



Interim report, Q3

July – September 2013

Stockholm, 14 November 2013

- ▶ **Net sales** for the quarter increased by 3.0 per cent including a positive impact from foreign exchange of 1.6 per cent.
- ▶ **Operating profit** was SEK 131m (90).
- ▶ **Underlying EBIT** was SEK 160m (124).
- ▶ **Items affecting comparability** amounted to SEK –29m (–34) and consists of restructuring SEK –28m (–31) and impact from foreign exchange of SEK –1m (–3).
- ▶ **Cash flow from operating activities** was SEK 54m (93).
- ▶ **Net Debt/Underlying EBITDA** was 4.4x (5.3).
- ▶ **Issuance of the Senior secured notes** for an amount of SEK 1,000m and the renegotiated credit facility reduces interest cost.
- ▶ **The integration process** has been completed.
- ▶ **The factory restructurings** are proceeding according to plan.

SEKm	Third quarter			9 months			Full year
	Jul–Sep 2013	Jul–Sep 2012	Change, %	Jan–Sep 2013	Jan–Sep 2012	Change, %	Jan–Dec 2012
Net sales	1,194	1,159	3.0 ³	3,452	3,455	–0.1 ³	4,859
Operating profit (EBIT)	131	90	45.6	243	43	465.1	125
Operating margin (EBIT margin), %	11.0	7.5	3.5-pts	7.0	1.3	5.7-pts	2.6
Underlying EBIT ¹	160	124	29.0	360	222	62.2	423
Underlying EBIT margin, % ¹	13.3	10.7	2.6-pts	10.3	6.4	3.9-pts	8.7
Profit before tax	101	30	236.7	83	–212	N/A	–140
Profit for the period	86	13	561.5	78	–228	N/A	–73
Earnings per share, basic and diluted, SEK	0.30	0.05	561.5	0.27	–0.84	N/A ²	–0.26
Net debt/underlying EBITDA (Rolling 12 months), x	4.4	5.3	–17.0	4.4	5.3	–17.0	5.1
Cash flow from operating activities ⁴	54	93	–41.9	15	183	–91.8	330

1 Based on constant exchange rates, the current Group structure and excluding items affecting comparability related to restructurings.

2 Comparative earnings per share are not representative for the current Group due to a different equity structure before the merger between Cloetta and LEAF and the effect of the rights issue which was carried out in the second quarter of 2012.

3 Organic growth at constant exchange rates and comparable units was 1.4% for the quarter and –2.0% for the first nine months. See further under Net sales on page 3.

4 The cash flow statements for Q1, Q2 and Q3 2012 have been restated after the final purchase price allocation.

Message from the CEO

Sales growth of 3.0 per cent and realised synergies contributed to an improvement in underlying operating profit (EBIT) compared to the previous year for the fourth consecutive quarter.

The company's underlying operating profit (EBIT) improved to SEK 160m (124) for the quarter. The improvement in earnings is mainly due to realised synergies from the merger, as well as factory restructurings, but was also fuelled by increased sales. Operating profit increased to SEK 131m (90).

The EBIT margin for the quarter strengthened to 11.0 per cent (7.5). The underlying EBIT margin for the quarter was 13.3 per cent (10.7). Cash flow from operating activities totalled SEK 54m (93). The change is mainly due to significantly increased sales in the second half of the quarter.

THE CONFECTIONERY MARKET

Development in the confectionery market was somewhat better in the quarter, leading to growth in most of our markets. It should be noted that the Italian market showed slight growth for the first time in many months. However, the Finnish total market has continued to perform weakly. Overall, we remain cautious about market development in the near future.

INCREASED FOCUS ON PROFITABLE GROWTH

As we approach the completion of the integration process and factory restructurings, we can once again focus our efforts on achieving profitable growth. During the quarter, we increased our marketing investments and launched several new products. Sales rose by 3.0 per cent during the quarter. Adjusted for foreign exchange effects, sales improved by 1.4 per cent. Sales increased in Sweden, Denmark, Finland, Germany, the UK and Italy, but decreased somewhat in the Netherlands and in Norway.

The sales growth in Sweden was driven by several successful product launches. Despite challenging market conditions in Finland, we managed to grow our sales during the quarter. For the second consecutive quarter, Cloetta's sales increased in Italy, which is due to both improved market development and a positive reception of the re-launch of the brand Dietorelle. It is too early to say whether this is a break of trends, since Cloetta's traditionally large sales of seasonal products in Italy take place during the fourth quarter. The lower sales in the Netherlands are explained by a weak chewing gum market and the decline in sales in Norway is primarily an effect of the discontinued distribution of a third-party brand.

REFINANCING REDUCES BORROWING COSTS AND IMPROVES OPERATIONAL FLEXIBILITY

During the quarter, the company's terms for the existing borrowing facility were renegotiated in conjunction with the issuance

of a senior secured note (corporate bond) of SEK 1,000m.

The net proceeds from the bond have been used to refinance existing debt. The renegotiated borrowing terms, in combination with the issuance of the bond, will reduce the company's borrowing costs over time, extend the debt maturity profile and increase operational flexibility. The improved terms for the existing debt and the fact that the bond issuance was significantly oversubscribed clearly demonstrate the attractiveness of Cloetta as an investment in the debt capital market.

COMPLETED EFFICIENCY IMPROVEMENTS GIVE US GOOD OPPORTUNITIES TO MEET OUR GOALS

It is satisfying to report that the integration process has been essentially completed. The only remaining activity is the on-going insourcing of Tupla production into Ljungsbro. Overall, the integration process has been smoother and faster than anticipated when we presented the merger almost two years ago. During the process, we believe that we have developed an effective model for business integration.

The restructuring process in the supply chain is proceeding according to plan. Matching of products from the factory in Gävle, which we intend to close in the first quarter of 2014, has been essentially completed and most of these products are now being test run in the receiving factories in Ljungsbro, Sweden, and Levice, Slovakia.

The integration and restructuring costs, which have been estimated at approximately SEK 450m, are expected to cease in the second quarter of next year.

It is encouraging that Cloetta has shown growth in sales during the quarter. Aside from successfully completing the closure of the factory in Gävle, our focus is now on profitable growth. This growth can be driven both organically or via acquisitions. Overall, given Cloetta's strong position in the market and current performance, I remain convinced that we have good opportunities to meet our established financial goals.



