Our new logotype signals the start of the new Cloetta. With an expression that is modern but still in touch with its origins – and with a sunny hue inspired by Cloetta's red and yellow tradition – we convey a warm feeling and the new Cloetta.

Year-end report
1 September 2008 – 31 August 2009

Fourth quarter (June – August 2009)

Net sales	**SEK 212 million** (304)
Operating profit/loss	**SEK –22 million** (–89)
Operating profit/loss excluding items affecting comparability*	**SEK –19 million** (3)
Operating margin	**neg.** (neg.)
Operating margin excluding items affecting comparability*	**neg.** (1.0)
Profit/loss before tax	**SEK –25 million** (–88)
Profit/loss after tax	**SEK –19 million** (–87)
Earnings per share, basic and diluted	**SEK –0.80** (–3.64)

* Mainly attributable to the demerger of Cloetta Fazer and to goodwill amortisation in the previous year.

Full year (September 2008 – August 2009)

Net sales	**SEK 1,184 million** (1,387)
Operating profit /loss	**SEK 0 million** (–57)
Operating profit/loss excluding items affecting comparability*	**SEK 8 million** (57)
Operating margin	**0%** (neg.)
Operating margin excluding items affecting comparability*	**0.7%** (4.1)
Profit/loss before tax	**SEK –1 million** (–52)
Profit/loss after tax	**SEK 6 million** (–63)
Earnings per share, basic and diluted	**SEK 0.23** (–2.63)

The Board proposes that no dividend be paid.

* Mainly attributable to the demerger of Cloetta Fazer and to goodwill amortisation in the previous year.

Comments from the CEO

Operating profit for Cloetta's first year was somewhat higher than predicted in the previously issued full-year forecast and amounted to SEK 8 million, including items affecting comparability. Sales of Cloetta's prioritised brands have risen by a total of 8% in value during the year.

Sales of Cloetta's products increased by more than 2% in the quarter and sales of the prioritised brands were up by 1%. Overall, sales of Cloetta's products rose by close to 6% during the financial year.

Thanks to this positive sales growth for Cloetta's products, full-year operating profit before restructuring charges reached SEK 8 million.

From an earnings standpoint Cloetta is still feeling the effects of escalating raw material costs and these have risen in recent months due to weakening of the Swedish krona during the year. A large share of the drop in profit is attributable to the lower SEK rate. The higher customer prices that were introduced in 2008 have not been sufficient to compensate for the rising cost trend. In addition to a need for ongoing efficiency improvements, additional price hikes were announced in the fourth quarter.

After an intensive first year that was largely marked by the demerger, we are now gathering our operation in Ljungsbro to further strengthen the synergistic interplay between our key functions. We are streamlining and clarifying our organisation and boosting efficiency based on two well coordinated areas of activity – supply chain and commercial operations (production/marketing/sales). In order to further enhance Cloetta's offering and create a more attractive brand portfolio over time, we are sharpening our focus on the most important brands and our ability to launch attractive new products to our customers and consumers. Bolstered by our unique history and portfolio of strong product brands, our goal now is establish a position among the Nordic region's leading confectionery companies.

Sales and profit,

September 2008 – August 2009 (full year)

The financial year runs from 1 September 2008 to 31 August 2009. The following comments present the comparative figures for the period from 1 September 2007 to 31 August 2008. The comparative information is based on monthly reporting to the Board of Directors and Executive Management of the former Cloetta Fazer (see also accounting policies on page 5).

Cloetta's business follows a seasonal cycle in which the first quarter of the year (leading up to Christmas) is the strongest from a sales and earnings perspective. 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 but affects sales in both the second and third quarters to a varying degree from year to year since Easter can fall in either March or April. Cloetta's fourth quarter is the weakest of the year in relative terms, as consumption of confectionery is normally lower during the summer months.

