

DISPOSITION OF THE COMPANY'S EARNINGS ACCORDING TO THE APPROVED BALANCE SHEET, RECORD DATE FOR ANY DIVIDEND AND REASONED STATEMENT PURSUANT TO CHAPTER 18, SECTION 4 OF THE SWEDISH COMPANIES ACT

1. In the parent company Cloetta AB, the following unappropriated earnings are at the disposal of the Annual General Meeting:

Share premium reserve	SEK, 2,711,620,366
Profit brought forward	SEK 61,419,228
<u>Profit for the year (parent company)</u>	<u>SEK 2,136,162</u>
Total	SEK 2,775,175,756

2. The Board of Directors proposes that the unappropriated earnings shall be allocated as follows.

SEK 144,309,650 is distributed to the shareholders, which corresponds to a dividend of SEK 0.50 per share.

To be distributed to the shareholders according to above	SEK 144,309,650
<u>To be carried forward</u>	<u>SEK 2,630,866,106</u>
Total	SEK 2,775,175,756

3. The Board of Directors proposes that the record day for the dividend payment shall be Thursday, 14 April 2016. If the Annual General Meeting resolves in accordance with the proposal, payment through Euroclear Sweden AB is estimated to be made on Tuesday, 19 April 2016.

STATEMENT BY THE BOARD OF DIRECTORS OF CLOETTA AB (PUBL) PURSUANT TO CHAPTER 18, SECTION 4 OF THE SWEDISH COMPANIES ACT

The Board of Directors has proposed that the Annual General Meeting on 12 April 2016 resolves to distribute SEK 0.50 per share to the shareholders of the company. Due to the Board of Directors' proposal to declare a dividend, the Board of Directors hereby makes the following statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act.

The reason that the Board of Directors considers that the proposed dividend is justified taking into account Chapter 17, Section 3, paragraphs 2-3 of the Swedish Companies Act, is as follows.

The company's profit, share premium reserve and the previous year's retained earnings amounted to SEK 2,775 million in total as per 31 December 2015. According to the annual report 2015 of the company, the group had an equity/assets ratio of 44.5 per cent and a net debt of SEK 2,818 million as per 31 December 2015. Provided that the Annual General Meeting resolves on a dividend of SEK 0.50 per share to the shareholders of the company in accordance with the proposal by the Board of Directors, SEK 2,630,866,107 will be carried forward. There will be full coverage of the group's and the parent company's restricted equity following the dividend.

The Board of Directors has in particular considered whether a dividend is justified in light of the size of the company's net debt. Taking into account the strong result of the company and that the company is expected to be able to meet its short-term as well as long-term obligations, the Board of Directors have assessed that the prerequisites are met for proposing a dividend of in total SEK 144,309,650.

Cloetta has previously communicated that the company's long-term target is a net debt/EBITDA ratio of around 2,5x. In light of the strong cash flow and improved EBITDA, the board proposes a dividend before the long-term target for net debt has been met. The long-term target remains unchanged. The ambition is to continue using future cash flows for repayment of debts and payment of share dividends, while at the same time providing a financial flexibility for complementary acquisitions. The long-term target to distribute 40–60 per cent of profit after tax continues to apply.

With reference to the foregoing, the Board of Directors believes that the proposed dividend is justified considering;

1. the demands with respect to the nature, scope and risks associated with the operations (of the group as well as of the company) impose on the size of the shareholders' equity, and
2. the company's and the group's consolidation needs, liquidity and position in general.

Cloetta AB (publ)
Board of Directors
March 2016