

**STATEMENT BY THE BOARD OF DIRECTORS OF CLOETTA AB (PUBL) PURSUANT TO CHAPTER 19, SECTION 22 OF THE SWEDISH COMPANIES ACT**

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Due to the proposal by the Board of Directors that the Annual General Meeting shall authorize the Board of Directors to decide on acquisition of own shares, the Board of Directors hereby makes the following statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act.

The reason that the Board of Directors considers that the proposed authorization to the Board of Directors to resolve on acquisition of own shares is justified taking into account Chapter 17, Section 3, paragraphs 2-3 of the Swedish Companies Act, is as follows.

The company's profit and the previous year's retained earnings amounted to SEK 1,856 million in total as per 31 December 2013. According to the annual report 2013 of the company, the group had an equity/assets ratio of 41.7 per cent and a net debt of SEK 3,230 million as per 31 December 2013. The Board of Directors has proposed that no dividend is declared for the financial year 1 January - 31 December 2013 and that the unappropriated earnings at the disposal of the Annual General Meeting are carried forward.

The proposed authorization to acquire shares is intended only to secure the company's obligations (including costs for social security fees) under LTI 2014 (as defined under item 16 in the notice to the Annual General Meeting), and other, at any time, share based incentive plans adopted by a shareholders' meeting. No more than 1,773,840 B-shares may be acquired. Based on the share price of the company's B-shares on 28 February 2014, full utilization of the authorization totals approximately SEK 41 million. There will be full coverage of the group's and the parent company's restricted equity following utilization of the authorization to acquire shares.

With reference to the foregoing, the Board of Directors makes the assessment that the proposed authorization to acquire own shares is justified considering;

1. the requirements that the nature, scope and risks of the operations (of the group as well as of the company) impose on the size of the equity, and
2. the company's and the group's consolidation requirements, liquidity and position in general.

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Stockholm, March 2014

*The board of directors*