Year-end report

1 September 2010 – 31 August 2011

Q4

FOURTH QUARTER
1 JUNE – 31 AUGUST 2011

Net sales	**SEK 193 M**	(213)
of which, Cloetta products	**SEK 171 M**	(185)
Operating profit	**SEK 0 M**	(–6)
Operating margin	**0%**	(neg)
Profit/loss before tax	**SEK 0 M**	(–7)
Profit/loss after tax	**SEK –1 M**	(–5)
Earnings per share		
basic	**SEK –0.06**	(–0.24)
diluted	**SEK –0.06**	(–0.24)

FULL YEAR
1 SEPTEMBER 2010 – 31 AUGUST 2011

Net sales	**SEK 987 M**	(1,061)
of which, Cloetta products	**SEK 874 M**	(914)
Operating profit	**SEK 27 M**	(35)
Operating margin	**2.7%**	(3.3)
Profit before tax	**SEK 26 M**	(31)
Profit after tax	**SEK 18 M**	(22)
Earnings per share		
basic	**SEK 0.73**	(0.90)
diluted	**SEK 0.73**	(0.90)
Proposed dividend per share		
ordinary	**SEK 0.75**	(0.75)
extraordinary	**SEK 0.50**	(–)

Cloetta

Comments from the CEO

Lower sales but profit for Q4 on par with previous year

2010/2011 has been a year of unusually large fluctuations. In our first quarter (September–November) we posted continued strong growth in sales and profit. Starting in December 2010, we were challenged by a tougher market with a subsequent decrease in sales and a low profit for our second quarter. The third and fourth quarters saw continued sluggish sales while earnings were on par with the year before. Our weak second quarter thus resulted in a lower full-year profit compared to the previous year, which is below our ambitions.

Profit for the year was negatively affected by aggressive competition in a grocery retail trade that was characterised by weak development during 2011, together with lower income from products manufactured on contract. We have introduced certain price increases toward the retail trade to be implemented during the coming year and starting this autumn. At the same time, we are now carrying out changes in our positioning, establishing new partnerships, pursuing a number of efficiency improvement projects and developing our business together with the customers. Cash flow for the year significantly exceeded the year-earlier level.

With its strong brand portfolio, Cloetta is the market-leader in the segments for countlines, including Kexchoklad, chocolate bags and seasonal products such as Juleskum. In the past two years we have further enhanced our product range by giving the brands in our prioritised segments a uniform design and a higher degree of package adaptation to different customer and consumer needs. One example of this is our new chocolate bag concept that was launched in the spring of 2011. For the countline range, including brands like Kexchoklad, Sportlunch, Plopp, Center and Guldnougat, a step was taken in product development in 2009 and additional steps are underway. Kexchoklad, our flagship brand, has been given a new design and sales solutions during the year and will soon appear in new contexts. We have now launched Sweden's top-selling chocolate bag Polly in Norway under the name of Popsy. Polly is also available in Finland and is showing favourable sales growth.

We have a well functioning production system in which our efficiency has risen in recent years, partly thanks to new and more flexible working methods, investments and a maintenance programme that is more integrated with production. However, the decreased volumes from contract manufacturing have led to lower capacity utilisation. Internally, we will optimise production for our current volumes and the contract levels that we can achieve.

We are closely monitoring developments in the grocery retail trade and changes in consumer behaviour. By continuing to develop Cloetta's strong brands in close partnership with our customers, we can influence our own profitability and that of our customers. To strengthen our focus and sales, we have started a collaboration with the sales company Sales Support to sell our brands that are not part of the confectionery category, i.e. Mums-Mums and Mandelbiskvier, in the Swedish retail trade starting on 1 September. Our plans for increased partnership in different areas will also boost our future competitiveness.

Curt Petri, Managing Director and CEO

ABOUT CLOETTA

Founded in 1862, Cloetta is the oldest confectionery company in the Nordic region. The company's key brands are **Kexchoklad, Center, Plopp, Polly, Tarragona, Guldnougat, Bridge, Juleskum, Sportlunch** and **Extra Starka**. Cloetta has two production units in Sweden, one in Ljungsbro and one in Alingsås. The company's class B shares have been traded on NASDAQ OMX Stockholm Nordic since 16 February 2009.

