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Press Release

16 June 2008

Cloetta Fazer AB to de-merge into Cloetta and Fazer Confectionery

The principal owners of Cloetta Fazer AB (publ) (“Cloetta Fazer”) – Oy Karl Fazer Ab (“Fazer”, or “Fazer Group”) and AB Malfors Promotor (“Malfors”) – who together own approximately 78.5 percent of the votes in Cloetta Fazer, have struck an agreement concerning a de-merger of Cloetta Fazer. Through the de-merger, Cloetta Fazer creates the two future companies Cloetta and Fazer Confectionery. The new Cloetta intends to apply for a listing on the OMX Nordic Exchange Stockholm. Fazer Confectionery will be consolidated in the privately held Fazer Group.

- Cloetta Fazer is de-merging into Cloetta and Fazer Confectionery
- The de-merger will be carried out in two steps:
 - Step 1 – Distribution of the shares in new Cloetta as dividend
 - The shareholders of Cloetta Fazer will receive a dividend of one share in the new Cloetta for every share in Cloetta Fazer
 - One share of class A in Cloetta Fazer will entitle the holder to one share of class A in the new Cloetta, and one share of class B in Cloetta Fazer will entitle the holder one share of class B in the new Cloetta. The distribution of shares as dividend is carried out according to Lex ASEA
 - Step 2 – An offer for the “remaining” Cloetta Fazer (to become Fazer Confectionery)
 - Fazer today announces a public offer to the shareholders of Cloetta Fazer consisting of a cash part of SEK 202 and 0.92 shares of class B in the new Cloetta for every share in Cloetta Fazer
- The offer is conditional upon the distribution of new Cloetta shares as dividend to the shareholders of Cloetta Fazer
- The intention is to successfully complete the de-merger by January 2009
- The shares of Cloetta Fazer will be listed on OMX the Nordic Exchange at least until the offer has been completed, which is estimated for January 2009
- All outstanding legal issues between the principal shareholders are terminated with immediate effect

“We are pleased to be able to present an agreement between the principal shareholders of Cloetta Fazer; Fazer and Malfors. Through the de-merger two new strong companies will be created with the full capacity to take on future challenges. The work to achieve this agreement has been carried out in a positive spirit from the two principal shareholders, says Lennart Bylock, who together with Wilhelm Lüning has been appointed by the principal shareholders to lead the mediation discussions.

“The merger has been successful from an operational point of view and all of our employees have together done a great job. The de-merger has nothing to do with the operations, where the objectives regarding profitability, initially set when the confectionery departments of Cloetta and Fazer was merged, has been successfully achieved. The decision to de-merge the company is based on disagreements between the principal shareholder’s views on the long-term ownership of the company.

Consequently, we are relieved that the conflicts have come to an end. This was crucial for the future development of the company, says Anders Dreijer, Chairman of the board at Cloetta Fazer.

“Whilst we are sorry to see the end of this operationally successful merger, we are looking forward to developing Fazer’s confectionery business under our own management. Sweden is our other domestic market, and we perceive major potential for growth for our entire operation here, but also on all our other markets such as Russia. Our aim is to offer more Fazer products and services on all our markets,” says Karsten Slotte, President of Fazer Group.

”The mediators have been very successfully at taken the interest of both owners into consideration and past disagreement can now be put behind us. As one of the principal shareholders I am pleased that Cloetta will have a future as a listed company which creates opportunities for future growth. This creates the possibilities of a broader ownership, e.g. for the employees of the group.” says Olof Svenfeldt, CEO Malfors

The mediators have, in addition to law firm Cederqvist, appointed Erneholm and Haskel as financial advisor and Brunswick as communications advisor.

A joint press conference will be held led by the mediators today in Stockholm, World Trade Center, conference room New York, at 10.00. For participation, please email to information@cloettafazer.se.

There is a possibility to listen in on the conference. Please use the following dial-ins:
SE: +46 (0)8 505 598 53

For further details, please contact:

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The information from Cloetta Fazer contained herein is subject to the disclosure requirements in the Swedish Securities Market Act. The information was submitted for publication on 16 June 2008, 08:00 a.m. CET.

Appendix 1: Press release: Fazer announces public offer to the shareholders of Cloetta Fazer

Appendix 2: Press release from Cloetta Fazer

Appendix 3: Press release from Fazer

Appendix 4: Press release from Malfors

Background

Cloetta Fazer, the largest chocolate and confectionery producer in the Nordic region, is listed on the OMX Nordic Exchange Stockholm. During the spring of 2008, the two principal shareholders Fazer and Malfors have been participating in a mediator discussion led by the former board members Lennart Bylock and Wilhelm Lünig in order to resolve the differences of opinion between the two principal shareholders. The purpose has been to, based on the mediator discussion, find a proposed solution ahead of Cloetta Fazer's annual general meeting at the 16th of June 2008 which benefit both the company and its shareholders in general.

The agreement in short

The agreement between the principal shareholders, which is based on the proposal from the mediators, means that the operations in Cloetta Fazer will be de-merged into the two new companies Cloetta and Fazer Confectionery.

Through the de-merger, new Cloetta will hold the exclusive rights to the umbrella brands Cloetta and Karamellpojken, with product brands such as Kexchoklad, Center, Plopp, and Extra Starka. The company will have production facilities in Ljungsbro and Alingsås. Curt Petri, currently Deputy Managing Director and CFO in Cloetta Fazer will be appointed CEO and President for new Cloetta. Eva Persson will be Managing Director for Cloetta's operations in Sweden.

Through the de-merger, Fazer will hold the exclusive rights to the brand Fennonbon and Fazer's related product brands such as Dumle, Geisha, Marianne, Tutti Frutti, Ässä, Pantteri/Salta Katten and Turkisk Peber. Fazer has historically owned the rights to the brands Fazer, Karl Fazer. The company will have production facilities in Vantaa, Lappeenranta and Karkkila. Jesper Åberg, currently Managing Director and CEO of Cloetta Fazer, will be appointed as Managing Director for Fazer's division Fazer Confectionery following the de-merger. Shortly, a person will be commissioned to build Fazer's Swedish operations.

The future operations of the two companies are described in further details further down in the press release.

