the period October 2004 – September 2005 amounted to SEK 395 million. The operating margin was 13.1 per cent. Rolling 12-month sales were down by 1 per cent to SEK 3,020 million.

With effect from 2005, Cloetta Fazer presents its consolidated financial statements in accordance with IFRS (International Financial Reporting Standards). The comparative figures for 2004 have been correspondingly restated. The prior period information for earlier years has not been restated, for which reason no comparison with the period October 2003 – September 2004 is provided. The effects of transition to IFRS are shown under the heading "Accounting standards and other disclosures" and in table form under the heading "Transition to IFRS".

STRUCTURAL MEASURES

The wind-up of the Polish subsidiary is proceeding according to plan. An agreement was signed in September with the local Polish confectionery company Bomilla for the sale of machinery, property and local brands. The transaction will go into effect once it has been approved by the Polish competition authority, and will have no effect on earnings. The total negative charge against consolidated earnings including wind-up costs in 2005 is estimated at around SEK 50 million, as announced earlier. The wind-up is scheduled for completion during 2005.

A selection of the prioritised brands will continue to be sold on the Polish market and a new sales force has been set up for this purpose.

The closure of the Norrköping plant is proceeding according to plan. As previously reported, the wind-up costs are estimated at SEK 95 million, of which SEK 68 million was charged against profit for 2004. Most of the remaining sum of SEK 27 million will be recognised in 2005 and pertains to costs for staff reductions and production transfers. The costs so far in 2005 amount to SEK 14 million.

FINANCING AND LIQUIDITY

A continued strong cash flow has further strengthened the Group's financial position. Cash, cash equivalents and short-term investments increased to SEK 941 (765) million. Cash flow from operating activities was SEK 243 (265) million. Investments in tangible assets affected cash flow in a net amount of SEK –85 million. Liquid assets and interest-bearing receivables exceeded interest-bearing liabilities by a net amount of SEK 833 (595) million. The equity ratio at the end of the period was 79 (76) per cent.

INVESTMENTS

Gross expenditure in plant and equipment totalled SEK 85 (148) million, of which SEK 37 million pertained to investments related to the relocation of production from Norrköping to Ljungsbro and Lappeenranta. Total investments related to production restructuring are estimated at SEK 45 million. Depreciation and amortisation amounted to SEK 103 (98) million.

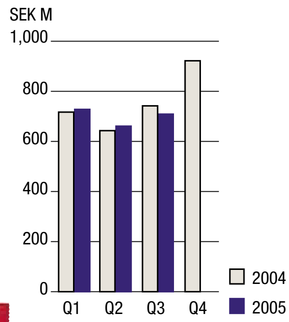
EMPLOYEES

The average number of employees in the Group during the period was 1,828 (2,003).

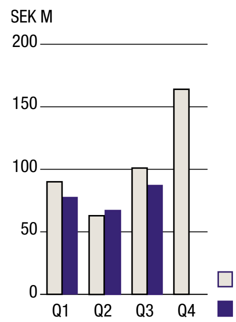
Our Top 12 brands

Fazer Blue	Kexchoklad	Dumle
Geisha	Polly	Center
Marianne	Tutti Frutti	Ässät
Pantteri	Plopp	Tyrkisk Peber

Net sales



Operating profit [1)]



1) Excluding non-recurring items

PARENT COMPANY

The Parent Company's sales are reported at SEK 58 (60) million and referred mainly to intra-group services and rents. Profit after financial items was SEK 181 (232) million. Net financial items totalled SEK 194 (234) million and included SEK 173 (214) million in dividends from subsidiaries. Cash, cash equivalents and short-term investments totalled SEK 931 (758) million.