FINANCIAL INFORMATION

		Fourth quarter		Full year	
		Jun 2011 –Aug 2011	Jun 2010 –Aug 2010	**Sep 2010 –Aug 2011**	Sep 2009 –Aug 2010
Net sales	SEK M	**193**	213	**987**	1,061
Operating profit/loss	SEK M	**0**	–6	**27**	35
Operating margin	%	**0.0**	neg	**2.7**	3.3
Profit/loss before tax	SEK M	**0**	–7	**26**	31
Profit/loss for the period	SEK M	**–1**	–5	**18**	22
Cash flow from operating activities	SEK M	**–4**	26	**76**	19

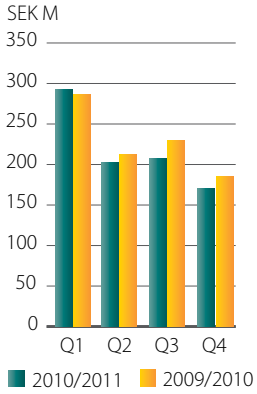
FINANCIAL OVERVIEW

The financial year covers the period from 1 September 2010 to 31 August 2011.

Seasonal variations

Cloetta's business follows a seasonal cycle in which the first quarter leading up to Christmas (September–November) is the strongest. To a large extent, the company's full-year profit is therefore dependent on sales during this period. The Easter holiday, which is the second peak season in the confectionery market, falls in Cloetta's third quarter and affects sales in both the second (December–February) and third quarters (March–May) to a varying degree from year to year depending on whether Easter falls in March or April. Cloetta's fourth quarter (June–August) is the weakest of the year in relative terms, as consumption of confectionery is lower during the summer months.

Sales of Cloetta's products



FOURTH QUARTER (JUNE – AUGUST 2011)

Net sales

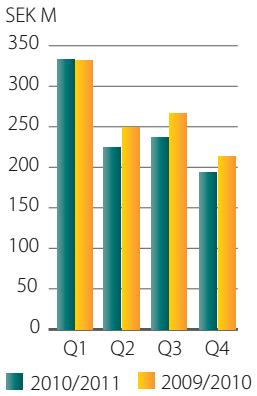
Sales of Cloetta's products amounted to SEK 171 million (185). Net sales for the quarter totalled SEK 193 million (213), of which products manufactured on contract accounted for SEK 22 million (28).

Sales in the Swedish market were down for the quarter, partly due to the volumes from the Wedding Series that were delivered in the same period of last year.

The total market for chocolate confectionery (according to Nielsen June/July) has shown modest growth. The grocery retail trade has expanded while the service trade has continued to shrink. Excluding the Wedding Series, Cloetta's sales in the grocery retail trade were on a level with the previous year. In the service trade, Cloetta's sales were on par with the total market.

Sales in Cloetta's other markets declined somewhat during the quarter. This is mainly explained by lower sales to IKEA, which has chosen to sell only its own brands.

Net sales

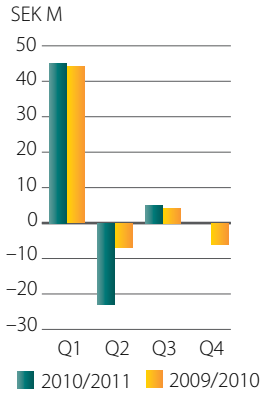


PROFIT

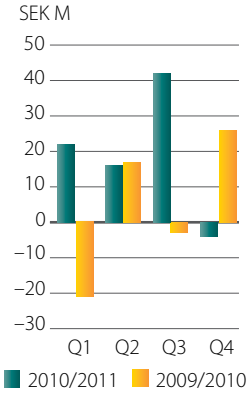
Gross profit

Gross profit for the period was SEK 55 million (56), which is equal to a gross margin of 28.5% (26.3).

Operating profit



Cash flow from operating activities



Cloetta and Kexchoklad have established a sponsorship collaboration with the Swedish National Alpine Ski Team starting in 2012. The sponsorship creates unique opportunities to give Kexchoklad year-round visibility.