As a first step of the agreement, the shareholders of Cloetta Fazer are proposed to receive shares in the new Cloetta distributed as dividend. General meeting to resolve on the dividend is planned to be held during the autumn 2008. The dividend will be carried out according to the Lex-ASEA rules. The distribution of shares in the new Cloetta is proposed to be carried out in proportion to the individual shareholdings in Cloetta Fazer. For every A share in Cloetta Fazer a new A-share in new Cloetta will be received and for every B-share in Cloetta Fazer a B-share in new Cloetta will be received. The shares in the new Cloetta are intended to be listed on the OMX Nordic Exchange Stockholm in connection to the distribution of the shares as dividend. Following a decision at the general meeting, the shareholders in Cloetta Fazer will receive the shares in new Cloetta without any further activities.

Further, Fazer has today presented a public offer (the "Offer") to the shareholders of Cloetta Fazer, Appendix 1. Fazer's Offer refers to an acquisition of all shares in the remaining Cloetta Fazer (to become Fazer Confectionery). The Offer consideration consists of a cash part of SEK 202 and 0.92 shares of class B in the new Cloetta for every share in Cloetta Fazer. The Offer is conditioned by the distribution of new Cloetta shares as dividend to the shareholders of Cloetta Fazer.

Possible remaining shares in the new Cloetta received by Fazer after having paid the consideration will be acquired by Malfors at a price of SEK 45.60. This price shall not be deemed as market value, but forms part of the principal shareholders' agreement. Malfors has committed to offer the shareholders in Cloetta Fazer that has accepted the offer, in proportion to the number of shares in Cloetta Fazer that the respective shareholders have tendered in the Offer, to acquire these shares from Malfors at the same conditions as offered to Malfors. In order to avoid that Malfors is given special treatment as shareholder

in Cloetta Fazer, this construction has been confirmed by the Swedish Securities Council (Statement 2008:18).

For the shareholders in Cloetta Fazer the agreement between the principal shareholders opens up for the possibility to receive in total 202 SEK in cash and 1.92 shares in new Cloetta for every share in Cloetta Fazer (one share through dividend and 0.92 shares and SEK 202 cash through the offer).

In connection with the agreement, both parties have decided to terminate all ongoing legal proceedings in Sweden and Finland with immediate effect.

Pro forma figures and description of new Cloetta and Fazer Confectionery

The new Cloetta

The new Cloetta will consist of operations under the umbrella brands Cloetta and Karamellpojken with product brands such as Kexchoklad, Center, Plopp, Polly and Extra Starka. The company will have production facilities in Ljungsbro and Alingsås. The new Cloetta's biggest market will be Sweden, with a share of sales of approximately 80 percent of net sales and Norway as the second biggest market. The company's pro-forma net sales 2007 amounted to MSEK 850 (see further below).

The new Cloetta will, during a transition period of approximately 12-18 months following the establishment at September 1st 2008, have costs to launch a new organisation, with the commercial organisation being prioritised, a new corporate identity and any other costs that could appear following the de-merger. The new Cloetta is, based on these costs, estimated to report an operating margin that will, during the transition period, be lower than the margin reported pro-forma for 2007. Following the transition period, the new Cloetta is estimated to reach an operating margin in line with that of the pro-forma report. Financial targets will be formulated in the prospectus presented in connection with the distribution and listing of the company.¹ Further, the company sees good growth opportunities for the new Cloetta, e.g. through increased focus on Cloetta's product brands, new sales assignments and sales of Cloetta's products at new markets.

Preliminary pro forma financial information

Please find below a summary of the preliminary pro-forma figures for 1 January – 31 December 2007 including operating profit and a preliminary pro-forma for operating capital as per 31 December 2007. Pro-forma figures will be described in further detail in the prospectus that will be distributed to Cloetta Fazer's shareholders ahead of the distribution of dividend and the intended listing of the new Cloetta.

The new Cloetta is estimated as per 31 August 2008 to have net receivables of MSEK 160.

Adjustments to the pro-forma financial statements for the new Cloetta and Fazer Confectionery's results 2007:

- The income statement of the new Cloetta mainly consists of Cloetta Fazer Sverige AB ("CFS"), which is intended to become the operating company for the new Cloetta and where all operations relation to the umbrella brand Cloetta have been carried out over the past years.
- CFS is today also responsible for sales of products under the umbrella brand Fazer at the Swedish market. As sales of Fazer's products are intended to remain in Cloetta Fazer (Fazer Confectionery), at the detachment of new Cloetta, the net sales from these products have reduced CFS's net sales.² Fazer's products relates to 40 percent of CFS's net sales 2007. Due to decreased economies of scale, Cloetta is not estimated to be able to reduce costs in the same range as the net sales decrease. CFS's operating costs have thus been adjusted downwards by 33

¹ The prospectus will be part of the offering documentation that Fazer will create as part of the offer.

² During a transition period, CFS will keep the responsibility for the sale of Fazer's products in Sweden.

percent. The fact that the operating costs have been reduced by 33 percent instead of 40 percent means that the pro-forma net profit in new Cloetta is decreased by MSEK 24.

- Net sales and operating profits of AB Karamellpojlkarna ("Karamellpojlkarna") for the period 1 January – 31 December 2007 have been added to the pro forma figures. Karamellpojlkarna was consolidated in Cloetta Fazer's figures 1 October 2007
- Fazer Confectionery's pro forma net sales and operating profit consist of the difference between Cloetta Fazer and new Cloetta's proforma net sales and proforma operating profit. New Cloetta's proforma operating profit has been adjusted down with MSEK 24. Also, Fazer Confectionery will have some costs related to the transition and will be effected by reduced economies of scale in the same way as new Cloetta. The reduced economies of scale also results in Fazer Confectionery's pro-forma operating profit being adjusted downwards by MSEK 25 (thus, this entails an adjustment of Fazer Confectionery's proforma operating profit with in total MSEK 49)

Pro-forma adjustments regarding Cloetta's and Fazer Confectionery's operating capital.