Bengt Baron,
President and CEO

Financial overview

THE FINANCIAL YEAR

This interim report includes the consolidated financial statements of the Cloetta Group for the period from 1 January to 30 September 2013. Since Cloetta's acquisition of LEAF is accounted for as a reverse acquisition, the consolidated comparative figures up to 15 February 2012 are those for Cloetta Holland B.V. (formerly known as LEAF Holland B.V.). The consolidated comparative figures from 16 February 2012 onwards are those for both Cloetta Holland B.V. and the former Cloetta Group. For this reason, the comparative figures for the first three quarters are not entirely comparable.

The comparative figures for the Parent Company are those for the legal acquirer, i.e. Cloetta AB. For the Parent Company, this interim report covers the period from 1 January to 30 September 2013 in accordance with the Parent Company's financial year. The comparative figures for the Parent Company cover the period from 1 September 2011 to 30 September 2012 in accordance with the Parent Company's financial year.

THIRD QUARTER DEVELOPMENTS

Amended financing structure

In the third quarter the credit facility agreement with Svenska Handelsbanken was renegotiated. The amended terms will amongst other things reduce the cost of borrowings and increase operating flexibility. Furthermore, this will allow Cloetta to make dividend payments as soon as the net debt/EBITDA ratio is 4.0x or lower, taking into account the proposed distribution of dividends. However, Cloetta's financial target to have a net debt/EBITDA ratio of around 2.5x, before paying dividends, remains unchanged. The amendments to the credit facility agreement do not affect the amount or maturity of the credit facilities.

In addition to the renegotiated credit facility agreement, Cloetta AB (publ) announced on 6 September 2013 the placement of senior secured notes amounting to SEK 1,000m with a final maturity in September 2018 (the "Notes"). The Notes bear interest at a floating rate of three-month STIBOR plus 3.10 per cent. In accordance with the terms and conditions of the Notes, the Notes have been issued, listed and admitted for trading on the corporate bond market of the NASDAQ OMX Stockholm as of 17 September 2013. The net proceeds from the placement of the Notes have been used to repay the Senior A facility in full and reduce the overdraft facility.

Net sales

Net sales for the third quarter grew by SEK 35m to SEK 1,194m (1,159) compared to the same period of last year. Adjusted for changes in exchange rates, sales increased by 1.4 per cent in the quarter.

Sales were up in Sweden, Denmark, Finland, Germany, the UK and Italy, but decreased in the Netherlands and Norway.

Sales in Sweden showed positive development, partly owing to several successful new product launches. Despite weak market conditions, sales increased in Finland. Sales in Italy rose as a result of both improved market development and a positive reception for new product launches. The lower sales in the Netherlands are explained by a weak chewing gum market and the decline in sales in Norway is primarily an effect of the discontinued distribution of a third-party brand.

Changes in net sales, %	Jul-Sep 2013	Jan-Sep 2013
Changes in exchange rates	1.6	-1.2
Structural changes	0.0	3.1
Organic growth	1.4	-2.0
Total	3.0	-0.1

Gross profit

Gross profit amounted to SEK 453m (429), which is equal to a gross margin of 37.9 per cent (37.0).

Operating profit

Operating profit was SEK 131m (90). The increase is mainly due to realised synergies from the merger, as well as factory restructurings, but was also fuelled by increased sales.

Underlying EBIT

Underlying EBIT amounted to SEK 160m (124). The increase is mainly due to realised synergies from the merger, as well as factory restructurings, but was also fuelled by increased sales.

Items affecting comparability

Operating profit for the third quarter includes total items affecting comparability of SEK -29m (-34). These consists of restructuring costs of SEK -28m (-31) and exchange differences of SEK -1m (-3).

Net financial items

Net financial items for the quarter amounted to SEK -30m (-60). Net financial items were positively affected by exchange differences on borrowings and cash in an amount of SEK 34m (-14). As of 19 July 2013 hedge accounting (hedges of net investments in foreign operations) is applied, reducing the volatility of net financial items caused by the revaluation of monetary assets and liabilities as of that date.

The positive impact was partly offset by the full amortisation of the remaining capitalised financing cost for the Senior A facility for an amount of SEK 18m during the quarter. The Senior A facility was fully repaid in the quarter and, as a consequence, the capitalised financing costs have been amortised in full.

Profit for the period

Profit for the period was SEK 86m (13), which is equal to basic and diluted earnings per share of SEK 0.30 (0.05). Income tax for the period was SEK -15m (-17).

DEVELOPMENT IN THE FIRST THREE QUARTERS OF THE YEAR

Net sales

Net sales for the first three quarters decreased by SEK 3m to SEK 3,452m (3,455) compared to the same period last year. Adjusted for foreign exchange effects and structural changes, sales decreased by 2.0 per cent in the first three quarters.

Sales increased or were relatively stable in most of the markets, but decreased in Norway, Denmark and the UK.

Gross profit

Gross profit amounted to SEK 1,310m (1,228), which is equal to a gross margin of 37.9 per cent (35.5).

Operating profit

Operating profit was SEK 243m (43). The increase is attributable to synergies from the merger, factory restructurings and price increases implemented during 2012 in order to offset increased raw material prices.

Underlying EBIT

Underlying EBIT amounted to SEK 360m (222). The increase was driven by synergies from the merger, factory restructurings and price increases to offset increased raw material prices.

Items affecting comparability

Operating profit for the first three quarters includes total items affecting comparability of SEK -117m (-179). These consist of restructuring costs of SEK -112m (-187) and exchange differences of SEK -5m (8).

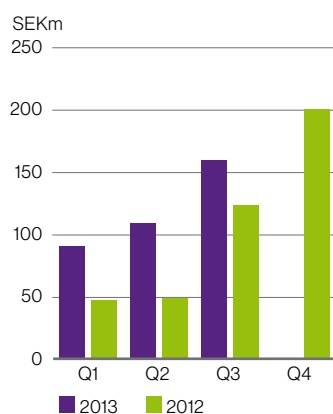
Net financial items

Net financial items for the first three quarters amounted to SEK -160m (-255). The improvement is mainly a result of lower interest expenses on loans from former shareholders in LEAF. These loans were converted into equity on 15 February 2012, for which reason no interest arose in the first three quarters of 2013. Total interest on these loans in the same period of last year amounted to SEK -61m. In addition to the impact of the lower interest expenses, net financial items were positively affected by lower amortisation of financing costs of SEK 33m (47), despite the full amortisation of the Senior A related financing cost in the third quarter 2013 of SEK 18m. In 2012 additional financing costs of SEK 38m were amortised in connection with the refinancing as part of the merger between Cloetta and LEAF. The interest expenses on borrowings (including the impact of interest swaps) had a positive effect on net financial items of SEK 18m. Net financial items were also positively affected by lower exchange differences on borrowings and cash for an amount of SEK -7m (-19). The total of all other financial expenses had a negative effect of SEK 10m on net financial items.

