

## Press Release

14 October 2008

### **Year-end report 1 January – 31 August 2008:** **Cloetta Fazer reports growth in sales**

**Cloetta Fazer's net sales for July-August 2008 rose by 7% to SEK 510 million (476). Operating profit was SEK 47 million (48), with an operating margin of 9.2% (10.1). The Extraordinary General Meeting on 25 July 2008 approved an amendment to the Articles of Association entailing a change of financial year from the calendar year to the period from 1 September to 31 August. The first new financial year is an abbreviated year from 1 January to 31 August 2008.**

Net sales for the 8-month period rose by 8% to SEK 2,030 million (1,874). Excluding a goodwill impairment arising from the demerger, operating profit was SEK 101 million (160). The operating margin, excluding impairment, was 5.0% (8.5).

“The eight months from January to August have been a challenge,” says the Cloetta Fazer's CEO Jesper Åberg. “Operating profit has been weakened by increased manufacturing costs and higher selling and marketing expenses, of which the higher manufacturing costs are an effect of rising prices for cocoa, fresh milk and energy. In response to this, we will be forced to further raise our market prices while taking continuous measures to optimise internal efficiency.”

“We are fast approaching Christmas, the most important sales period of the year in the confectionery business. In view of the positive response our customers have shown to the year's Christmas product offering and campaigns, I look forward to the holiday season with confidence.”

The new Cloetta company and new Fazer Confectionery division will commence their respective new operations around year-end 2008, at which time they will be fully demerged. Already in December, the Cloetta share will be listed on the OMX Nordic Exchange Stockholm. An agreement has been signed between the new Cloetta and Fazer Confectionery to continue a certain collaboration in production and logistics.

*The information from Cloetta Fazer contained herein is subject to the disclosure requirements in the Swedish Securities Market Act and the Financial Instruments Trading Act. The information was submitted for publication on 14 October 2008, 6.00 p.m. CET.*

#### **About Cloetta Fazer**

*Cloetta Fazer 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 Karl Fazer, Kexchoklad, Dumle, Geisha, Polly and Center. The average number of employees is around 1,600 and annual sales amount to approximately EUR 357 million.*

*For further information contact Jesper Åberg, Managing Director and CEO of Cloetta Fazer, mobile +46 70-180 21 01, or Curt Petri, CFO, mobile +46 70-593 21 69. Website: [www.cloettafazer.com](http://www.cloettafazer.com).*