- The new Cloetta's operating capital consists of operating capital in CFS and Karamellpojlkarna
- Properties in Ljungsbro and the umbrella brand rights, Cloetta and Karamellpojlkarna are parts of new Cloetta
- Working capital related to Fazer products is part of Cloetta's operating capital as the company, during a transition period, is intended to be responsible for the sales of these products at the Swedish market.
- Fazer Confectionery's pro forma operating capital consists of the difference between Cloetta Fazer's and new Cloetta's operating capital

<u>Pro-forma results 2007, MSEK</u>	<u>Cloetta Fazer before dividends</u>	<u>New Cloetta Pro forma</u>	<u>Fazer Confectionery Pro forma after dividends</u>
Net Sales	3 253	846	2 407
Operating profit excluding restructuring costs	335	53	233
Operating profit	313	33	231
<u>Key figures:</u>			
Operating margin	9,6%	3,9%	9,6%
Operating margin excluding restructuring costs	10,3%	6,3%	9,7%
Depreciation	132	37	95
Operating profit before depreciation (EBITDA), excluding restructuring costs	467	90	328
Operating profit before depreciation (EBITDA)	445	70	326
Net receivables	1 054	160	894
<u>Pro-forma operating capital 31 December 2007, MSEK</u>			
Intangible assets ³	247	237	10

³ Due to reduced economies of scale, parts of goodwill and brands might have to be written down. The assessment that are to be made will conclude if such a need exists

Tangible assets	1 111	375	736
Inventories	331	118	213
Current receivables	474	165	309
<u>Less:</u>			
Deferred tax liabilities	189	108	81
Other provisions	138	17	121
Current liabilities	404	206	198
Operating Capital	1 432	564	868

Timeframe for implementation

Cloetta Fazer intends to shortly after the annual general meeting at the 16th of June 2008 summon for an extra general meeting that most likely will take place at the 25th of July 2008. At the extra general meeting the shareholders will decide on the principles of the de-merger, the shorter current financial year to 31 August 2008, and the decrease in statutory reserves. Information about the de-merger will be distributed to all shareholders in good time ahead of the extra general meeting.

The de-merger of Cloetta Fazer will be initiated during the summer of 2008 and is estimated to be completed in the turn of 2008. The de-merger will be carried out in a responsible way considering Cloetta Fazer's clients, employees and all shareholders in order to create the best conditions for Cloetta and Fazer Confectionery's future operations.

The shares in Cloetta Fazer will remain listed on the OMX Nordic Exchange Stockholm until the de-merger is completed in the beginning of 2009.

During the summer and fall, preparations to list new Cloetta on the OMX Nordic Exchange Stockholm during the second half of 2008 will be carried out.

The new Cloetta intends to apply for listing on OMX Nordic Exchange Stockholm.

The acceptance period for the offer is expected to begin on 1 December 2008 and end around 22 December 2008. At the same time, the shares in the new Cloetta will be received by the shareholders of Cloetta Fazer, subject to the decision of the general meeting of Cloetta Fazer during the fall of 2008. The record date with the VPC for receiving shares in the new Cloetta is expected to take place during the first week of December.



Public offer by Fazer to the shareholders in Cloetta Fazer

Fazer Group
Press release
16.6.2008

This press release is not and must not, directly or indirectly, be distributed or made public in the United States, Australia, Canada, Japan, New Zealand or South Africa. The Offer is not being made to persons in those jurisdictions or elsewhere where their participation requires further offer documents, filings or other measures in addition to those required by Swedish law

Press release 16 June 2008

Public offer by Fazer to the shareholders in Cloetta Fazer

Oy Karl Fazer Ab (“Fazer”) hereby announces a public offer to the shareholders in Cloetta Fazer AB (publ) (“Cloetta Fazer”) to tender all their shares in Cloetta Fazer to Fazer (the “Offer”).¹ Cloetta Fazer’s shares of class B are listed on the OMX Nordic Exchange Stockholm, the Nordic List, Mid Cap. The shares of class A are not listed and are mainly owned by Fazer and AB Malfors Promotor (“Malfors”).

The principal owners of Cloetta Fazer – Fazer and Malfors – have struck an agreement concerning a de-merger of Cloetta Fazer. Through the de-merge Cloetta Fazer creates the two future companies Cloetta and Fazer Confectionary. The new Cloetta intends to apply for a listing on the OMX Nordic Exchange Stockholm. Fazer Confectionary will be consolidated in the privately held Fazer Group. The de-merger is intended to be carried out through a dividend in the form of shares in the new Cloetta under the so-called Lex Asea rules to the shareholders in Cloetta Fazer.² Fazer’s Offer is for all shares in the remaining Cloetta Fazer (to become Fazer Confectionary). The shares in the new Cloetta that Fazer, together with certain affiliates, will receive in connection with the dividend are used as part of the consideration in the Offer. The de-merger is described in more detail below.

The Offer in brief

- The Offer consists of SEK 202 in cash and 0.92 shares of class B in the new Cloetta for each share in Cloetta Fazer, which upon full acceptance in the Offer represents a consideration of in total approximately SEK 2.5 billion and approximately 11.5 million shares of class B in the new Cloetta³
- Considering the structure of the transaction, it has been considered neither appropriate nor adequate to try to calculate the total value of the Offer and the amount of the premium in relation to the share price of Cloetta Fazer that the Offer represents. On 13 June 2008 (the last trading day prior to announcement of the Offer), the closing price of the Cloetta Fazer share was SEK 212. The proposed cash dividend to be resolved upon at the annual

¹ As a matter of formality, the Offer can be made by a subsidiary to Fazer that has been established for the purpose of making the Offer and take all actions necessary to complete the Offer and subsequently operate as parent company of Cloetta Fazer

² Shareholders in Cloetta Fazer representing in total approximately 90.7 per cent of the votes have committed to vote for the dividend in the form of shares in the new Cloetta at the future general meeting

³ The information on total amount and total number of shares is based on that certain affiliates to Fazer sell their shares in Cloetta Fazer outside of the Offer, and thus do not receive any shares in the new Cloetta

general meeting on 16 June 2008 is SEK 10 per share. Shareholders who accept the Offer receive for each share held in Cloetta Fazer SEK 202 (which corresponds to the above mentioned closing price adjusted for the cash dividend), and 1.92 shares in the new Cloetta, of which one share is received as dividend from Cloetta Fazer and 0.92 share is received as part of the consideration from Fazer