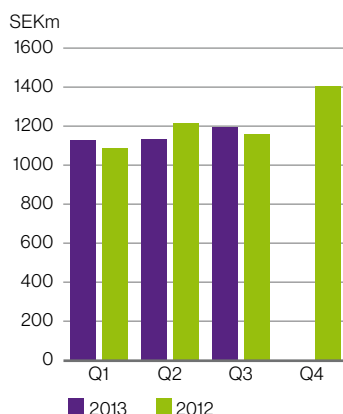
Profit for the period

Profit for the first three quarters was SEK 78m (-228), which is equal to basic and diluted earnings per share of SEK 0.27 (-0.84). Income tax for the first three quarters was SEK -5m (-16).

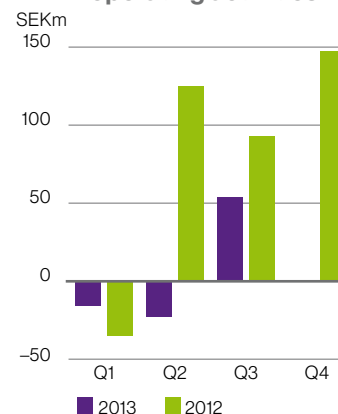
Underlying EBIT



Net sales



Cash flow from operating activities



Acquisitions and divestments

The factories in Aura, Finland, and Alingsås, Sweden, were sold during the first quarter. Five properties were sold in Ljungsbro, Sweden.

In the second quarter Cloetta AB acquired the British candy company FTF Sweets Ltd, which owns the brand Goody Good Stuff. Goody Good Stuff was launched in 2010 and has its core markets in the UK and the US.

CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES

Cash flow for the third quarter

Cash flow from operating activities for the third quarter totalled SEK 54m (93). The cash flow from operating activities before changes in working capital improved by SEK 24m mainly due to the positive impact of operating profit, which improved from SEK 90m last year to SEK 131m this year. This improvement was offset by a higher cash outflow from changes in working capital for an amount of SEK -78m (-15). Cash flow from operating and investing activities for the third quarter was SEK 15m (33).

Working capital

Cash flow from changes in working capital was SEK -78m (-15). The higher cash outflow from changes in working capital is mainly due to significantly increased sales in the second half of the quarter compared to the previous year, which resulted in higher receivables. The changed payment terms in Italy also impacted the cash flows from changes in working capital. However, the build-up of stocks as part of factory restructurings in the third quarter of last year had a negative impact on changes in working capital in the previous year.

Investments

Cash flow from investing activities was SEK -39m (-60), mainly related to the execution of the manufacturing strategy.

Cash flow for the first three quarters of the year

Cash flow from operating activities for the first three quarters totalled SEK 15m (183). The lower cash flow from operating activities is due to a decrease in cash flows from changes in working capital by SEK -161m (140). The lower cash flows from changes in working capital were partly offset by the positive impact of operating profit, which improved from SEK 43m last year to SEK 243m this year. Cash flow from operating and investing activities for the first three quarters of the year was SEK -126m (-1,224).

Working capital

Cash flow from changes in working capital was SEK -161m (140). The decrease is mainly due to significantly increased sales in the second half of the third quarter compared to the previous year, which resulted in higher receivables. In addition, the cash flows from receivables in the first three quarters of last year were higher than in the current year. This was primarily due to higher seasonal sales in 2011 compared to 2012 as a result of the economic situation in Italy.

Investments

Cash flow from investing activities was SEK -141m (-1,407). The improvement in cash flow from investing activities is mainly the result of significant one-off cash outflows in the first three quarters of 2012. In the first three quarters of 2012, cash flow from investing activities included the net proceeds from Cloetta's reverse acquisition of LEAF in an amount of SEK 169m, as well as repayment of the Vendor Loan Note of SEK -1,400m and proceeds from the disposals of LEAF Belgium Distribution and LEAF Ejendomsselskab in an amount of SEK 47m. The total cash flows from investments in property, plant and equipment and intangible assets in the first three quarters of 2013 amounted to SEK -150m (-153).

Cash flow from operating and investing activities

SEKm	Third quarter		9 months		Full year
	Jul-Sep 2013	Jul-Sep 2012 ¹	Jan-Sep 2013	Jan-Sep 2012 ¹	Jan-Dec 2012
Cash flow from operating activities before changes in working capital	132	108	176	43	156
Cash flow from changes in working capital	-78	-15	-161	140	174
Cash flow from operating activities	54	93	15	183	330
Cash flows from investments in property, plant and equipment and intangible assets	-42	-60	-150	-153	-269
Other cash flow from investing activities	3	-	9	-1,254	-1,237
Cash flow from investing activities	-39	-60	-141	-1,407	-1,506
Cash flow from operating and investing activities	15	33	-126	-1,224	-1,176

¹ The cash flow statements for Q1, Q2 and Q3 2012 have been restated after the final purchase price allocation.

FINANCIAL POSITION

Consolidated equity at 30 September 2013 amounted to SEK 3,468m (3,222), which is equal to SEK 12.0 per share (11.2). Net debt at 30 September 2013 was SEK 3,248m (3,127). The issuance of the senior secured notes in the third quarter of 2013 had a positive effect on the maturity of the borrowings. The net proceeds from the issuance were used to repay loans from credit institutions and the overdraft facility.

Non-current borrowings totalled SEK 3,080m (2,571) and consisted of SEK 2,130m (2,627) in gross loans from credit institutions, senior secured notes of SEK 1,000m (0) and SEK -50m (-56) in capitalised financing and transaction costs.

Total current borrowings amounted to SEK 215m (624) and consisted mainly of SEK 169m (360) in gross loans from credit institutions, SEK -17m (-19) in capitalised financing and transaction costs, SEK 41m (283) in a credit overdraft facility and accrued interest on loans from credit institutions and senior secured notes for an amount of SEK 22m (0).

The short-term gross loans from credit institutions amounting to SEK 169m (360) consist of a short-term repayment obligation for the remainder of 2013 and the first three quarters of 2014.