Net sales fell by 14.6% to SEK 1,184 million (1,387). This figure includes sales of SEK 52 million (52) in Karamellpojkarna, which was acquired on 1 October 2007.

As a result the demerger of Cloetta Fazer, Cloetta was licensed to sell Fazer's products on the Swedish, Norwegian and Danish markets during the period from 1 September to 31 December 2008. During the period from September 2008 to August 2009, sales of Fazer products amounted to SEK 217 million (536). In the previous year, sales of these products were included for the entire period. Excluding the sale of Fazer products, Cloetta's sales amounted to SEK 967 million (851). Net sales for the period include the sale of the remaining inventory of Fazer products at 31 December to Fazer Confectionery for a value of SEK 17 million. Excluding this item and Cloetta's sales of products manufactured on contract to Fazer Confectionery, sales of Cloetta's own products rose by 5.9% compared to the same period of last year.

Sales of Cloetta's ten prioritised brands were up by 8% compared to the prior year. Cloetta's prioritised brands are Kexchoklad, Center, Plopp, Polly, Tarragona, Guldnougat, Bridge, Juleskum, Sportlunch and Extra Starka.

Gross profit for the period from 1 September 2008 to 31 August 2009 was SEK 336 million (399). Gross margin for the same period was 28.4%, compared to 29.0% the year before. Restructuring charges with an effect on gross profit amounted to SEK 7 million (13). Gross margin excluding these items was 29.0%, compared to 29.7% in the prior year.

Price levels for several of Cloetta's most important raw materials have climbed sharply in the past year. To compensate for this, Cloetta raised its customer prices and implemented efficiency enhancement measures earlier in the year. However, these steps have not been sufficient, which has led to a drop in both gross margin and gross profit compared to the previous year. The higher raw material prices have had the greatest impact on chocolate products, but have also affected the sugar confectionery segment to a certain extent. Furthermore, Cloetta has been negatively affected by weakening of the Swedish krona, for which reason additional price hikes have been announced in the fourth quarter and ongoing efficiency improvements are necessary.

Selling and administrative expenses decreased by SEK 97 million to SEK 365 million (462), of which SEK 44 million (11) consists of restructuring charges. The year-earlier period was charged with goodwill amortisation of SEK 90 million. Excluding restructuring charges and goodwill amortisation, selling and administrative expenses fell by SEK 40 million as a result of the demerger.

Operating profit amounted to SEK 0 million (–57) and operating margin was 0% (neg.).

Operating profit included restructuring charges of SEK 51 million. In the first quarter, operating profit was burdened with restructuring charges of SEK 38 million arising mainly from a reduced staffing need in marketing, customer support, sales and administration following the demerger of Cloetta Fazer. This redundancy is mainly connected to Cloetta's discontinued sales of Fazer products as of 1 January 2009. Operating profit for the third quarter included additional restructuring charges of SEK 10 million that are related to the demerger (e.g. consulting fees), finished goods inventories in Norrköping and redundancies at the factory in Alingsås. As announced in earlier interim reports, further restructuring charges of SEK 3 million are included in operating profit for the fourth quarter. These charges are mainly related to the need, after the demerger, to replace the Cloetta Fazer identity with Cloetta on printed matter, merchandising materials and product packaging (see also table on page 8 for comparative information).

In connection with the demerger of the Cloetta Fazer Group, it was agreed that Fazer would pay compensation of SEK 28 million for restructuring charges arising in Cloetta. Net restructuring charges for the period from September to August thus amounted to SEK 23 million. Operating profit has also been positively affected by compensation of SEK 6 million from Fazer Confectionery in respect of forward exchange contracts and one-time income of SEK 9 million on the reversal of a purchase price provision for the acquisition of Karamellpojkarna, where Cloetta's current assessment is that no additional purchase consideration will be payable. Profit for the prior year included items affecting comparability of SEK –114 million, of which SEK 24 million is attributable to costs for workforce reductions (see also table on page 8), and goodwill amortisation of SEK 90 million.