- The Offer is conditional upon *inter alia* the distribution of the shares in the new Cloetta as dividend to the shareholders in Cloetta Fazer
- Prior to the Offer, Fazer owns 2,300,000 shares of class A and 2,697,027 shares of class B representing approximately 20.7 per cent of the share capital and approximately 38.9 per cent of the votes in Cloetta Fazer
- Malfors, and a number of private persons connected to Malfors, with a total holding representing approximately 26.6 per cent of the share capital and approximately 41.8 per cent of the votes in Cloetta Fazer, support the Offer and have committed to accept the Offer and to vote for the proposals at the general meetings in Cloetta Fazer that will be submitted pursuant to the de-merger and the Offer
- A number of affiliates to Fazer, with a total holding representing approximately 27.4 per cent of the share capital and approximately 10.0 per cent of the votes in Cloetta Fazer, support the Offer and have committed to transfer their shares in Cloetta Fazer to Fazer or its subsidiary, and to vote for the proposals at the general meetings in Cloetta Fazer that will be submitted pursuant to the de-merger and the Offer
- Shareholders that, in accordance with the above, have committed to support the Offer and to vote for the proposals at the general meetings in Cloetta Fazer that will be submitted pursuant to the de-merger and the Offer hold, together with the shares held by Fazer, shares corresponding to approximately 74.7 per cent of the share capital and approximately 90.7 per cent of the votes in Cloetta Fazer
- The acceptance period of the Offer is expected to begin on 1 December 2008 and end on 22 December 2008⁴
- A press conference will be held today at 10.00 in World Trade Center, Stockholm, conference room New York

For further information, please contact

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For more information on the de-merger, please see also www.fazer.com for other press releases on the subject and Cloetta Fazer's communication at www.cloettafazer.com.

⁴ The Swedish Securities Council has given an exemption to the effect that Fazer is entitled to draft and file an offer document regarding the Offer for approval with the Swedish Securities Council not later than 30 November 2008 (Statement 2008:18)

About the Fazer Group

The Fazer Group originates from a family business founded in 1891. Today the Fazer Group offers meals and bakery products and operates in a total of eight countries. Its operations are based on passion for customer, quality excellence and team spirit. The Fazer Group operates in three divisions, which are all committed to offering taste sensations: Fazer Amica, Fazer Bakeries and Fazer Russia. Fazer Amica is a leading contract catering company in the Nordic and the Baltic countries, offering customers delicious food and tailor-made service solutions. The company operates in the Nordic countries, Estonia, Latvia and Russia. Fazer Bakeries offers fresh and tasty bakery products and operates in Finland, Sweden, Estonia, Latvia and Lithuania. Fazer Russia is responsible for Fazer's bakery operations in Russia and is one of the leading bakery companies in Russia. The Fazer Group's most important associated company is Cloetta Fazer, which is the leading confectionery company in the Nordic countries. Fazer Group's turnover for 2007 was around EUR 1.2 billion. The Group employs approximately 15,000 people.

Background and reasons

Cloetta Fazer, the largest chocolate and confectionery producer in the Nordic region, is listed on the OMX Nordic Exchange Stockholm. During the spring of 2008, the two principal shareholders Fazer and Malfors have been participating in a mediator discussion lead by the former board members Lennart Bylock and Wilhelm Lünig in order to resolve the differences of opinion that have been between the two principal shareholders. The purpose has been to, based on the mediator discussion, find a proposed solution ahead of Cloetta Fazer's annual general meeting on 16 June 2008 that benefits both the company and the shareholders in general.

The agreement between Fazer and Malfors

The agreement between the principal shareholders, which is based on the proposal from the mediators, entails that the operations in Cloetta Fazer will be de-merged into the two new companies Cloetta and Fazer Confectionery.

Through the de-merger, new Cloetta will hold the exclusive rights to the so-called umbrella brands Cloetta and Karamellpojka, with product brands such as Kexchoklad, Center, Plopp, and Extra Starka.

Through the de-merger, Fazer will hold the exclusive rights to the brand Fennonbon and Fazer's related product brands such as Dumle, Geisha, Marianne, Tutti Frutti, Ässä, Pantteri/Salta Katten and Tyrkisk Peber. Fazer has historically owned the rights to the brands Fazer, Karl Fazer and Fazers Blue. The company will have production facilities in Vantaa, Lappeenranta and Högfors. Jesper Åberg, currently Managing Director and CEO of Cloetta Fazer, will be appointed as Managing Director for Fazer Confectionery following the de-merger. Shortly, a person will be commissioned to build Fazer's Swedish operations.

The future operation of the company to become Fazer Konfektyr is described in further details below. For a more detailed description of the future operation in the new Cloetta reference is made to the press release from Cloetta Fazer.

Dividend in the form of shares in the new Cloetta

As a first step of the agreement, the shareholders of Cloetta Fazer are proposed to receive shares in the the new Cloetta distributed as dividend. A general meeting to resolve upon the dividend is planned to be held during the autumn 2008. The dividend will be carried out according to the Lex-Asea rules. The distribution of shares in the new Cloetta is proposed to be carried out in proportion to the individual shareholdings in Cloetta Fazer. For each A-share in Cloetta Fazer a new A-share in new Cloetta will be received and for every B-share in Cloetta Fazer a B-share in new Cloetta will be received. The shares in the new Cloetta are intended to be listed on the OMX Nordic Exchange Stockholm in connection with the distribution of the shares as dividend. Following a resolution at the general meeting, the shareholders in Cloetta Fazer will receive the shares in new Cloetta without any further activities.

The dividend in the form of shares in the new Cloetta means that Fazer will receive both class A shares and class B shares in the new Cloetta. Fazer has committed to immediately after the dividend re-classify all class A shares in the new Cloetta to class B shares in the new Cloetta to be used as part of the consideration in the Offer.

Pro-forma figures and description of new Cloetta and Fazer Confectionery

The new Cloetta

The new Cloetta will consist of the operations under the so-called umbrella brands Cloetta and Karamellpojka with product brands such as Kexchoklad, Center, Plopp, Polly and Extra Starka.

For a more detailed description of the future operation in the new Cloetta reference is made to the press release from Cloetta Fazer.