Operating profit

Overhead expenses fell by SEK 1 million to SEK 63 million (64).

Operating profit was SEK 0 million (–6) and operating margin for the quarter was 0% (neg).

Operating profit before amortisation, depreciation and impairment rose to SEK 14 million (7), equal to an operating margin of 7.3% (3.3)

During the quarter, income of SEK 5 million was recognised following the Swedish Tax Agency's approval of a contractual item from the demerger of Cloetta Fazer relating to a deduction for group contributions to a Polish subsidiary. The amount is recognised together with other operating income.

Operating profit was positively affected by foreign exchange differences of SEK 3 million (2) that are reported together with other operating income and expenses.

Profit before tax

Profit before tax is reported at SEK 0 million (–7). Net financial items totalled SEK 0 million, compared to SEK –1 million the year before.

Profit for the period

Profit after tax was SEK –1 million (–5), which is equal to earnings per share of SEK –0.06 (–0.24) before and SEK –0.06 (–0.24) after dilution. The period's income tax expense was SEK –1 million (2).

FULL YEAR (SEPTEMBER 2010 – AUGUST 2011)

Net sales

Sales of Cloetta's products amounted to SEK 874 million (914). Net sales for the 12-month period totalled SEK 987 million (1,061), of which products manufactured on contract accounted for SEK 113 million (147).

Cumulative sales in the Swedish market were lower than in the same period of last year, partly due to the volumes of the Wedding Series that were delivered in the previous year. Overall sales of Cloetta's two largest brands, Kexchoklad and Polly, for the period from September 2010 to August 2011 were on par with or better than in the same period of last year. The autumn's launch of Tarragona bars and the top-selling Christmas product Juleskum had a positive impact on sales.

In the spring of 2011 Cloetta launched a new design for all Kexchoklad articles and the new blueberry-flavoured Kexchoklad was introduced as both a countline and a mini-bar in a bag. During the same period, a new bag concept was also launched for Cloetta's chocolate dragees in sizes adapted for the grocery and service trades. In connection with this, Pops Crunchy was launched on the Swedish market.

Total cumulative sales in Cloetta's other markets were somewhat lower than in the previous year. Chocolate bags, led by Pops in Norway, noted increased sales that were further strengthened in August when the first volumes of Polly bags were delivered. In Norway Polly has been launched under the name of Popsy. In Finland Polly Summer Berries was available during the summer and together with the new Center Salmiak roll contributed to higher sales. Sales in the Travel Trade have risen most markedly, mainly as a result of the new large-sized bags of Kexchoklad and Polly intended for passenger ferries, charter tour operators and airports.

PROFIT

Gross profit

Gross profit for the period was SEK 304 million (329), which is equal to a gross margin of 30.8% (31.0).

Operating profit

Overhead expenses fell by SEK 12 million and amounted to SEK 287 million (299). The decrease is mainly attributable to the marketing activities that were carried in the comparison period in connection with the launch of Cloetta's Good chocolate bar series and the Wedding Series. During the year, marketing activities have been conducted among other things through the media and joint promotional campaigns with customers in preparation for the launch of large-sized Tarragona bars in the grocery retail trade in the autumn of 2010 and ahead of the Christmas sales, with products such as Juleskum. During the ski season, Kexchoklad was promoted through outdoor advertisements and activities at ski resorts. Other overhead expenses were on par with the previous year.

Operating profit was SEK 27 million (35) and operating margin was 2.7% (3.3).

Operating profit before amortisation, depreciation and impairment was SEK 82 million (85), equal to an operating margin of 8.3% (8.0)

Income of SEK 5 million was recognised in the fourth quarter with respect to the Polish group contribution, see comments for the quarter. This amount was recognised together with other operating income.

Operating profit was positively affected by foreign exchange differences of SEK 5 million (6) that are reported together with other operating income and expenses.

Profit before tax

Profit before tax was SEK 26 million (31). Net financial items totalled SEK –1 million, compared to SEK –4 million the year before. The negative net financial items reported by the Group in spite of a net receivable are mainly explained by the fact that interest on the pension liability and the convertible note programme for the employees is significantly higher than the yield on financial assets.