THE CLOETTA FAZER SHARE

Cloetta Fazer's class B share is quoted on the O list of the Stockholm Stock Exchange. A round lot consists of 50 shares. A total of 1,862,564 shares were traded during the period January-September 2005. The highest bid price was SEK 255 and the lowest was SEK 206. The closing price of the share on 30 September was SEK 223. The maximum dilution effect of the outstanding subscribed employee options programme is around 0.7 per cent of the share capital and 0.3 per cent of the votes. Oy Karl Fazer Ab has increased its shareholding in Cloetta Fazer AB during the year. On 17 February 2005 Oy Karl Fazer Ab decided – in accordance with the mandatory bid rule (MBR) – to extend a public cash tender offer to the shareholders and holders of options/warrants in Cloetta Fazer AB. Following completion of Oy Karl Fazer Ab's offer, the principal shareholders controlled more than 75 per cent of the share capital in Cloetta Fazer AB, which thereby no longer met the listing requirements for ownership concentration. In view of this, the Stockholm Stock Exchange decided to place the shares in Cloetta Fazer AB on the observation segment of the O list with effect from 8 April 2005. The Stockholm Stock Exchange revised its requirements regarding concentration of ownership as of 1 July 2005. According to the new rules, at least 10 per cent of the share capital of a listed company must be in hands of the public. Following a minor sale of shares by one of the principal owners, the company met the new requirements for ownership concentration and was returned to the O list on 26 August 2005.

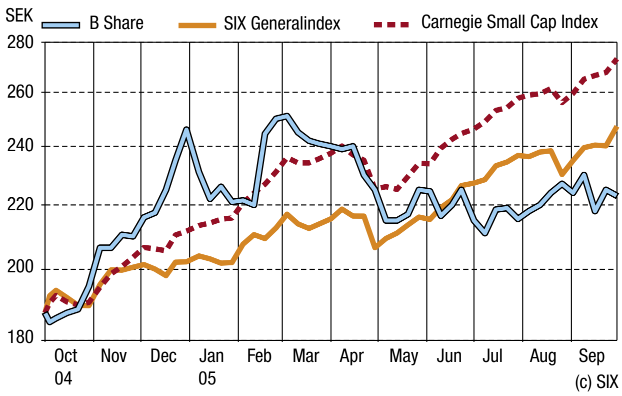
NOMINATING COMMITTEE

Cloetta Fazer's principal owners have announced the following proposed criteria for appointment of the company's Nominating Committee.

The Nominating Committee shall have three members, of which no more than one member from the company's Board of Directors. The two remaining members of the Nominating Committee shall represent the principal shareholders, but shall not be Board members. The principal owners intend to put forward this resolution at the company's next Annual General Meeting for adoption. Until then, the current Nominating Committee will continue to serve. The Nominating Committee currently consists of Anders Dreijer (representing Oy Karl Fazer Ab) and Olof Svenfelt (representing AB Malfors Promotor), the Chairman and the Deputy Chairman of Cloetta Fazer AB.

The Annual General Meeting of Cloetta Fazer will be held onThursday, 20 April 2006.

Cloetta Fazer share price development, October 2004 – September 2005



SHAREHOLDERS

Cloetta Fazer had 4,107 shareholders on 30 September 2005. The principal shareholders and institutional investors held around 95.9 per cent of the votes and 88.8 per cent of the share capital.

ACCOUNTING STANDARDS AND OTHER DISCLOSURES

General

This interim report has been prepared in compliance with IAS 34.

New accounting standards in 2005

According to a decision by the European Commission (EC) in 2002, all listed companies in the EU are required to prepare their consolidated financial statements in compliance with the accounting standards established by the International Accounting Standards Board, IASB, with effect from 2005. These standards are known as IFRS (International Financial Reporting Standards) and IAS (International Accounting Standards, adopted prior to 2002). The effects of transition to IFRS on Cloetta Fazer's profit and financial position have been previously described in the year-end report and annual report for 2004. In the interim report, the effects are presented in table form under the heading "Transition to IFRS". Compared with the year-end report and annual report, minor adjustments have had a marginal effect on shareholders' equity in the opening balance. The IAS/IFRSs to be applied with effect from 2005 are those that have been endorsed by the European Commission. IFRS 1 deals with first time adoption of IFRS. According to the main rule, these standards must be applied retrospectively for restatement of prior