Preliminary pro-forma financial information

Please find below a summary of the preliminary pro-forma figures for 1 January – 31 December 2007 including operating profit and a preliminary pro-forma for operating capital as per 31 December 2007. Pro-forma figures will be described in further detail in the prospectus that will be distributed to Cloetta Fazer's shareholders ahead of the distribution of dividend and the intended listing of the new Cloetta.⁵

The new Cloetta is estimated as per 31 August 2008 to have a net cash position of MSEK 160.

Adjustments to the pro-forma financial statements for the new Cloetta and Fazer Confectionery's results 2007:

- The income statement of the new Cloetta mainly consists of Cloetta Fazer Sverige AB ("CFS"), where all operations relation to the umbrella brand Cloetta have been carried out over the past years.
- CFS is today also responsible for sales of products under the umbrella brand Fazer at the Swedish market. As sales of Fazer's products is intended to remain in Cloetta Fazer (Fazer Confectionery), at the detachment of new Cloetta, the net sales from these products have reduced CFS's net sales.⁶ Fazer's products relates to 40 percent of CFS's net sales 2007. Due to decreased economies of scale, Cloetta is not estimated to be able to reduce costs in the same range as the net sales decrease. CFS's operating costs have thus been adjusted downwards by 33 per cent. The fact that the operating costs have been reduced with 33 percent instead of 40 percent means that the pro-forma net profit in new Cloetta is decreased by MSEK 24.
- Net sales and operating profits of AB Karamellpojka ("Karamellpojka") for the period 1 January – 31 December 2007 have been added to the pro-forma figures. Karamellpojka was consolidated in Cloetta Fazer's figures 1 October 2007.
- Fazer Confectionery's pro forma net sales and operating profit consists of the difference between Cloetta Fazer and new Cloetta's proforma net sales and proforma operating profit. New Cloetta's proforma operating profit has been adjusted down with MSEK 24. Also, Fazer Confectionery will have some costs related to the transition and will be

⁵ The prospectus is intended to form part of the offer document that Fazer will draw up pursuant to the Offer

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effected by reduced economies of scale in the same way as new Cloetta. The reduced economies of scale also results in Fazer Confectionery's pro-forma operating profit being adjusted downwards by MSEK 25 (thus, this entails an adjustment of Fazer Konfektyr's proforma operating profit with in total MSEK 49)

Pro-forma adjustments regarding Cloetta's and Fazer Confectionery's operating capital.

- The new Cloetta's operating capital consists of operating capital in CFS and Karamellpojka
- Properties in Ljungsbro and the umbrella brand rights, Cloetta and Karamellpojka are parts of new Cloetta
- Working capital related to Fazer products is part of Cloetta's operating capital as the company, during a transition period, is intended to be responsible for the sales of these products at the Swedish market
- Fazer Confectionery's pro-forma operating capital consists of the difference between Cloetta Fazer's and new Cloetta's proforma operating capital

	<u>Cloetta</u> <u>Fazer</u> <u>before</u>	<u>New</u> <u>Cloetta</u>	<u>Fazer</u> <u>Confectionery</u> <u>proforma</u> <u>after</u> <u>dividends</u>
<u>Pro-forma results 2007, MSEK⁷</u>	<u>dividends</u>	<u>proforma</u>	
Net Sales	3 253	846	2 407
Net Sales excluding restructuring costs	335	53	233
Operating profit	313	33	231
<u>Key figures:</u>			
Operating margin	9,6%	3,9%	9,6%
Operating margin excluding restructuring costs	10,3%	6,3%	9,7%
Depreciation	132	37	95
Operating profit before depreciation (EBITDA), excluding restructuring costs	467	90	328
Operating profit before depreciation (EBITDA)	445	70	326
Net cash position	1 054	160	894
<u>Pro-forma operating capital 31 december 2007, MSEK⁸</u>			
Intangible assets ⁹	247	237	10
Tangible assets	1 111	375	736
Inventories	331	118	213
Current receivables	474	165	309

⁷ Unaudited

⁸ Unaudited

⁹ Due to reduced economies of scale, parts of goodwill and brands might have to be written down. The assessment that is to be made, will conclude if such a need exists

<u>Less:</u>			
Deferred tax liabilities	189	108	81
Other provisions	138	17	121
Current liabilities	404	206	198
Operating Capital	1 432	564	868

The Offer

The Offer consideration is a combination of cash and shares of class B in the new Cloetta.¹⁰ The Offer consists of SEK 202 in cash and 0.92 shares of class B¹¹ in the new Cloetta for each share in the remaining Cloetta Fazer, which upon full acceptance in the Offer represents a consideration of in total approximately SEK 2.5 billion and approximately 11.5 million shares of class B in the new Cloetta.^{12,13}

No commission will be charged in connection with the Offer.

Shareholders accepting the Offer can thereby, in addition to a whole number of shares, be entitled to fractions of shares in the new Cloetta as payment for the shares in the remaining Cloetta Fazer. Fractions of shares will, however, not be issued, but instead these fractions of shares in the new Cloetta will be consolidated and sold on the OMX Nordic Exchange Stockholm as soon as possible after Fazer's decision to complete the Offer. The sales proceeds will be allocated *pro rata* between the shareholders concerned in the remaining Cloetta Fazer.

Prior to the Offer, Fazer owns 2,300,000 shares of class A and 2,697,027 shares of class B representing approximately 20.7 per cent of the share capital and 38.9 per cent of the votes in Cloetta Fazer.

Support of the Offer from principal shareholders

Malfors, and a number of private persons connected to Malfors, with a total holding representing approximately 26.6 per cent of the share capital and approximately 41.8 per cent of the votes in Cloetta Fazer, have committed to accept the Offer and to vote for the proposals at the general meetings in Cloetta Fazer that will be submitted pursuant to the de-merger and the Offer.

A number of affiliates to Fazer, with a total holding representing approximately 27.4 per cent of the share capital and approximately 10.0 per cent of the votes in Cloetta Fazer, support the Offer and have committed to transfer their shares in Cloetta Fazer to Fazer or its subsidiary and to vote for the proposals at the general meetings in Cloetta Fazer that will be submitted pursuant to the de-merger and the Offer.