Profit for the period

Profit after tax is reported at SEK 18 million (22), which is equal to earnings per share of SEK 0.73 (0.90) before and SEK 0.73 (0.90) after dilution. The period's income tax expense was SEK –8 million (–9). The effective tax rate was 31.4%. The higher tax rate is mainly attributable to non-deductible expenses and imputed interest on tax allocation reserves.

Financing and liquidity

Cash and cash equivalents and short-term investments amounted to SEK 264 million (245).

Cloetta's working capital requirement is exposed to seasonal variations, partly resulting from a build-up of inventories in preparation for increased sales during the Christmas holiday. This means that the working capital requirement is normally highest during the autumn, i.e. in the first quarter, and lowest at year-end, i.e. in the second quarter.

Cash flow from operating activities for the period from September 2010 to August 2011 was SEK 76 million (19), an improvement that is mainly explained by a decrease in working capital compared to the same period of last year. Cash flow from operating activities for the fourth quarter was SEK –4 million (26). Net cash of SEK 39 million (51) was utilised for investments in property, plant and equipment during the 12-month period. Other cash flow from investing activities consists of ongoing investments. The dividend approved by the Annual General Meeting was charged to financing operations in an amount of SEK 18 million during the second quarter. Interest-bearing assets exceeded interest-bearing liabilities by a net amount (i.e. a net receivable) of SEK 167 million (144). The equity/assets ratio was 67.5% (65.7).

Investments

Investments in property plant and equipment during the period totalled SEK 39 million (51) and included both capacity and replacement investments in the existing production lines. Depreciation amounted to SEK 55 million (50).

OTHER DISCLOSURES

Employees

The average number of employees during the period from September 2010 to August 2011 amounted to 437 (452). This is attributable partly to the previous year's workforce reductions at the factory in Alingsås and partly to reductions in the production staff in Ljungsbro as announced in the first quarter.

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 September 2010 to August 2011 (cumulative).

Net sales in the Parent Company reached SEK 26 million (35) and referred mainly to intra-group services. Operating profit was SEK 6 million (3). During the quarter, income of SEK 5 million was recognised following the Swedish Tax Agency's approval of a contractual item from the demerger of Cloetta Fazer relating to a deduction for group contributions to a Polish

A new display stand for in-store exposure of Kexchoklad was launched during the quarter. The new half pallet has been well received by the retail trade.

Classic Christmas products! Cloetta doubled its sales of Juleskum between 2007 and 2010 and had a market share of 83% for Christmas marshmallows in the past holiday season. A new flavour – Juleskum Polka – will be launched for Christmas 2011.

This autumn, the new flavour Tarragona almond crisp will be launched with a playful outdoor campaign.

Polly Rocks – a rock-and-roll version of Polly with a design by well known musician Dregen. Cloetta's classic milk chocolate Polly has been mixed with new lemon and salt liquorice flavours. The advertising campaign for Polly Rocks is targeted toward younger consumers through TV commercials, outdoor advertisements and social media. Nearly every third chocolate dragee bag sold in the retail trade today* is a Polly!

*Source: AC Nielsen DVH tot. + SVH r12 2011

Center Kokos extended the summer. The newest Center roll filled with coconut and creamy toffee is the ideal treat for all Center lovers.

subsidiary. Cloetta's share amounts to 30%. The amount is recognised together with other operating income.

Net financial items totalled SEK –1 million (–2). Profit before tax was SEK 5 million (1) and profit after tax was SEK 2 million (0). Cash and cash equivalents and short-term investments amounted to SEK 53 million (72).

Cloetta's SEK 30 million convertible note programme for the employees runs from 14 May 2009 to 30 March 2012 and will bear interest at a rate equal to STIBOR plus 2.5 percentage points. The convertible notes can be converted to class B shares in Cloetta during the period from 25 February 2011 to 25 February 2012 at a conversion rate of SEK 30.40, which upon full conversion will increase the number of class B shares by 1,004,889. The interest rate for the period from 10 November 2010 to 10 November 2011 has been set at 4.48%. The next interest instalment is due for payment on 10 November 2011.