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period comparative information. There are several exceptions to this main rule. According to the exemptions allowed under IFRS 1, Cloetta Fazer will not restate comparative information for years prior to 2004. Consequently, the balance sheet at 1 January 2004, the "opening balance", is the starting date for presentation of the Group's financial position in compliance with IFRS. Furthermore, business combinations occurring prior to 2004 are accounted for according to the previous accounting standards to the extent that these are not in violation of the transitional rules in IFRS 1. No acquisitions were carried out during 2004.

IFRS 3 Business Combinations,
IAS 38 Intangible Assets
According to IFRS 3/IAS 38, goodwill and other intangible assets with indefinite useful lives may no longer be written off. Instead, they must be tested for impairment annually, or more frequently if circumstances indicate a possible impairment. In the closing balance at 31 December 2003, these intangible assets amounted to SEK 236 million and referred primarily to goodwill and brands from the acquisition of Candelia AB in 1998. Amortisation in 2004 according to the previously applied standards amounted to SEK 18 million, corresponding to an amortisation period of 20 years. In restatement of 2004, this amortisation has been added back. Other intangible assets at 31 December 2003 include an item of SEK 10 million pertaining to a power supply contract. The book value constitutes a written-up value, which is not consistent with IAS 38. Consequently, this value has been written down to zero against shareholders' equity in the opening balance.

IAS 32 Financial Instruments,
IAS 39 Hedge Accounting
These recommendations deal with recognition and measurement of financial instruments. Cloetta Fazer applies IAS 39 with effect from 2005. According to an elective exemption, retrospective restatement is not required. Compared with the previously applied standards, all financial derivatives must be stated in the balance sheet at fair value. Changes in the fair values of these derivatives are recognised in the profit and loss account unless they are designated as hedging instruments and their hedge effectiveness can be determined. In the latter case, changes in fair value are recognised directly in equity until the hedged transaction affects profit or loss. Cloetta Fazer uses forward contracts to hedge flows in foreign currency. Until further notice, the rules for hedge accounting according to IAS 39 will not be applied by Cloetta Fazer. Changes in value are thus recognised immediately the profit and loss account, which may give rise to short-term differences compared with the earlier standards.

IAS 7 Cash Flow Statements
Liquid assets consist of cash, cash equivalents and short-term investments with a maturity of three months or less. Changes in investments with a maturity of more than three months are recognised as cash flow from investing activities. This classification is applied with effect from the annual financial statements for 2004. The transition to IFRS has not affected the cash flow statement.

Other changed accounting standards affecting the balance sheet at 1 January 2004 compared with the balance sheet at 31 December 2003
IAS 19 prescribes the procedures for reporting of employee benefits. This recommendation corresponds to RR 29, Employee Benefits, which is applied with effect from 1 January 2004. Information about the effect on shareholders' equity was provided in the interim report for the first quarter of 2004. Consequently, the application of IAS 19 will not have any additional effects on profit and financial position, for which reason the adoption of IAS 19 is not reported among transitional effects.

Related party disclosures
Sales of goods and services to companies in the Fazer Group made up 2.7 (2.7) per cent of total sales. Of other operating revenue (excluding capital gains), 15.8 (15.6) per cent referred to services sold to related parties. Purchases from related parties were negligible. Buying and selling of goods and services between closely related companies has been carried out at market-based prices. Transactions with these companies amounted to a net receivable of SEK 7 (6) million.

Stockholm, 19 October 2005

Cloetta Fazer AB (publ)
The Board of Directors

The information in this report has not been reviewed by the company's auditors.