Operating profit excluding all items affecting comparability amounted to SEK 8 million, compared to SEK 57 million the year before. Operating margin excluding items affecting comparability was 0.7% (4.1).

As previously announced, Cloetta's net sales have decreased by 40%, excluding contract sales of Fazer products, as a result of the demerger. In the short term, it has not been possible to cut costs in an amount equal to the decrease in sales. The year's drop in profit is therefore a result of the lower sales volume that Cloetta has handled since year-end 2008 and has not been able to fully offset. In addition, Cloetta's compensation for the sale of Fazer products during the period from September to December 2008 was lower than revenue from these sales in the year-earlier period when they were part of Cloetta Fazer's brand portfolio, which together with increased raw material costs has impacted gross margin. Operating profit for the period was negatively affected by foreign exchange losses of SEK 14 million, compared to a foreign exchange gain of SEK 6 million in the year-earlier period. The year's negative foreign exchange effect is a consequence of a weakening Swedish krona during the financial year together with the currency hedge portfolio that was taken over in connection with the demerger.

During the period from 1 September to 31 December 2008, Cloetta was responsible for sales of Fazer's products on the Swedish, Norwegian and Danish markets. Of Cloetta's operating profit excluding items affecting comparability of SEK 8 million for the period from 1 September 2008 to 31 August 2009, SEK 4 million is attributable to these licensed sales (linked to an agreement between Cloetta and Fazer in connection with the demerger regarding Cloetta's compensation for handling sales of Fazer products during September-December 2008). The amount of compensation under the sales agreement was finalised in February 2009. The remaining operating profit of SEK 4 million refers to Cloetta's own sales. Operating margin, based on operating profit before items affecting comparability, was 2.0% on the licensed sales of Fazer products and 0.4% on Cloetta's own sales (see also table on page 7).

Profit before tax was SEK –1 million (–52). Net financial items totalled SEK –1 million, compared to SEK 5 million the year before. Profit after tax was SEK 6 million (–63), equal to basic and diluted earnings per share of SEK 0.23 (–2.63). The period's income tax expense was SEK 7 million (–11). Starting in 2009 the corporate tax in Sweden has been reduced from 28% to 26.3%. The lower tax rate has been applied in calculation of deferred tax on untaxed reserves, and has reduced the period's income tax expense by approximately SEK 7 million. Income arising from the reversal of previously expensed provisions for additional purchase prices is tax-exempt.

Sales and profit,
June 2009 – August 2009 (Quarter 4)

The following comments present the comparative figures for the period from 1 June 2008 to 31 August 2008. The comparative information is based on monthly reporting to the Board of Directors and Executive Management of the former Cloetta Fazer (see also accounting policies on page 5).

Net sales for the quarter declined to SEK 212 million (304).

In 2008, sales of Fazer's products were included in an amount of SEK 115 million for the fourth quarter. Excluding the sale of Fazer products in the previous year, Cloetta's own sales amounted to SEK 212 million (189). Also excluding Cloetta's sales of products manufactured on contract to Fazer Confectionery, sales of Cloetta's own products rose by 2.3% compared to the same period of last year.

Sales of Cloetta's prioritised brands grew by 1% during the period.

As communicated in the reports for previous quarters, provisions of SEK 3 million were made during the fourth quarter for additional restructuring charges. These charges are mainly related to the need, following the demerger, to replace the Cloetta Fazer corporate identity with Cloetta on printed matter, merchandising materials and product packaging.

Gross profit for the period was SEK 53 million (83) equal to a gross margin of 25.0% (27.3). The decreased gross margin is mainly a result of low capacity utilisation in production during the summer months and a changed product mix during the period.

Selling and administrative expenses totalled SEK 70 million (178), of which SEK 3 million (2) consists of restructuring charges. The comparison period includes goodwill amortisation of SEK 90 million. Excluding these items affecting comparability, selling and administrative expenses fell by SEK 19 million, a decrease resulting from the demerger.