A total of 13,255 shares were converted during the fourth quarter. A total of 199,990 shares have been converted, which is equal to an increase in the share capital of SEK 1 million and an increase in the share premium reserve of SEK 5 million.

The Cloetta share

Trading of the class B share of Cloetta AB (publ) commenced on NASDAQ OMX Stockholm on 16 February 2009. The share is traded under the ticker symbol CLA B with ISIN code SE0002626861. During the period from 1 September 2010 to 31 August 2011, a total of 1,841,400 shares were traded, equal to around 8% of the total number of class B shares. The highest quoted bid price was SEK 39.90 and the lowest was SEK 25.70. The share price on 31 August 2011 was SEK 29.40 (last price paid).

Shareholders

AB Malfors Promotor is the principal shareholder in Cloetta AB (publ). At 31 August 2011 Cloetta AB had 4,181 shareholders and the principal shareholder Malfors Promotor held 74.3% of the votes and 51.9% of the share capital. Other institutional investors held 12.7% of the votes and 23.8% of the share capital. The number of shares amounted to 24,319,186, of which 21,959,186 were of class B and 2,360,000 were of class A.

Related party transactions

The principal shareholder is AB Malfors Promotor and any buying and selling of goods and services between Cloetta and the principal shareholder are regarded as related party transactions. Aside from the dividend approved by the Annual General Meeting, the Parent Company has made purchases from related parties of SEK 0 million (1), equal to 0% (0.1) of the Group's total purchases during the period from September 2010 to August 2011.

The Parent Company has related party transactions with subsidiaries in the Group. The majority of such transactions refer to the sale of services, which amounted to SEK 6 million (9) for the period from June to August 2011 and SEK 26 million (35) for the period from September 2010 to August 2011, which is equal to 100% of each period's total sales.

At 31 August the Parent Company's receivables from subsidiaries amounted to SEK 27 million (28) and liabilities to subsidiaries amounted to SEK 0 million (0). Transactions with related parties are priced on market-based terms.

The Board's proposed dividend

The Board proposes an ordinary dividend of SEK 0.75 per share (0.75) for the financial year 2010/2011. In light of the company's cash flow and strong balance sheet, the Board also proposes an extraordinary dividend of SEK 0.50 per share. Even after this dividend, the company will have good liquidity (net receivable) and a high equity/assets ratio.

Nominating Committee

The Nominating Committee's proposal for election of Board members and auditors will be presented in connection with the notice to attend the Annual General Meeting. The notice will be available on the company's website starting in mid-November.

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.

Annual General Meeting

The Annual General Meeting will be held at 2:00 p.m. on Monday, 19 December 2011, at Collegium in Linköping. The notice to attend the Annual General Meeting will be sent in mid-November 2011.

Annual report

The annual report for the financial year will be posted on Cloetta's website www.cloetta.com by 28 November at the latest. The printed annual report will be available at Cloetta's head office in Ljungsbro no later than the week beginning on 28 November 2011.

Other

The interim report for the first quarter (September – November 2011) will be published on 19 December 2011.

The Board of Directors and the Managing Director hereby give their 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.

Ljungsbro, 18 October 2011

Cloetta AB (publ)

Olof Svenfelt
Chairman

Lennart Bohlin
Board member

Johan Hjertonsson
Board member

Ulrika Stuart Hamilton
Board member

Mikael Svenfelt
Board member

Meg Tivéus
Board member

Lena Grönedal
Employee representative

Birgitta Hillman
Employee representative

Curt Petri
Managing Director and CEO

The information in this interim report has not been reviewed by the company's auditors.