SEKm	30 Sep 2013	30 Sep 2012	31 Dec 2012
Gross non-current borrowings	2,130	2,627	2,571
Gross current borrowings	169	360	360
Credit overdraft facility	41	283	406
Senior secured notes	1,000	-	-
Derivative financial instruments	24	26	24
Interest payable	22	0	1
Gross debt	3,386	3,296	3,362
Cash and cash equivalents	-138	-169	-306
Net debt	3,248	3,127	3,056

Cash and cash equivalents at 30 September 2013, excluding long-term unutilised overdraft facilities, amounted to SEK 138m (169).

In addition to the above financing, Cloetta has unutilised overdraft facilities for a total of SEK 649m (435).

OTHER DISCLOSURES

Restructuring

In 2012, decisions were made to close the factories in Aura, Finland, and in Alingsås and Gävle, Sweden, in order to eliminate excess capacity in the Group's production structure. A decision was also made to rationalise warehousing operations in Scandinavia. The factories in Alingsås, Sweden, and Aura, Finland, were closed at the end of 2012 and the beginning of 2013, respectively. The rationalisation of warehousing operations in Scandinavia was completed in early 2013.

Seasonal variations

Cloetta's sales and operating profit are subject to some seasonal variations. Sales in the first and second quarters are affected by the Easter holiday, depending on in which quarter it occurs. There were limited seasonal variations due to the Easter holiday in a comparison of 2013 with 2012. In the fourth quarter, the seasonal variations are primarily related to the sale of products in Sweden and Italy in connection with the holiday season.

Employees

The average number of employees during the quarter was 2,432 (2,577). The decrease is due to the merger, restructuring and closures of the Alingsås and Aura plants.

Events after the balance sheet date

After the end of the reporting period, no significant events have taken place that could affect the company's operations.

The Board of Directors hereby gives its assurance that the interim report provides a true and fair view of the business activities, financial position and results of operations of the Group and the Parent Company, and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

Stockholm, 14 November 2013

Cloetta AB (publ)

Board of Directors

Review report

To the Board of Directors of Cloetta AB (publ)
Corp. id. 556308-8144

INTRODUCTION

We have reviewed the summary interim financial information (interim report) of Cloetta AB (publ) as of 30 September 2013 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the standard on review engagements SÖG 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other

generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 14 November 2013

KPMG AB
Helene Willberg
Authorised Public Accountant

Selection of key product launches during Q3



The Netherlands
King relaunch with different textures



Norway
Malaco Bomber
Kick Sea Salt
Läkerol Xtreme Green Booster
Läkerol Xtreme Red Booster



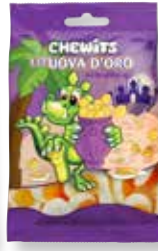
Finland
Center Salmiak
Mynthon Peppermint
Hopea Toffee



Sweden
Polly bilar
Malaco Sötnos
Malaco Bomber
Läkerol Hals Honey



Denmark
Läkerol Crystal Salmiak
Kick Sea Salt



Italy
Chewits fruit-flavoured gums
Sperlari Granperle white chocolate
Sperlari Nougat Chocolate chunk

Financial statements in summary

Consolidated profit and loss account

SEK m	Third quarter		9 months		Rolling 12 months	Full year
	Jul-Sep 2013	Jul-Sep 2012	Jan-Sep 2013	Jan-Sep 2012	Oct 2012–Sep 2013	Jan–Dec 2012
Net sales	1,194	1,159	3,452	3,455	4,856	4,859
Cost of goods sold	-741	-730	-2,142	-2,227	-3,072	-3,157
Gross profit	453	429	1,310	1,228	1,784	1,702
Other operating income	2	4	12	4	21	13
Selling expenses	-197	-185	-631	-677	-842	-888
General and administrative expenses	-127	-158	-448	-512	-638	-702
Operating profit	131	90	243	43	325	125
Exchange gains/losses on borrowings and cash and cash equivalents in foreign currencies	34	-14	-7	-19	32	20
Other financial income	2	0	22	3	24	5
Other financial expenses	-66	-46	-175	-239	-226	-290
Net financial items	-30	-60	-160	-255	-170	-265
Profit/loss before tax	101	30	83	-212	155	-140
Income tax expense	-15	-17	-5	-16	78	67
Profit/loss for the period	86	13	78	-228	233	-73
<i>Profit/loss for the period attributable to:</i>						
Owners of the Parent Company	86	13	78	-228	233	-73
Earnings per share, SEK						
Basic ^{1,2}	0.30	0.05	0.27	-0.84	0.81	-0.26
Diluted ^{1,2,3}	0.30	0.05	0.27	-0.84	0.81	-0.26
Number of shares at end of period (basic) ²	288,619,299	288,619,299	288,619,299	288,619,299	288,619,299	288,619,299
Average numbers of shares (basic) ²	288,619,299	288,619,299	288,619,299	271,939,452	288,619,299	276,132,021
Number of shares at end of the period (diluted) ²	287,597,798	288,619,299	287,597,798	288,619,299	287,597,798	288,619,299
Average numbers of shares (diluted) ²	287,597,798	288,619,299	288,105,870	271,939,452	288,224,239	276,132,021

1 Comparative earnings per share are not fully representative for the current group due to rights issue carried out in the second quarter of 2012.

2 The number of shares for the comparative figures has been restated for the rights issue.

3 Cloetta entered into a long term equity swap to fulfil its future obligation to deliver the shares to the participants of the long-term share based incentive plan. Earnings per share are calculated on the average number of shares adjusted for the effect of the forward contract to repurchase own shares. The equity swap covers a total of 1,037,610 Cloetta AB shares for an amount of SEK 18.50678 per share.

Consolidated statement of comprehensive income

SEKm	Third quarter		9 months		Full year
	Jul-Sep 2013	Jul-Sep 2012	Jan-Sep 2013	Jan-Sep 2012	Jan-Dec 2012
Profit/loss for the period	86	13	78	-228	-73
<i>Other comprehensive income</i>					
Remeasurement of defined benefit pension plans	16	-	83	-	-100
Income tax on other comprehensive income that will not be reclassified subsequently to profit and loss for the period	-4	-	-19	-	30
Items that cannot be reclassified to profit or loss for the period	12	-	64	-	-70
Hedge of a net investment in a foreign operation	-14	-	-14	-	-
Currency translation differences	-65	-108	28	-87	-68
Income tax on other comprehensive income that will be reclassified subsequently to profit and loss for the period	3	-	3	-	-
Items that have been reclassified or can be reclassified to profit or loss for the period	-76	-108	17	-87	-68
Total other comprehensive income	-64	-108	81	-87	-138
Total comprehensive income, net of tax	22	-95	159	-315	-211
<i>Total comprehensive income for the period attributable to:</i>					
Owners of the Parent Company	22	-95	159	-315	-211