Shareholders that have committed to support the Offer hold, together with shares held by Fazer, 4,658,901 class A shares and 13,355,314 class B shares, which corresponds to in total approximately 74.7 percent of the share capital and approximately 90.7 percent of the votes in Cloetta Fazer.

¹⁰ Fazer will re-classify all their class A shares to class B shares in the new Cloetta

¹¹ The Offer will not be adjusted if the annual general meeting in Cloetta Fazer on 16 June 2008 resolves on a dividend of SEK 10 per share in accordance with the board of directors' proposal

¹² The information on total amount and total number of shares is based on that certain affiliates to Fazer sell their shares in Cloetta Fazer outside of the Offer, and thus do not receive any shares in the new Cloetta

¹³ Any remaining shares in the new Cloetta received by Fazer after having paid the consideration will be acquired by Malfors at a price of SEK 45.60 per share. This price shall not be deemed as a market value, but forms a part of the principal shareholders' agreement. Malfors has committed to offer the shareholders in Cloetta Fazer that have accepted the offer, in proportion to the number of shares in Cloetta Fazer that the respective shareholders have tendered in the Offer, to acquire these shares from Malfors at the same conditions as offered to Malfors. In order to avoid that Malfors is given special treatment as shareholder in Cloetta Fazer, this construction has been confirmed by the Swedish Securities Council (statement AMN 2008:18)

Conditions to the Offer

Completion of the Offer is conditional upon:

1. that Cloetta Fazer's shareholders, by a majority vote, resolve on a dividend in the form of shares in the new Cloetta under the so-called Lex Asea rules to the shareholders of Cloetta Fazer and that the record date for receiving such shares will occur no later than 9 January 2009;
2. that all necessary approvals and clearances from relevant authorities, including competition and financial supervisory authorities, in connection with the Offer, its implementation or the acquisition of the shares in Cloetta Fazer by Fazer have been obtained on terms acceptable to Fazer;
3. that neither the Offer nor the acquisition of the shares in Cloetta Fazer have been rendered partially or wholly impossible or significantly impeded as a result of legislation, regulation, any decision of court, public authority, the Swedish Securities Council or other comparable measures beyond Fazer's control; and
4. that the Swedish Companies Registration Office registers the reclassification of Fazer's class A shares in the new Cloetta to class B shares.

Fazer reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions are not fulfilled or can not be fulfilled. However, with regard to conditions 2-4, such withdrawal will only be made provided that the defective fulfillment of such condition is of material importance to Fazer's acquisition of shares in Cloetta Fazer.

Fazer reserves the right to waive, partially or wholly, one or more of the conditions above.

The Offer is not conditional upon a 90 per cent acceptance level or any other acceptance level.

The Offer is intended to be financed through equity and to a certain extent through external and unconditional debt financing.¹⁴

Indicative timetable

The acceptance period for the Offer is expected to begin on 1 December 2008 and end around 22 December 2008.¹⁵ In connection with the commencement of the acceptance period of the Offer, the shares in the new Cloetta will be received by the shareholders of Cloetta Fazer, provided that such resolution is made at the general meeting of Cloetta Fazer during the fall of 2008. The record date with the VPC for receiving shares in the new Cloetta is expected to take place during the first week of December.

¹⁴ In case the Offer formally is made through a subsidiary to Fazer, Fazer undertakes to contribute with sufficient financing as needed to complete the Offer

¹⁵ The Swedish Securities Council has given an exemption to the effect that Fazer is entitled to draft and file an offer document regarding the Offer for approval with the Swedish Securities Council not later than 30 November 2008 (Statement 2008:18)

An offer document regarding the Offer will be made public before commencement of the acceptance period and will be distributed to the shareholders in Cloetta Fazer in connection therewith. Settlement is expected to begin about a week after the end of the acceptance period.

Fazer reserves the right to extend the acceptance period, as well as to postpone the settlement date.

The acquisition of the remaining Cloetta Fazer requires approvals from relevant competition authorities. The necessary approvals are expected to be obtained before the end of the acceptance period.

De-listing and compulsory purchase

Depending on the acceptance level in the Offer and on the shareholder structure after the completion of the Offer, Fazer may act to de-list the shares in the remaining Cloetta Fazer from the OMX Nordic Exchange Stockholm.

In the event that Fazer becomes the holder of more than 90 per cent of the number of shares in the remaining Cloetta Fazer, Fazer intends to call for compulsory purchase of the then outstanding minority shares in the remaining Cloetta Fazer.

Applicable law and disputes

The Offer shall be governed by and construed in accordance with the laws of Sweden. Further, the OMX Nordic Exchange Stockholm's rules regarding takeover offers (the "Takeover Rules") and the Swedish Securities Council's rulings regarding interpretation and application of the Takeover Rules¹⁶ apply to the Offer. In accordance with the Swedish Act on Public Takeover Bids on the Stock Market, Fazer has contractually agreed with the OMX Nordic Exchange Stockholm to comply with the foregoing and to submit to any sanctions imposed by the OMX Nordic Exchange Stockholm upon breach of the Takeover Rules.

The courts of Sweden shall have exclusive jurisdiction over any dispute arising out of or in connection with the Offer and the City Court of Stockholm shall be the court of first instance.

This press release is not and must not, directly or indirectly, be distributed or made public in the United States, Australia, Canada, Japan, New Zealand or South Africa. The Offer is not being made to persons in those jurisdictions or elsewhere where their participation requires further offer documents, filings or other measures in addition to those required by Swedish law.

This press release has been announced in several language versions. In the event of any discrepancy between the language versions the Swedish language version shall prevail.

Advisors

Fazer has retained Advium Corporate Finance, eQ Bank Ab as financial advisor and Advokatbyrå Hannes Snellman Ab and Advokatfirman Vinge KB as legal advisors in connection with the Offer.

¹⁶ Including its rulings with respect to the rules on public offers for the acquisition of shares issued by the Swedish Industry and Commerce Stock Exchange Committee

Helsinki, 16 June 2008

Oy Karl Fazer Ab

Board of directors

Press conference

A press conference will be held today at 10.00 in World Trade Center, Stockholm, conference room New York. For participation, please e-mail to information@cloettafazer.se.

There is a possibility to listen in on the conference: Please use the following dial-ins: SE: +46 (0)8 505 598 53.