Summary consolidated profit and loss accounts[1)]

SEK M	Third quarter 2005	2004	First 9 months 2005	2004	Rolling 12 months	Full year 2004
Net sales	**709**	742	**2,098**	2,102	3,020	3,024
Cost of goods sold	**–482**	–484	**–1,429**	–1,369	–2,062	–2,002
Gross profit	**227**	258	**669**	733	958	1,022
Selling and administrative expenses	**–158**	–167	**–516**	–517	–702	–703
Share in profit of associated companies	**0**	0	**0**	0	1	1
Other operating income	**9**	10	**35**	47	50	62
Other operating expenses	**0**	0	**0**	0	–2	–2
Operating profit	**78**	101	**188**	263	305	380
Financial items	**2**	2	**15**	11	20	16
Profit after financial items	**80**	103	**203**	274	325	396
Tax	**–24**	–30	**–70**	–78	–99	–107
Net profit for the period	**56**	73	**133**	196	226	289
The period's net profit attributable to:						
Equity holders of the Parent Company	**56**	73	**132**	195	225	288
Minority interest	**0**	0	**1**	1	1	1
Earnings per share						
- before dilution	**2.34**	3.01	**5.49**	8.09	9.36	11.96
- after dilution	**2.34**	3.01	**5.49**	8.07	9.37	11.95

Comparison disclosures
Profit was affected by the following non-recurring items affecting comparability between years:

	Third quarter 2005	2004	First 9 months 2005	2004	Rolling 12 months	Full year 2004
Cost of goods sold						
Closure of Norrköping plant	**–7**	0	**–14**	0	–82	–68
Wind-up of operations in Poland	**–2**	0	**–29**	0	–44	–15
Adjustment of pension provision in Finland	**0**	0	**0**	0	26	26
Total cost of goods sold	**–9**	0	**–43**	0	–100	–57
Selling and administrative expenses						
Adjustment of pension provision in Finland	**0**	0	**0**	0	10	10
Other operating income						
Gain on the sale of associated company	**0**	0	**0**	9	0	9
Effect on operating profit	**–9**	0	**–43**	9	–90	–38
Tax	**2**	0	**4**	0	13	9
Effect on net profit	**–7**	0	**–39**	9	–77	–29

Summary consolidated profit and loss account in Euro[1)]

EUR M	Third quarter 2005	2004	First 9 months 2005	2004	Rolling 12 months	Full year 2004
Net sales	**75.6**	81.0	**227.6**	229.4	329.5	331.3
Cost of goods sold	**–51.5**	–52.9	**–155.0**	–149.4	–224.9	–219.3
Gross profit	**24.1**	28.1	**72.6**	80.0	104.6	112.0
Selling and administrative expenses	**–16.8**	–18.2	**–56.0**	–56.4	–76.6	–77.0
Share in profit of associated companies	**0.0**	0.0	**0.0**	0.0	0.1	0.1
Other operating income	**1.0**	1.1	**3.8**	5.1	5.5	6.8
Other operating expenses	**0.0**	0.0	**0.0**	0.0	–0.2	–0.2
Operating profit	**8.3**	11.0	**20.4**	28.7	33.4	41.7
Financial items	**0.2**	0.2	**1.6**	1.2	2.1	1.7
Profit after financial items	**8.5**	11.2	**22.0**	29.9	35.5	43.4
Tax	**–2.6**	–3.3	**–7.6**	–8.5	–10.8	–11.7
Net profit for the period	**5.9**	7.9	**14.4**	21.4	24.7	31.7
The period's net profit attributable to:						
Equity holders of the Parent Company	**5.9**	7.9	**14.3**	21.3	24.6	31.6
Minority interest	**0.0**	0.0	**0.1**	0.1	0.1	0.1

1) The comparative figures for 2004 and rolling 12 months have been restated to IFRS

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Summary consolidated profit and loss accounts by segment