Restructurings^{1,3}

SEKm	Third quarter		9 months		Rolling 12 months	Full year ²
	Jul-Sep 2013	Jul-Sep 2012 ²	Jan-Sep 2013	Jan-Sep 2012 ²	Oct 2012–Sep 2013	Jan-Dec 2012
Integration and factory restructurings	-28	-32	-112	-150	-234	-272
Other restructurings	-	1	-	-37	-	-37
Total	-28	-31	-112	-187	-234	-309
1 Corresponding line in the consolidated profit and loss account:						
Net sales	-	-	-	-	-1	-1
Cost of goods sold	-14	-10	-45	-39	-127	-121
Other operating income	2	4	12	4	21	13
Selling expenses	0	8	-4	-14	-3	-13
General and administrative expenses	-16	-33	-75	-138	-124	-187
Total	-28	-31	-112	-187	-234	-309

2 Includes non-cash capital losses on the divestments of the distribution business in Belgium and Denmark Ejendomsselskab amounting to SEK 47m.

3 Excluding exchange rate differences.

Consolidated balance sheet

SEKm	30 Sep 2013	30 Sep 2012 ¹	31 Dec 2012
Intangible assets	5,149	5,031	5,099
Property, plant and equipment	1,637	1,575	1,611
Deferred tax asset	54	432	473
Derivative financial instruments	0	–	–
Other financial assets	89	87	88
Total non-current assets	6,929	7,125	7,271
Inventories	872	790	773
Other current assets	875	843	955
Derivative financial instruments	0	–	–
Cash and cash equivalents	138	169	306
Total current assets	1,885	1,802	2,034
Assets held for sale	18	44	35
TOTAL ASSETS	8,832	8,971	9,340
Equity¹	3,468	3,222	3,326
Borrowings	3,080	2,571	2,516
Deferred tax liability	421	893	824
Derivative financial instruments	19	6	3
Provisions ¹	380	388	463
Total non-current liabilities	3,900	3,858	3,806
Borrowings	215	624	747
Derivative financial instruments	5	20	21
Other current liabilities	1,216	1,210	1,361
Provisions	28	37	79
Total current liabilities	1,464	1,891	2,208
TOTAL EQUITY AND LIABILITIES	8,832	8,971	9,340

¹ The comparative figures have been adjusted for the impact of the early adoption of IAS19R. See page 19 for a presentation of restatement effects.

Consolidated statement of changes in equity

SEKm	9 months		Full year
	Jan-Sep 2013	Jan-Sep 2012 ²	Jan-Dec 2012
Equity at beginning of period	3,326	-385	-385
Profit/loss for the period	78	-228	-73
Other comprehensive income	81	-87	-138
Total comprehensive income	159	-315	-211
Transactions with owners			
Forward contract to repurchase own shares	-19	-	-
Share based payments	2	-	-
Capital contribution	-	3,522	3,522
Business combinations ¹	-	-667	-667
Conversion of convertible loan	-	10	10
Rights issue	-	1,057	1,057
Total transactions with owners	-17	3,922	3,922
Equity at end of period	3,468	3,222	3,326
1 The amount reported for business combinations in 2012 consists of:			
- The assessed value of the acquired Cloetta company		833	833
- The issue in kind of class C shares (see change in equity of Parent Company)		2,556	2,556
- The hypothetical repurchase of shares (reverse acquisition)		-4,056	-4,056
		-667	-667

2 The comparative figures have been adjusted for the impact of the early adoption of IAS19R. See page 19 for a presentation of restatement effects.

Consolidated cash flow statement

SEKm	Third quarter		9 months		Full year
	Jul-Sep 2013	Jul-Sep 2012 ¹	Jan-Sep 2013	Jan-Sep 2012 ¹	Jan-Dec 2012
Cash flow from operating activities before changes in working capital	132	108	176	43	156
Cash flow from changes in working capital	-78	-15	-161	140	174
Cash flow from operating activities	54	93	15	183	330
Cash flows from investments in property, plant and equipment and intangible assets	-42	-60	-150	-153	-269
Other cash flow from investing activities	3	-	9	-1,254	-1,237
Cash flow from investing activities	-39	-60	-141	-1,407	-1,506
Cash flow from operating and investing activities	15	33	-126	-1,224	-1,176
Cash flow from financing activities	11	34	-26	1,386	1,412
Cash flow for the period	26	67	-152	162	236
Cash and cash equivalents at beginning of period	139	155	306	97	97
Cash flow for the period	26	67	-152	162	236
Exchange difference	-27	-53	-16	-90	-27
Cash and cash equivalents at end of period	138	169	138	169	306

1 The cash flow statements for Q1, Q2 and Q3 2012 have been restated after the final purchase price allocation.

Key figures

SEKm	Third quarter		9 months		Full year
	Jul-Sep 2013	Jul-Sep 2012 ³	Jan-Sep 2013	Jan-Sep 2012 ³	Jan-Dec 2012 ³
Profit					
Net sales	1,194	1,159	3,452	3,455	4,859
Net sales, change, %	3.0	3.1	-0.1	5.1	4.3
Underlying net sales, change, %	1.4	-3.2	-2.0	-2.7	-4.1
Gross margin, %	37.9	37.0	37.9	35.5	35.0
Underlying EBITDA	205	168	492	353	597
Underlying EBITDA margin, %	17.1	14.5	14.1	10.2	12.3
Depreciation	-45	-43	-131	-123	-167
Underlying EBIT	160	124	360	222	423
Underlying EBIT margin, %	13.3	10.7	10.3	6.4	8.7
Amortisation	0	0	-1	-1	-1
Restructurings	-28	-31	-112	-187	-309
Operating profit (EBIT)	131	90	243	43	125
Operating margin (EBIT margin), %	11.0	7.5	7.0	1.3	2.6
Profit margin, %	8.5	2.2	2.4	-6.1	-2.9
Financial position					
Working capital ¹	634	488	634	488	458
Capital expenditure	-42	-59	-150	-152	-269
Net debt	3,248	3,127	3,248	3,127	3,056
Capital employed ²	7,149	6,810	7,149	6,810	7,066
Return on capital employed, % (rolling 12 months)	4.9	2.0	4.9	2.0	1.9
Equity/assets ratio, %	39.3	36.2	39.3	36.2	35.6
Net debt/equity ratio, %	93.7	96.5	93.7	96.5	91.9
Return on equity, % (rolling 12 months)	6.7	-3.2	6.7	-3.2	-2.2
Equity per share, SEK	12.0	11.2	12.0	11.2	11.5
Net debt/underlying EBITDA (Rolling 12 months)	4.4	5.3	4.4	5.3	5.1
Cash flow					
Cash flow from operating activities	54	93	15	183	330
Investments in non-current assets	-39	-60	-141	-1,407	-1,506
Cash flow after investments	15	33	-126	-1,224	-1,176
Cash conversion, %	79.5	63.9	69.5	57.0	54.9
Cash flow from operating activities per share, SEK	0.2	0.3	0.1	0.6	1.1
Employees					
Average number of employees	2,432	2,577	2,456	2,550	2,579