Summary consolidated profit and loss accounts

SEK M	Fourth quarter Jun 2011 –Aug 2011	Fourth quarter Jun 2010 –Aug 2010	Full year Sep 2010 –Aug 2011	Full year Sep 2009 –Aug 2010
Net sales	**193**	213	**987**	1,061
Cost of goods sold	**–138**	–157	**–683**	–732
Gross profit	**55**	56	**304**	329
Other operating income	**8**	2	**10**	6
Selling and administrative expenses	**–63**	–64	**–287**	–299
Other operating expenses	**0**	0	**0**	–1
Operating profit/loss	**0**	–6	**27**	35
Financial items	**0**	–1	**–1**	–4
Profit/loss before tax	**0**	–7	**26**	31
Income tax expense	**–1**	2	**–8**	–9
Profit/loss for the period	**–1**	–5	**18**	22
Profit/loss for the period attributable to:				
Owners of the Parent Company	**–1**	–5	**18**	22
Earnings per share	**–0.06**	–0.24	**0.73**	0.90
basic	**–0.06**	–0.24	**0.73**	0.90
diluted				
Number of shares at end of period	**24,319,186**	24,119,196	**24,319,186**	24,119,196
Average number of shares	**24,319,186**	24,119,196	**24,280,284**	24,119,196

Consolidated statements of comprehensive income

SEK M	Fourth quarter Jun 2011 –Aug 2011	Fourth quarter Jun 2010 –Aug 2010	Full year Sep 2010 –Aug 2011	Full year Sep 2009 –Aug 2010
Profit/loss for the period	**–1**	–5	**18**	22
Other comprehensive income				
Translation differences	**0**	0	**0**	0
Other comprehensive income for the period	**0**	0	**0**	0
Total comprehensive income for the period	**–1**	–5	**18**	22
Comprehensive income for the period attributable to:				
Owners of the Parent Company	**–1**	–5	**18**	22

Quarterly data

		2010/2011				2009/2010			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
		2011 Jun–Aug	2011 Mar–May	Dec 2010 –Feb 2011	2010 Sep–Nov	2010 Jun–Aug	2010 Mar–May	Dec 2009 –Feb 2010	2009 Sep–Nov
Net sales	SEK M	**193**	237	224	333	213	267	249	332
Of which, Cloetta products	SEK M	**171**	207	202	293	185	230	212	287
Operating profit/loss	SEK M	**0**	5	–23	45	–6	4	–7	44
Operating margin	%	**0.0**	2.1	neg	13.5	neg	1.5	neg	13.3
Operating profit/loss before depreciation, amortisation and impairment	SEK M	**14**	19	–10	59	7	17	6	55
Operating margin before depreciation, amortisation and impairment	%	**7.3**	8.0	neg	17.7	3.3	6.4	2.4	16.6
Earnings per share									
basic	SEK	**–0.06**	0.15	–0.71	1.35	–0.24	0.09	–0.28	1.30
diluted	SEK	**–0.06**	0.15	–0.71	1.32	–0.24	0.09	–0.28	1.30

Summary consolidated balance sheets

SEK M	2011 31 Aug	2010 31 Aug
ASSETS		
Non-current assets		
Intangible assets		
Goodwill	**91**	91
Other intangible assets	**52**	53
Property, plant and equipment	**445**	460
Financial assets	**6**	1
Total non-current assets	**594**	605
Current assets		
Inventories	**111**	145
Current receivables	**125**	121
Short-term investments	**0**	50
Cash and cash equivalents	**264**	195
Total current assets	**500**	511
TOTAL ASSETS	**1,094**	1,116
EQUITY AND LIABILITIES		
Equity	**739**	733
Non-current liabilities		
Deferred tax liability	**103**	103
Other provisions	**79**	74
Convertible debenture loan	**24**	28
Total non-current liabilities	**206**	205
Current liabilities	**149**	178
TOTAL EQUITY AND LIABILITIES	**1,094**	1,116
Pledged assets	**0**	1
Contingent liabilities	**2**	2

Consolidated statements of changes in equity

SEK M	Sep 2010 –Aug 2011	Sep 2009 –Aug 2010
Equity at beginning of period	**733**	711
Total comprehensive income for the period	**18**	22
Dividend	**–18**	–
Conversion of convertible debenture loan	**6**	–
Equity at end of period	**739**	733

