

## Press release

16 August 2005

# Improved sales and profit in the second quarter

- Second quarter sales climbed by 3 per cent to MSEK 661 (643)
- Sales in the Nordic market increased during the second quarter by 6 per cent to MSEK 605 (573)
- Sales of the Top 12 brands were up by 9 per cent during the second quarter
- Operating profit excl. non-recurring items rose 6 per cent during the second quarter to MSEK 67
- Sales for the first half of 2005 reached MSEK 1,389 (1,360)
- Operating profit excl. non-recurring items for the first half of the year was MSEK 144 (153)

“Cloetta Fazer delivered strong results for the second quarter,” says CEO Karsten Slotte. “The Group has shown robust volume growth. Our sales in Finland continue to rise despite declining growth in the total market. Sales in Sweden grew in volume but decreased somewhat in value due to severe price pressure.”

“Our other markets are also benefiting from our strategy to rationalise the product range and streamline distribution. Our performance has been especially strong in Denmark, Norway and the Baltic countries, where both sales and profitability have improved.”

Sales have declined in Poland, where the closure of the Gdansk plant is scheduled for completion at the end of August. Cloetta Fazer will continue to sell its brands in the Polish market.

Combined sales of the company's Top 12 brands were up by 9 per cent in the second quarter. As part of the focus on the prioritised brands, a number of new products and flavours were launched in the spring. Launches in Sweden included the new Polly countline, Polly Cappuccino Mint, Polly Fruities, Plopp Caramel and Tutti Frutti Exotic. In Finland, the company launched products like Kismet Snacks, Kismet Choco and Pantteri Duo.

### **About Cloetta Fazer**

*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 1,900 and annual sales in 2004 amounted to approximately SEK 3 billion.*

*For additional information contact Karsten Slotte, Managing Director and CEO, mobile +46 (0)70-687 9922 or Curt Petri, CFO, mobile +46 (0)70-593 2169.*

[www.cloettafazer.com](http://www.cloettafazer.com)