1 Adjusted for amended definition (see page 20).

2 Capital employed has been restated.

3 All underlying data have been restated at new constant exchange rate.

Quarterly data

SEKm	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
PROFIT AND LOSS ACCOUNT									
Net sales	1,194	1,131	1,127	1,404	1,159	1,212	1,084	1,371	1,124
Cost of goods sold	-741	-696	-705	-930	-730	-799	-698	-911	-679
Gross profit	453	435	422	474	429	413	386	460	445
Other operating income	2	3	7	9	4	0	0	1	0
Selling expenses	-197	-228	-206	-211	-185	-270	-222	-248	-203
General and administrative expenses	-127	-156	-165	-190	-158	-196	-158	-129	-113
Operating profit/loss (EBIT)	131	54	58	82	90	-53	6	84	129
Exchange gains/losses on borrowings and cash and cash equivalents in foreign currencies	34	-78	37	39	-14	-9	4	-10	-2
Other financial income	2	11	9	2	0	1	2	3	3
Other financial expenses	-66	-54	-55	-51	-46	-69	-124	-134	-139
Net financial items	-30	-121	-9	-10	-60	-77	-118	-141	-138
Profit/loss before tax	101	-67	49	72	30	-130	-112	-57	-9
Income tax expense	-15	23	-13	83	-17	8	-7	181	-4
Profit/loss for the period	86	-44	36	155	13	-122	-119	124	-13
<i>Profit/loss for the period attributable to:</i>									
Owners of the Parent Company	86	-44	36	155	13	-122	-119	124	-13
KEY FIGURES									
Underlying EBIT ¹	160	109	91	201	124	51	47	194	152
Underlying EBITDA ¹	205	148	139	244	168	93	92	236	193
Return on equity, %	6.7	4.6	2.5	-2.2	-3.2	-3.9	-3.0	N/A	N/A
Equity per share, SEK	12.0	11.9	11.4	11.5	11.2	11.5	11.0	N/A	N/A
Net debt/underlying EBITDA (Rolling 12 months)	4.4	4.6	4.7	5.1	5.3	5.2	6.4	N/A	N/A
Cash flow from operating activities per share, SEK	0.2	-0.1	-0.1	0.5	0.3	0.5	-0.1	N/A	N/A

¹ Restated at new constant exchange rate.

Parent Company

Summary parent company profit and loss accounts

SEKm	Third quarter		9 months		Full year ¹
	Jul-Sep 2013	Jul-Sep 2012	Jan-Sep 2013	Sep 2011-Sep 2012	Sep 2011-Dec 2012
Net sales	24	14	55	52	72
Cost of goods sold	–	0	–	0	0
Gross profit	24	14	55	52	72
Other operating income/expense	2	–4	12	–5	–2
General and administrative expenses	–29	–27	–90	–81	–110
Operating profit/loss	–3	–17	–23	–34	–40
Net financial items	–28	–12	–50	–39	38
Profit/loss before tax	–31	–29	–73	–73	–2
Appropriations	–	0	–	0	4
Income tax expense	7	8	17	19	–2
Profit/loss for the period	–24	–21	–56	–54	0

Profit/loss for the period corresponds to comprehensive income for the period.

¹ The comparative figures for the Parent Company cover the period from 1 September 2011 to 30 September 2012 in accordance with the Parent Company's extended financial year.

Summary parent company balance sheets

SEKm	30 Sep 2013	30 Sep 2012	31 Dec 2012
ASSETS			
Non-current assets	5,236	4,633	4,633
Current assets	3	257	156
TOTAL ASSETS	5,239	4,890	4,789
EQUITY AND LIABILITIES			
Equity	4,162	4,162	4,216
Untaxed reserves	–	4	–
Non-current liabilities			
Borrowings	975	453	343
Provisions	–	1	0
Total non-current liabilities	975	454	343
Current liabilities			
Borrowings	0	234	214
Other current liabilities	102	36	16
Total current liabilities	102	270	230
TOTAL EQUITY AND LIABILITIES	5,239	4,890	4,789
Pledged assets	4,623	4,619	4,623
Contingent liabilities	2,536 ¹	2,824	2,765

¹ The company issued a parent company guarantee pursuant to Article 403, Book 2 of the Dutch Civil Code in respect of Cloetta Holland B.V. and Cloetta Finance Holland B.V. This means that Cloetta AB declares and accepts, under reservation of legal repeal of the declaration, joint and several liability for the debts resulting from legal acts of Cloetta Holland B.V. and Cloetta Finance Holland B.V. As the probability of a settlement is remote, an estimate of its financial effect is not practical to calculate.

Parent company statement of changes in equity

SEKm	Jan 2013 –Sep 2013	Sep 2011 –Sep 2012	Sep 2011 –Dec 2012
Equity at beginning of period	4,216	592	592
Profit/loss for the period	–56	–54	0
Total comprehensive income	–56	–54	0
Transactions with owners			
Share-based payments	2	–	–
Rights issue	–	1,057	1,057
Issue in kind of class C shares, acquisition of LEAF Holland B.V.	–	2,556	2,556
Convertible debenture loan	–	11	11
Total transactions with owner	2	3,624	3,624
Equity at end of period	4,162	4,162	4,216

Disclosures, risk factors and accounting policies

DISCLOSURES

Parent Company

Cloetta AB's primary activities include head office functions such as group-wide management and administration. The comments below refer to the period from 1 January 2013 to 30 September 2013. Net sales in the Parent Company reached SEK 55m (52) and referred mainly to intra-group services. Operating profit was SEK -23m (-34). Net financial items totalled SEK -49m (-39). Profit before tax was SEK -72m (-73) and profit after tax was SEK -56m (-54). Cash and cash equivalents and short-term investments amounted to SEK 0m (7).