For more information on the de-merger, please see also www.fazer.com for other press releases on the subject and Cloetta Fazer's communication at www.cloettafazer.com.

Press Release

16 June 2008

Cloetta Fazer's de-merger to be completed at the turn of 2008

The principal shareholders of Cloetta Fazer, AB Malfors Promotor and Oy Karl Fazer Ab, have agreed to a de-merger of Cloetta Fazer. The owners have mutually agreed that a de-merger will be conducted in a harmonized mode in order to keep the good relationships with the company's customers and ensure that the brand positions are sustained. The new companies – the listed Cloetta AB and the Fazer group's new division Fazer Confectionery – are estimated to launch their respective operations at the turn of 2008.

Cloetta Fazer launched its operations in 2000 through the merger of Cloetta AB and Fazer's confectionery division Fazer Confectionery. Both main shareholders agree that the objectives for the merger in terms of improved profitability has been achieved. The reason behind the de-merger is the principal shareholders', AB Malfors Promotor and Oy Karl Fazer Ab, disagreement regarding the long-term development of the company.

- The merger has from an operational point of view been successful and our employees have done a great job. From a company perspective, we regret that Cloetta Fazer is being de-merged. Our strong brands have shown a positive development and are today highly appreciated by consumers in our most important markets Sweden, Finland and the other Nordic countries as well as the Baltics and Russia, says Jesper Åberg, Managing Director and CEO of Cloetta Fazer.

- However, we are relieved that the dispute between the owners has come to an end, which is crucial in order to secure that our brands have the possibility to reach their full potential. The de-merger will be conducted in a way that ensures that both of the new companies can provide its employees interesting challenges and offer customers and consumers strong, attractive brands. The companies will after the de-merger cooperate in areas involving production and logistics, says Jesper Åberg.

Jesper Åberg will remain as CEO and Managing Director and Curt Petri will remain as Deputy Managing Director and CFO of Cloetta Fazer. They have also been commissioned by the board of Cloetta Fazer AB to carry out the de-merger of Cloetta Fazer AB.

Following completion of the de-merger, Jesper Åberg will assume his new role as CEO of Fazer's division Fazer Confectionery. The operations of the Finnish subsidiary will continue and be led by the current Managing Director Tom Lindblad. Curt Petri will be appointed CEO and Managing Director of the new Cloetta AB, which will apply for listing. Eva Persson will remain as Managing Director for the Swedish subsidiary Cloetta Fazer Sverige AB, which will change name to Cloetta Sverige AB after the de-merger. Fazer Confectionery will shortly appoint a person commissioned to set up the commercial organisation for Fazer Confectionery in Sweden.

Pro-forma net sales in 2007 for Cloetta were approximately MSEK 850 (approximately MEUR 90). In Sweden, the pro-forma market share 2007 was approximately 14.5 percent. Pro-forma net sales in 2007 for Fazer Confectionery was approximately MSEK 2 407 (approximately MEUR 257). Fazer Confectionery's pro-forma market share in 2007 was 42 percent in Finland and approximately 9.5 percent in Sweden.

Cloetta Fazer has approximately 1.000 employees in Finland and 500 employees in Sweden. Cloetta Fazer also has own sales operations in the Baltic and in Russia. The average number of employees in the company is 1.600. In other markets the company works with local distributors. The production is carried out at the company's five plants. The plants in Ljungsbro and Alingsås (Karamellpojarna) will be part of Cloetta AB. The plants in Vantaa, Lappeenranta and Karkkila (Fennobon) will be part of Fazer Confectionery.

Cloetta Fazer has initiated MBL-negotiations in Sweden (Co-Determination Act, law concerning right of participation in decision making).

For further information of the de-merger please see the information on Cloetta Fazer's website www.cloettafazer.com

Cloetta Fazer in short:

- Cloetta Fazer's annual turnover 2007 was SEK 3.3 billion (352 million euro).
- The confectionery company Cloetta Fazer holds a market share at the Nordic market of 22%. The largest markets are Finland (42%), Sweden, (24%), Travel Trade (market leader in the Nordics), Norway (5%), Denmark (2%), The Baltic (12%) and Russia (in parenthesis, market share in percentage in volume).
- Cloetta Fazer's largest brands are Karl Fazer, Kexchoklad, Dumle, Geisha, Polly, Ässä, Tuttu Frutti, Pantteri/Salta Katten, Center, Marianne, Tyrkisk Peber and Plopp.
- As part of total sales, the Fazer brands represent approximately 70 percent and the Cloetta brands approximately 30 percent. In the Swedish market the Cloetta brands represents 60 percent and the Fazer brands 40 percent of sales. In the Finnish market the Fazer brands represents close to 100 percent of sales.

The information in this press release is publicly announced by Cloetta Fazer according to the Directive on Market in Financial Instruments (Mi FID). The information was publicly announced 16 June 2008, 08:00 a.m. CET.

For further information about Cloetta Fazer please contact CEO and Managing Director Jesper Åberg, +46 701 802 101 or Deputy Managing Director and CFO Curt Petri, +46 70 593 2169.

Press release
Free for publishing
16.6.2008

Confectionery business back to Fazer Group

Today Cloetta Fazer AB (publ), one of the leading confectionery companies in the Nordic Region, will present its demerger. Cloetta Fazer was founded in 2000 through the merger of Cloetta AB and the confectionery division of Fazer Group. As a result of the principal owners' differing views on long-term action and hence on how the company should develop in future, a decision has now been made to carry out a demerger. The agreement between the principal owners AB Malfors Promotor and Fazer Group (Oy Karl Fazer Ab) also includes immediate cessation of all ongoing legal actions between the two.

In practical terms, the demerger means that Fazer will be founding a new division Fazer Confectionery, which will then take over responsibility for sales of its own brands. Malfors Promotor will be founding a new company Cloetta AB, which will apply for listing on the Stock Exchange. The demerger is expected to be completed by the end of the year.

"While we are sorry to see the end of this operationally successful merger, we are looking forward to developing Fazer's confectionery business under our own management. Sweden is our other domestic market, and we perceive major potential for growth for our entire operation here, but also on all our other markets such as Russia. Our aim is to offer more Fazer products and services on all our markets," says Karsten Slotte, President of Fazer Group.