SEK M	Third quarter 2005	Third quarter 2004	First 9 months 2005	First 9 months 2004	Rolling 12 months	Full year 2004
Net sales						
Nordic countries	**652**	644	**1,912**	1,855	2,756	2,699
Other markets	**57**	98	**186**	247	264	325
Total net sales	**709**	742	**2,098**	2,102	3,020	3,024
Operating profit						
Nordic countries[1]	**82**	93	**220**	250	354	384
Effect of transition to IFRS	**0**	5	**0**	14	4	18
	82	98	**220**	264	358	402
Other markets[2]	**–4**	3	**–32**	–1	–53	–22
Total operating profit	**78**	101	**188**	263	305	380
[1] Of which, non-recurring items	**–7**	0	**–14**	9	–46	–23
[2] Of which, non-recurring items	**–2**	0	**–29**	0	–44	–15
	–9	0	**–43**	9	–90	–38

Quarterly data[1]

SEK M	Q1 2005	Q2 2005	**Q3 2005**	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Full year 2004
Net sales	728	661	**709**	717	643	742	922	3,024
Operating profit	66	44	**78**	99	63	101	117	380
Operating profit[2]	77	67	**87**	90	63	101	164	418
Operating margin, %[2]	10.6	10.0	**12.4**	12.5	9.9	13.6	17.8	13.8
Earnings per share, SEK	1.93	1.22	**2.34**	3.18	1.90	3.01	3.87	11.96
Cash flow from operating activities	152	24	**67**	124	45	96	212	477

[1] The comparative figures for 2004 have been restated to IFRS

[2] Excluding non-recurring items

Summary consolidated balance sheets[1]

SEK M	**30 Sept 2005**	30 Sept 2004	31 Dec 2004
Intangible assets	**243**	248	247
Tangible assets	**963**	1,062	975
Financial assets	**18**	20	18
Inventories	**324**	360	280
Current receivables	**415**	450	481
Short-term investments	**248**	470	407
Cash, cash equivalents and short-term investments	**693**	295	553
Assets held for resale	**23**	–	–
Total assets	**2,927**	2,905	2,961
Shareholders' equity	**2,306**	2,200	2,292
Provisions	**270**	312	271
Long-term liabilities	**0**	0	0
Current liabilities	**351**	393	398
Total shareholders' equity and liabilities	**2,927**	2,905	2,961

Specification of changes in shareholders' equity[1]

SEK M	**30 Sept 2005**	30 Sept 2004	31 Dec 2004
Opening balance equity, 1 January	**2,292**	2,159	2,159
Effect of changed accounting standard[2]	**–**	–30	–30
Adjusted equity	**2,292**	2,129	2,129
Conversion of convertible debenture loan	**–**	8	8
Dividends	**–145**	–133	–133
Translation differences	**26**	–	–1
Net profit for the period	**133**	196	289
Closing balance equity, end of period	**2,306**	2,200	2,292
Minority interest in equity	**2**	2	2

[1] The comparative figures for 2004 have been restated to IFRS

[2] Changed accounting standard for pensions. See further information about IAS 19/RR29 on page 5.

Summary consolidated cash flow statements

SEK M	Third quarter 2005	Third quarter 2004	First 9 months 2005	First 9 months 2004	Rolling 12 months	Full year 2004
Cash flow from operating activities	**67**	96	**243**	265	455	477
Investing activities						
Sale of associated company	**0**	0	**0**	53	0	53
Net investment in fixed assets	**–32**	–36	**–85**	–145	–108	–168
Change in short-term investments[1]	**96**	–2	**159**	–247	222	–184
Cash flow from investing activities	**64**	–38	**74**	–339	114	–299
Financing activities						
Change in interest-bearing liabilities	**0**	5	**–30**	–15	–25	–10
Dividends to shareholders including minority	**0**	0	**–145**	–133	–145	–133
Cash flow from financing activities	**0**	5	**–175**	–148	–170	–143
The period's cash flow	**131**	63	**142**	–222	399	35
Liquid assets at beginning of period	**564**	232	**553**	516	295	516
Translation difference in liquid assets	**–2**	0	**–2**	1	–1	2
Liquid assets at end of period[1]	**693**	295	**693**	295	693	553
1) Cash, cash equivalents and short-term investments < 3 months	**693**	295	**693**	295	693	553
Short-term investments > 3 months	**248**	470	**248**	470	248	407
	941	765	**941**	765	941	960