The Cloetta share

Cloetta's class B share is listed on NASDAQ OMX Stockholm, Mid Cap. During the period from 1 January to 30 September 2013, a total of 123,814,269 shares were traded for a combined value of SEK 2,088m, equal to around 44 per cent of the total number of class B shares at the end of the period. The highest quoted bid price during the period from 1 January to 30 September 2013 was SEK 20.10 and the lowest was SEK 13.30. The share price on 30 September 2013 was SEK 18.70 (last price paid). During the period from 1 January to 30 September 2013, the Cloetta share rose by 37 per cent while the NASDAQ OMX Stockholm PI index rose by 16 per cent.

Cloetta's share capital at 30 September 2013 amounted to SEK 1,443,096,495. The total number of shares is 288,619,299, consisting of 9,861,614 class A shares and 278,757,685 class B shares, equal to a quota value of SEK 5 per share.

Shareholders

On 30 September 2013 Cloetta AB had 5,300 shareholders (5,238 at 30 June 2013). The largest shareholder was AB Malfors Promotor with a holding corresponding to 40.8 per cent of the votes and 22.5 per cent of the share capital in the company. Other institutional investors held 52.3 per cent of the votes and 68.5 per cent of the share capital. Foreign shareholders held 23.5 per cent of the votes and 30.7 per cent of the share capital.

In the third quarter the previous second and third largest shareholders Cidron Pord S.á.r.l. (owned by Nordic Capital Fund V) and Godis Holdings S.á.r.l. (owned by funds under the advisorship of CVC Capital Partners) decreased parts of their shareholdings. As of 30 September AMF is the second largest shareholder with a holding corresponding to 10.5 per cent of the votes and 13.7 per cent of the share capital. The third largest shareholder is Lannebo Fonder with a holding corresponding to 7.4 per cent of the votes and 9.6 per cent of the share capital in the company.

Related party transactions

AB Malfors Promotor, Cidron Pord S.á.r.l. and Godis Holdings S.á.r.l are considered to be related parties. Yllop Holding S.A. was considered to be a related party until the second quarter 2012.

Buying and selling of goods and services between Cloetta and the principal shareholders are regarded as related party transactions. During the first quarter Cloetta AB sold a property to Phlisa Metall AB, a subsidiary of AB Malfors Promotor, for a value of SEK 6m, generating a profit of SEK 3m. The property was sold at market value.

The Parent Company has related party transactions with subsidiaries in the Group. The majority of such transactions refer to the sale of services, which for the period from January to September 2013 amounted to SEK 55m (52), equal to 100 per cent of each period's total sales. At 30 September 2013 the Parent Company's receivables from subsidiaries amounted to SEK 592m (232) and liabilities to subsidiaries amounted to SEK 64m (101). Transactions with related parties are priced on market-based terms.

During the second quarter the long-term share-based incentive plan (LTI 2013) as approved by the Annual General Meeting was introduced. Total costs related to the LTI 2013 that were recognised in the first three quarters amount to SEK 2.3m, of which SEK 0.5m is related to group management.

Segment reporting

An operating segment is an identified part of a group that engages in business activities from which it may earn revenues and incur expenses for which discrete financial information is available. The results of operating segments are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its short- and long-term financial performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CEO, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

In the Cloetta Group, four regions (Finland, Scandinavia, Middle and South) have been identified as the Group's operating segments. The vast majority of sales take place within the sugar confectionery markets of Western Europe, which are comparable. It is the management's goal to optimise production efficiency through homogeneity in the production processes in the Group's different production facilities, regardless of their locations. Because the Group has only sales in the segments for sugar

confectionery, chocolate products, chewing gum and pastilles, the Group's markets and types of customers are similar. Furthermore, the Group has an integrated distribution network and supply chain organisation. The identified operating segments are therefore assessed to have similar economic characteristics.

As a result of the similarities between the different regions, the operating segments have been aggregated into one reportable segment for purposes of financial reporting.

Taxes

The effective tax rate for the first three quarters was 6 per cent. The difference compared to the Swedish corporate tax rate of 22 per cent is mainly explained by a positive effect resulting from the 2012 corporate tax filings and changes in local tax regulations, which were partly offset by a negative effect resulting from non-deductible expenses. Cloetta's deferred tax balances have been measured using the enacted tax rates.

RISK FACTORS

Cloetta is an internationally active company that is exposed to a number of market and financial risks. All identified risks are monitored continuously and, if needed, risk mitigating measures are taken to limit their impact. The most relevant risk factors are described in the annual report for 2012 and consist of industry and market-related risks, operational risks and financial risks. Compared to the annual report for 2012, which was issued on 15 March 2013, no new risks have been identified.

ACCOUNTING POLICIES

The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee (IFRIC) which have been endorsed by the European Commission for application in the EU. The applied standards and interpretations are those that were in force and had been endorsed by the EU at 1 January 2013. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, has been applied.

The consolidated interim report is presented in accordance with IAS 34, Interim Financial Reporting, and in compliance with the relevant provisions in the Swedish Annual Accounts Act and the Swedish Securities Market Act. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which are consistent with the provisions in recommendation RFR 2, Accounting for Legal Entities.

The same accounting and valuation methods have been applied as in the most recent annual report. The only items recognised at fair value after initial recognition are the interest rate swaps categorised at level 2 of the fair value hierarchy in all periods presented, the forward contract to repurchase own shares related to the Long-Term Incentive plan categorised at level 2 and the contingent earn-out liability related to the acquisition of FTF Sweets Ltd. categorised at level 3, as well as assets held for sale, in case the fair value less cost to sell is below the carrying amount.

The fair values of the financial assets (loans and receivables) and liabilities measured at amortised cost are approximately equal to their carrying amounts.

The fair value of financial assets and liabilities for measurement purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value derived is used as the carrying amount.

IFRS 7 requires disclosure of fair value measurements by level according to the following fair value measurement hierarchy.

- ▶ Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- ▶ Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- ▶ Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial instruments that are measured at fair value as per 30 September 2013

SEKm	Level 1	Level 2	Level 3	Total
Assets				
<i>Financial assets at fair value through profit and loss</i>				
• Interest rate swaps	–	0	–	0
Total assets	–	0	–	0
Liabilities				
<i>Financial liabilities at fair value through profit and loss</i>				
• Interest rate swaps	–	5	–	5
• Forward contract to repurchase own shares	–	19	–	19
• Contingent earn-out liability	–	–	12	12
Total liabilities	–	24	12	36

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2. The valuation of the instruments is based on quoted market prices but the underlying swap amounts are based on the specific requirements of the Group. These instruments are therefore included in level 2. The fair value measurement of the earn-out liability requires use of significant unobservable inputs and is thereby categorised at level 3.