Fazer Group's divisions Fazer Bakeries and Fazer Amica already have significant business in Sweden. In total, Fazer currently employs ca 2,400 people and has a turnover of EUR 224 million in the country. Now the Group's operations are to be extended with Fazer Confectionery. Its brands – such as Dumle, Geisha, Fazermint, Wiener Nougat and Karl Fazer Milk Chocolate – are equivalent to 40 per cent of Cloetta Fazer's Swedish operations at present.

Fazer was founded in Helsinki 117 years ago and is the most highly valued brand in Finland. Fazer Group is the market leader in the country in the field of bakery business and contract catering, with 11 bakeries, one mill and 900 restaurants. Also Fazer Confectionery will be a market leader in its business area in Finland.

Cloetta Fazer holds a market share of 22 per cent in the Nordic market. The market share in Finland is 42 per cent and in Sweden 24 per cent. Out of the company's total sales, the Fazer brands represent approximately 70 per cent.



At the Finnish market the Fazer brands represent close to 100 per cent and at the Swedish market 40 per cent of sales.

Fazer Confectionery's proforma net turnover is ca EUR 257 million. The company to be will have a market share of 42 per cent in Finland and 9.6 per cent in Sweden.

Division of business

Throughout the demerger of the company, Jesper Åberg will be continuing as CEO and Managing Director, while Curt Petri will be the Deputy Managing Director and Director of Finance for Cloetta Fazer AB. They have also been tasked by the Board of Directors at Cloetta Fazer AB to carry out the demerger of the company. Following this, Jesper Åberg will be appointed Managing Director for Fazer Group's division Fazer Confectionery. In the near future a person will also be nominated to build Fazer Confectionery's Swedish organisation. Tom Lindblad will continue as the Managing Director of the Finnish daughter company. Curt Petri will take over as the Managing Director for the new Cloetta AB, which will apply for listing on the Stock Exchange after the demerger.

Cloetta Fazer has approximately 1,000 employees in Finland and 500 employees in Sweden. Cloetta Fazer also has own sales operations in the Baltic countries and in Russia. The average number of employees in the company is 1,600. At other markets the company works with local distributors. The production is carried out at the company's five plants. The plant in Ljungsbro and Alingsås (Karamellpojarna) will be part of Cloetta AB. The plants in Vantaa, Lappeenranta and Karkkila (Fennobon) will be part of Fazer Confectionery.

Production in Finland will not be affected by the demerger. In Sweden, Cloetta Fazer has initiated MBL-negotiations (Co-Determination Act, law concerning right of participation in decision making) with the trade union parties.

"Today, we are starting to build a new Fazer Confectionery together with our personnel and customers. In our view, Fazer and our brands have major opportunities open to them, which in turn will benefit consumers," says Karsten Slotte.

The financial transaction

The demerger of Cloetta Fazer will be taking place through Oy Karl Fazer Ab issuing a public offer to the shareholders of Cloetta Fazer AB. In exchange, the owners will be offered cash and shares in the new Cloetta. The financial transaction is described in detail in a separate press release issued by Fazer Group and found on the website www.fazer.com.



Today, Cloetta Fazer's principal owners are AB Malfors Promotor with 39,6 per cent of the votes and 20,5 per cent of the share capital; Oy Karl Fazer Ab with 38,9 per cent of the votes and 20,7 per cent of the share capital; Oy Cacava Ab with 5,8 per cent of the votes and 15,9 per cent of the share capital.

Additional information:

Karsten Slotte, President, Fazer Group, tel. + 358 (0) 40 507 7065
Ulrika Romantschuk, SVP Communications, Fazer Group, tel. +358 (0) 40 566 4246

For more information on the demerger, please see also www.fazer.com for other press releases on the subject and Cloetta Fazer's communications at www.cloettafazer.com.

Fazer Group

Fazer Group originates from a family business founded in 1891. Today the Group offers meals and bakery products and operates in a total of eight countries. Its operations are based on passion for customer, quality excellence and team spirit. The Group operates in three divisions, which are all committed to offering taste sensations: Fazer Amica, Fazer Bakeries and Fazer Russia. Fazer Amica is a leading contract catering company in the Nordic and the Baltic countries, offering customers delicious food and tailor-made service solutions. The company operates in the Nordic countries, Estonia, Latvia and Russia. Fazer Bakeries offers fresh and tasty bakery products and operates in Finland, Sweden, Estonia, Latvia and Lithuania. Fazer Russia is responsible for Fazer's bakery operations in Russia and is one of the leading bakery companies in Russia. Fazer's most important associated company is Cloetta Fazer AB, which is the leading confectionery company in the Nordic countries. Fazer Group's turnover for 2007 was around 1.2 billion euros. The Group employs ca. 15,000 people.

Cloetta: Focusing on well-known brands and continued production in Sweden

The principal shareholders in Cloetta Fazer, AB Malfors Promotor and Oy Karl Fazer Ab have agreed to a de-merger of Cloetta Fazer.

- We are glad to put a long period of conflicts behind us. The mediators have done a great job, working with a proposal that both Fazer and Malfors were able to agree on, says Olof Svenfeldt, CEO AB Malfors Promotor, one of the principal shareholders of Cloetta Fazer AB.

- We now look forward and focus entirely on Cloetta's strong and highly appreciated brands such as Kexchoklad, Center, Polly and Plopp. These are all brands that have a strong foothold with consumers. Based on this, we have very good conditions to develop the operations and strengthen our position at the market. As previously, we will keep production in the Ljungsbro plant. Karamellpojkarna which has the well-known brand Extra Starka and production in Alingsås, will also be part of Cloetta.

- As a principal shareholder I am delighted that Cloetta will continue as a listed company which creates opportunities for continued expansions. This solution also opens up for a broadened ownership, e.g. from employees.

Curt Petri, currently Deputy Managing Director and CFO, will be appointed CEO of Cloetta. Eva Person will be Managing Director for Cloetta's operations in Sweden. Together with all the competent employees they will secure the future growth of Cloetta.

AB Malfors Promotor has appointed Lenner & Partners as financial advisor and Delphi as legal counsellor.

For further information:

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