Summary consolidated cash flow statements

SEK M	Fourth quarter Jun 2011 –Aug 2011	Fourth quarter Jun 2010 –Aug 2010	Full year Sep 2010 –Aug 2011	Full year Sep 2009 –Aug 2010
Cash flow from operating activities before changes in working capital	**12**	3	**71**	71
Changes in working capital	**–16**	23	**5**	–52
Cash flow from operating activities	**–4**	26	**76**	19
Net investments in property, plant and equipment	**–8**	–17	**–39**	–51
Other cash flow from investing activities	**–**	–4	**50**	–29
Cash flow after investing activities	**–12**	5	**87**	–61
Cash flow from financing activities	**–**	–	**–18**	–
Cash flow for the period	**–12**	5	**69**	–61
Cash and cash equivalents at beginning of period	**276**	190	**195**	256
Cash and cash equivalents at end of period	**264**	195	**264**	195
Cash, cash equivalents and short-term investments < 3 months	**264**	195	**264**	195
Short-term investments > 3 months	**–**	50	**–**	50
	264	245	**264**	245

Key ratios

		Fourth quarter Jun 2011 –Aug 2011	Fourth quarter Jun 2010 –Aug 2010	Full year Sep 2010 –Aug 2011	Full year Sep 2009 –Aug 2010	Full year Sep 2008 –Aug 2009[1]
Operating profit/loss	SEK M	**0**	–6	**27**	35	8
Operating margin	%	**0.0**	neg	**2.7**	3.3	0.7
Operating profit before depreciation, amortisation and impairment	SEK M	**14**	7	**82**	85	54
Operating margin before depreciation, amortisation and impairment	%	**7.3**	3.3	**8.3**	8.0	4.6
Profit/loss before tax	SEK M	**0**	–7	**26**	31	–1
Earnings per share						
basic	SEK	**–0.06**	–0.24	**0.73**	0.90	0.35
diluted	SEK	**–0.06**	–0.24	**0.73**	0.90	0.35
Return on capital employed	%	**3.9**	4.7	**3.9**	4.7	1.2
Return on equity after tax	%	**2.4**	3.0	**2.4**	3.0	1.3
Cash flow from operating activities	SEK M	**–4**	26	**76**	19	127
Cash flow after investments in property, plant and equipment	SEK M	**–12**	9	**37**	–32	16
Net receivable	SEK M	**167**	144	**167**	144	183
Equity/assets ratio	%	**67.5**	65.7	**67.5**	65.7	63.9
Equity per share	SEK	**30.34**	30.38	**30.34**	30.38	29.47
Average number of employees		**439**	447	**437**	452	464
Number of shares at end of period		**24,319,186**	24,119,196	**24,319,186**	24,119,196	24,119,196
Average number of shares		**24,319,186**	24,119,196	**24,280,284**	24,119,196	24,119,196

1) The key ratios are calculated excluding items affecting comparability of SEK –8 million.

For definitions of key ratios, see page 101 of the 2010 annual report.

Summary parent company profit and loss accounts

SEK M	Fourth quarter Jun 2011 –Aug 2011	Fourth quarter Jun 2010 –Aug 2010	Full year Sep 2010 –Aug 2011	Full year Sep 2009 –Aug 2010
Net sales	**7**	9	**26**	35
Costs for property management and sold services	**–1**	–1	**–1**	–1
Gross profit	**6**	8	**25**	34
Administrative expenses	**–6**	–7	**–24**	–31
Other operating income and expenses	**5**	0	**5**	0
Operating profit	**5**	1	**6**	3
Other financial income and expenses	**0**	0	**–1**	–2
Profit before tax	**5**	1	**5**	1
Appropriations	**–2**	–1	**–2**	–1
Income tax expense	**–1**	0	**–1**	0
Profit for the period	**2**	0	**2**	0

Summary parent company balance sheets

SEK M	2011 31 Aug	2010 31 Aug
ASSETS		
Non-current assets		
Property, plant and equipment	**4**	4
Financial assets	**546**	540
Total non-current assets	**550**	544
Current assets	**82**	101
TOTAL ASSETS	**632**	645
EQUITY AND LIABILITIES		
Equity		
Restricted equity	**122**	121
Non-restricted equity	**470**	481
Total equity	**592**	602
Untaxed reserves	**4**	2
Non-current liabilities		
Other provisions	**1**	1
Convertible debenture loan	**24**	28
Total non-current liabilities	**25**	29
Current liabilities	**11**	12
TOTAL EQUITY AND LIABILITIES	**632**	645
Pledged assets	**None**	None
Contingent liabilities	**84**	75

Operating and financial risks in the Group and the Parent Company

Through its operations, the Cloetta Group is exposed to both operating and financial risks. The operating risks are handled by the operating units and the financial risks by the central finance function.