Key ratios

	First 9 months 2005	First 9 months 2004	Full year 2004
Profit after financial items, SEK M	**203**	274	396
Earnings per share, SEK	**5.49**	8.09	11.96
Earnings per share, SEK[1]	**7.13**	7.69	11.72
Operating margin, %[1]	**11.0**	12.1	13.8
Return on capital employed, %[1,2]	**17.5**	19.9[3]	18.6
Return on equity after tax, %[1,2]	**13.7**	14.6[3]	14.2
Net receivable, SEK M	**833**	595	829
Equity ratio, %	**78.8**	75.6	77.4
Equity per share, SEK	**95.56**	91.03	94.98
Average number of employees	**1,828**	2,003	1,981
Number of shares at end of period	**24,119,196**	24,119,196	24,119,196
Average number of shares during the period	**24,119,196**	24,094,237	24,100,477
Number of shares upon full conversion	**24,119,196**	24,119,196	24,119,196
Number of shares added upon exercise of outstanding options/warrants	**165,000**	213,200	188,200

1) Excluding non-recurring items affecting comparability between years 2) Calculated on a rolling 12-month basis 3) Not restated to IFRS

Transition to IFRS, Summary consolidated profit and loss accounts

	Third quarter			First 9 months			Full year		
	2004	2004	2004	2004	2004	2004	2004	2004	2004
SEK M		Adjustment to IFRS	IFRS		Adjustment to IFRS	IFRS		Adjustment to IFRS	IFRS
Net sales	742		742	2,102		2,102	3,024		3,024
Cost of goods sold	–484	0	–484	–1,370	1	–1,369	–2,003	1	–2,002
Gross profit	258	0	258	732	1	733	1,021	1	1,022
Selling and administrative expenses	–172	5	–167	–530	13	–517	–720	17	–703
Share in profit of associated companies	–	–	–	–	–	–	1	–	1
Other operating income	10		10	47		47	62		62
Other operating expenses	–	–	–	–	–	–	–2	–	–2
Operating profit	96	5	101	249	14	263	362	18	380
Financial items	2		2	11		11	16		16
Profit after financial items	98	5	103	260	14	274	378	18	396
Tax	–30	0	–30	–77	–1	–78	–106	–1	–107
Minority share in profit for the period	0	0	0	–1	1	–	–1	1	–
Net profit for the period	68	5	73	182	14	196	271	18	289
The period's amortisation of goodwill and brands		5			14			18	
Tax		0			–1			–1	
Minority share		0			1			1	
Net amount		5			14			18	

Transition to IFRS, Summary consolidated balance sheets

SEK M	30 Sept 2004	Adjustment to IFRS 2004	30 Sept 2004, IFRS	31 Dec 2004	Adjustment to IFRS 2004	31 Dec 2004, IFRS
Intangible assets	244	4	248	239	8	247
Tangible assets	1,062		1,062	975		975
Financial assets	20		20	18		18
Inventories	360		360	280		280
Current receivables	450		450	481		481
Short-term investments	470		470	407		407
Liquid assets	295		295	553		553
Total assets	2,901	4	2,905	2,953	8	2,961
Shareholders' equity	2,192	8	2,200	2,280	12	2,292
Minority interests	2	–2	0	2	–2	0
Provisions	314	–2	312	273	–2	271
Long-term liabilities			0	–		0
Current liabilities	393		393	398		398
Total shareholders' equity and liabilities	2,901	4	2,905	2,953	8	2,961
Adjustments in the opening balance						
Write-down of power supply contract		–10			–10	
Minority interest in equity		–2			–2	
Deferred tax		–3			–3	
The period's adjustments						
The period's amortisation of goodwill and brands		14			18	
Deferred tax		1			1	