Specific valuation techniques used to value financial instruments include:

- ▶ Quoted market prices or dealer quotes for similar instruments.
- ▶ The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

- ▶ The fair value of forward foreign exchange contracts is determined using forward exchange rates on the balance sheet date, with the resulting value discounted back to present value.
- ▶ Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

For the interest rate swaps and the forward contract to repurchase own shares, see the paragraph on financial position on page 6. For detailed information about the accounting policies, see Cloetta's annual report for 2012 at www.cloetta.com.

Key impact on financial information due to change in accounting policy

IAS 19R is applied with effect from 1 January 2012. As a consequence of the application of IAS 19R, the comparative figures at 30 September 2012 have been restated for equity by SEK –19m, other provisions by SEK 25m and deferred tax assets by SEK 6m.

Changed accounting standards

The company has applied the revised IAS 1 and IFRS 13 with effect from the first quarter 2013. The changes in these standards have not had any impact on recognition or measurement, but have affected the presentation of other comprehensive income (OCI) and some additional disclosure requirements through the revision of IAS 34. The changes in IFRS 10, IFRS 11 and IFRS 12 which have been endorsed by the EU and are effective as of 1 January 2014 have not yet been adopted by the company.

Definitions

General	All amounts in the tables are presented in SEK millions unless otherwise stated. All amounts in brackets () represent comparable figures for the same period of the prior year, unless otherwise stated.
Margins	
EBITDA margin	EBITDA expressed as a percentage of net sales.
Gross margin	Net sales less cost of goods sold as a percentage of net sales.
Operating margin (EBIT margin)	Operating profit expressed as a percentage of net sales.
Profit margin	Profit/loss before tax expressed as a percentage of net sales.
Return	
Cash conversion	Underlying EBITDA less capital expenditures as a percentage of underlying EBITDA.
Return on capital employed	Operating profit plus financial income as a percentage of average capital employed.
Return on equity	Profit for the period as a percentage of total equity.
Capital structure	
Capital employed	Total assets less interest-free liabilities (including deferred tax).
Equity/assets ratio	Equity at the end of the period as a percentage of total assets.
Gross debt	Gross current and non-current borrowings including credit overdraft facility, derivative financial instruments and interest payables.
Net debt	Gross debt less cash and cash equivalents.
Net debt/equity ratio	Net debt at the end of the period divided by equity at the end of the period.
Working capital	Total inventories and trade and other receivables adjusted for trade and other payables.
Data per share	
Earnings per share	Profit for the period divided by the average number of shares.
Other definitions	
EBIT	Operating profit or earnings before interest and taxes.
EBITDA	Operating profit before depreciation and amortisation.
Items affecting comparability	Items affecting comparability refer to non-recurring items.
Net sales, change	Net sales as a percentage of net sales in the comparative period of the previous year.
Underlying net sales, EBIT, EBIT margin	The underlying figures are based on constant exchange rates and the current structure (excluding the distribution business in Belgium and a third-party distribution agreement in Italy) and excluding items affecting comparability. Includes the former Cloetta's historical financial values for better comparability.

Glossary

Factory restructurings / restructurings	Due to excess capacity, Cloetta has closed factories in Sweden, Denmark and Finland during 2012/2013. In 2014 the factory in Gävle will also be closed and its production moved to Ljungsbro, Sweden and Levice, Slovakia..
Integration	Cloetta and LEAF were merged on 15 February 2012. The integration has primarily consisted of processes to form a new common culture, but also of restructuring of the commercial organisation and administration in Sweden, rationalisation of warehouse operations in Scandinavia and insourcing of third-party brands.

Exchange rates

	30 Sep 2013	30 Sep 2012	31 Dec 2012
EUR, average	8.5800	8.7247	8.6958
EUR, end of period	8.6500	8.4350	8.5750
NOK, average	1.1192	1.1624	1.1643
NOK, end of period	1.0672	1.1461	1.1667
GBP, average	10.0838	10.7672	10.7435
GBP, end of period	10.3593	10.5821	10.5215
DKK, average	1.1507	1.1730	1.1682
DKK, end of period	1.1599	1.1315	1.1495

Financial calendar

2014	Jan		
	Feb	Year-end report 2013	14 February 2014
	Mar	Annual report 2013	Beginning of April 2014
	Apr	Interim report Q1 2014	25 April 2014
		AGM in Stockholm	29 April 2014
	May		
	Jun		
	Jul	Interim report Q2 2014	18 July 2014
	Aug		
	Sep		
	Oct		
	Nov	Interim report Q3 2014	14 November 2014
Dec			
2015	Jan		
	Feb	Year-end report 2014	13 February 2015

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The information in this interim report is such that Cloetta is required to disclose in accordance with the Securities Market Act. The report was released for publication at 8:00 a.m. CET on 14 November 2013.

About Cloetta

Cloetta, founded in 1862, is a leading confectionary company in the Nordic region, the Netherlands and Italy. In total, Cloetta products are sold in more than 50 countries worldwide. Cloetta owns some of the strongest brands on the market, such as Läkerol, Cloetta, Jenkki, Kexchoklad, Malaco, Sportlife, Saila, Red Band and Sperlari. Cloetta has 10 production units in five countries. Cloetta's class B shares are traded on NASDAQ OMX Stockholm.

Vision

To be the most admired satisfier of Munchy Moments

Business model

Cloetta's business model is to offer strong local brands in Munchy Moments and provide effective sales and distribution to the retail trade. Together, this will ensure continued positive development of the company's leading market positions.

Long-term financial targets

- ▶ Cloetta's target is to increase organic sales at least in line with market growth.
- ▶ Cloetta's target is an underlying EBIT margin of at least 14 per cent.
- ▶ Cloetta's long-term target is a net debt/EBITDA ratio of around 2.5.
- ▶ Cloetta's long-term intention is a dividend payout of 40–60 per cent of profit after tax.

Strategies

- ▶ Focus on margin expansion and volume growth.
- ▶ Focus on cost-efficiency.
- ▶ Focus on employee development.

The vision, together with the targets and strategies, express Cloetta's business concept.

Value drivers

- ▶ Strong brands and market positions in a non-cyclical market.
- ▶ Excellent availability in the retail trade with the help of a strong and effective sales and distribution organisation.
- ▶ Good consumer knowledge and loyalty.
- ▶ Innovative product and packaging development.
- ▶ Effective production with high and consistent quality.



Cloetta

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