The Group's manufacturing costs account for approximately 65% of total costs. Of total manufacturing costs, raw materials and packaging make up approximately 60%. The most significant raw materials in terms of value are cocoa, sugar and milk products. The prices of our most important raw materials, such as cocoa, remain high. Due to the use of forward contracts, the impact of price changes on earnings is somewhat delayed. Price development for raw materials is monitored and analysed continuously.

The Group's financial risks consist primarily of currency risk, interest rate risk and credit risk. Cash and cash equivalents and short-term investments at 31 August 2011 amounted to 264 million. The Group's investment strategies are based on the guidelines set out in the Board's finance policy. With regard to the Group's currency hedging, 73% of the forecasted net flows at 31 August 2011 were hedged for a period of nine months forward, which is in line with the Group's finance policy. Due to the use of forward exchange contracts, exchange rate fluctuations affect profit at a certain delay.

Because the Parent Company's operations consist mainly of group-wide management and administration, its risks are limited to interest rate risk and liquidity risk. However, these risks are minor in view of the company's low interest expenses and good liquidity. For further information about risk management, see the annual report for 2010 at www.cloetta.

Polly was relaunched in Norway during the quarter under the name of Popsy. Sweden's best-selling chocolate bag has been enthusiastically received by the Norwegian retail trade.

Accounting policies and other disclosures

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 September 2010. 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 Companies Act and the Swedish Securities Market Act. The same accounting and valuation methods have been applied as in the most recent annual report. The interim report for the Parent Company has been prepared in accordance with the Swedish Companies 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.

For detailed information about the accounting policies, see Cloetta's annual report for 2010 at www.cloetta.se.

For information about risk management, see pages 62 and 95 of Cloetta's annual report for 2010 at www.cloetta.com

For detailed accounting policies, see page 77 of Cloetta's annual report for 2010 at www.cloetta.com

Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual outcomes may differ from these estimates and assumptions.

The estimates and assumptions are evaluated on a regular basis. Changes in estimates are reported in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

Our popular Fruktklubbor lollipops were relaunched under the name of Björnar Klubbmix as part of Cloetta's children's concept. The lollipops contain all natural flavours and colours.

FINANCIAL CALENDAR 2012

Annual report, September 2010 – August 2011	week 48 2011
Annual General Meeting 2010/2011	19 December 2011
Q1, September – November	19 December 2011
Q2, September 2011 – February 2012	20 March 2012
Q3, September 2011 – May 2012	19 June 2012
Q4, September 2011 – August 2012	18 October 2012

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The annual report and interim reports are also published on **www.cloetta.com**

KEY EVENTS DURING THE QUARTER

- Cloetta launched Polly Rocks – a chocolate bag with attitude. The bag has been designed by well known musician Dregen and contains a mix of classic milk chocolate Polly and new lemon and salt liquorice flavours.
- The summer has been extended with the launch of the Center Kokos roll, Cloetta's milk chocolate filled with creamy toffee and coconut.
- Tarragona was introduced in a new flavour, almond crisp, that was launched in a playful outdoor campaign.
- Juleskum Polka will be launched in preparation for Christmas 2011.
- A new display solution for Kexchoklad was developed, a half pallet that provides better in-store exposure.
- Cloetta and Kexchoklad established a sponsorship collaboration with the Swedish National Alpine Ski Team.
- Polly was launched in Norway under the name of Popsy.
- A collaboration was started with the sales company Sales Support i Sverige for the sale of brands outside the confectionery category, i.e. Mums-Mums and Mandelbiskvier.
- Our Fruktklubbor fruit lollipops were relaunched under the name of Björnar Klubbmix. The lollipops contain all natural flavours and colours.

Cloetta

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