Transition to IFRS, Specification of changes in shareholders' equity

SEK M	30 Sept 2004	Adjustment to IFRS 2004	30 Sept 2004, IFRS	31 Dec 2004	Adjustment to IFRS 2004	31 Dec 2004, IFRS
Opening balance equity, 1 January 2004	2,164	–5	2,159	2,164	–5	2,159
Effect of changed accounting standard	–30		–30	–30		–30
Adjusted equity	2,134	–5	2,129	2,134	–5	2,129
Conversion of convertible debenture loan	8		8	8		8
Dividends	–132	–1	–133	–132	–1	–133
Translation differences	–		0	–1		–1
Net profit for the period	182	14	196	271	18	289
Closing balance equity, end of period	2,192	8	2,200	2,280	12	2,292
Adjustments in the opening balance						
Write-down of power supply contract			–10			–10
Deferred tax			3			3
Minority interest in equity			2			2
Total, 1 January 2004			–5			–5
The period's adjustments						
Adjustments in the profit and loss account			14			18
Dividends to minority during the year			–1			–1
			13			17
Total effect on shareholders' equity			8			12

Transition to IFRS, Key ratios

	First 9 months			Full year		
	2004	2004 Adjustment to IFRS	2004 IFRS	2004	2004 Adjustment to IFRS	2004 IFRS
Profit after financial items, SEK M	260	14	274	378	18	396
Earnings per share, SEK	7.55	0.54	8.09	11.23	0.73	11.96
Operating margin, %	11.4	0.7	12.1	13.2	0.6	13.8
Return on capital employed, %	19.9	[1]	19.9 [1]	17.8	0.8	18.6
Return on equity after tax, %	14.6	[1]	14.6 [1]	13.4	0.8	14.2
Equity ratio, %	75.6	0.0	75.6	77.2	0.2	77.4
Equity per share, SEK	90.88	0.15	91.03	94.52	0.46	94.98

[1] Calculated on a rolling 12-month basis, October 2003 – September 2004, for which reason these figures are not restated to IFRS

CLOETTA FAZER

Key events during the third quarter

- In August the Stockholm Stock Exchange announced that trading of shares in Cloetta Fazer AB would be resumed on the O list after the company fulfilled the new listing requirements for concentration of ownership introduced by the exchange on 1 July 2005.
- In September Cloetta Fazer deployed its local sales force in Poland. Cloetta Fazer's future strategy is to market and sell the company's strongest brands on the Polish market.
- The Polish subsidiary, including local production, was wound up after several years of losses mainly caused by a weak market position and aggressive price competition. In September Cloetta Fazer signed an agreement to sell the Polish subsidiary's properties, land, machinery and local brands to the Polish confectionery producer Bomilla.
- During the third quarter, Cloetta Fazer launched new products such as Dumle Mini Bites and Kina Pretzels in Sweden.
- Third quarter launches in Finland included Fazer Blue Marianne Crisp, Polly Cappuccino Mint and Dumle Mini Bites. Fazer Blue Marianne Crisp is one of the most successful launches of all time in the Fazer Blue family, and in the month of September sold more than all other new confectionery products on the Finnish market combined.

The Cloetta Fazer Group is the Nordic region's leading confectionery company, with a market share of around 22 per cent. The company has production facilities in Sweden and Finland. Cloetta Fazer's strength lies in its many popular brands, such as Fazer Blue, Kexchoklad, Dumle, Geisha, Polly and Center. The average number of employees is around 1,800 and annual sales in 2004 amounted to approximately SEK 3 billion.

Annual General Meeting 2006

The Annual General Meeting of Cloetta Fazer AB will be held on Thursday, 20 April 2006, 3:00 p.m., at Cloetta Center, Gumpekullavägen 1 in Linköping, Sweden.

Financial calendar 2006

- Year-end report 2005 – 10 February 2006
- Annual Report 2005 – early April 2006
- Interim reports
  - First quarter 2006 – 20 April 2006
  - Second quarter 2006 – 17 August 2006
  - Third quarter 2006 – 19 October 2006

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The annual report and quarterly reports are also published at

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