Operating profit was SEK –22 million (–89), with a negative operating margin (neg.). Excluding all items affecting comparability, operating profit was SEK –19 million (3). Operating margin excluding items affecting comparability was negative (1.0).Operating profit was also negatively affected by foreign exchange losses of SEK 5 million, compared to a foreign exchange gain of SEK 6 million in the year-earlier period. Foreign exchange gains/losses are reported together with other operating income and expenses.

During the quarter, Cloetta decided to gather its operation in Ljungsbro to further strengthen the synergistic interplay between its key functions. functions. As a result, the Stockholm office will be closed and the resulting costs have been recognised in the period.

Financing and liquidity

Cash and cash equivalents and short-term investments at 31 August 2009 amounted to SEK 277 million (279).

Cloetta's working capital requirement is exposed to seasonal variations, partly due to 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 the end of the financial year, i.e. in the second quarter.

Cash flow from operating activities for the period from 1 September 2008 to 31 August 2009 was SEK 127 million (25). Net cash of SEK 111 million (97) was utilised for investments in property, plant and equipment. Dividends of SEK 4 (–) were paid to the former parent company Cloetta Fazer AB and refer to settlement of Cloetta's net cash according to an agreement signed in connection with the demerger of Cloetta Fazer. In addition, an issue of convertible notes to the employees had a positive effect of SEK 30 million on cash flow (see section on the Parent Company on page 4). Interest-bearing assets exceeded interest-bearing liabilities by a net amount (i.e. a net receivable) of SEK 183 million (171). The net receivable thus increased by SEK 12 million during the period. The equity/assets ratio was 63.9% (60.9).

Capital expenditure

Gross expenditure on property plant and equipment during the period from September 2008 to August 2009 totalled SEK 111 million (97), and included both capacity and replacement investments in the existing production lines. Depreciation amounted to SEK 46 million (45).

Employees

The average number of employees during the period from 1 September 2008 to 31 August 2009 was 464 (512), where the decrease refers mainly to employees who were offered employment in Fazer's Swedish sales company in connection with the demerger and staff reductions in response to redundancies arising when Cloetta discontinued sales of Fazer's products. The workforce reductions carried out at the factory in Alingsås have not yet affected the average number of employees.

Parent Company

Cloetta AB's primary activities include head office functions such as group-wide management and administration.

Net sales in the Parent Company for the full year reached SEK 39 million (–) and referred mainly to intra-group services and rents. Operating profit was SEK –3 (–1), of which SEK 5 million consisted of restructuring charges in connection with the demerger. Net financial items totalled SEK 79 million (–), of which SEK 80 million refers to dividends from the subsidiary Cloetta Sverige AB that were paid in connection with the demerger of Cloetta Fazer. Profit before tax was SEK 76 million (–1). Cash and cash equivalents and short-term investments amounted to SEK 56 million (–). A previously expensed purchase price provision of SEK 9 million for the acquisition of Karamellpojkarna is no longer expected to be payable and has been reversed, at the same time that the value of shares in subsidiaries has been reduced by a corresponding amount.

Pursuant to the agreement between Oy Karl Fazer Ab and AB Malfors Promotor for the demerger of the Cloetta Fazer Group (Separation Agreement), Cloetta's net receivable at 31 August 2008 was set at SEK 200 million less certain adjustments (see also the listing prospectus for Cloetta AB that was published in preparation for the move to NASDAQ OMX Stockholm, Nordic List). The resulting difference of SEK 4 million was settled as a dividend from Cloetta to the former Cloetta Fazer AB (publ), as approved by Cloetta's AGM on 5 November 2008.

In accordance with the previously announced resolution passed by the extraordinary general meeting of Cloetta on 20 March 2009, the employees in Cloetta were offered the opportunity to subscribe for convertible notes in Cloetta during the period from 27 March to 8 April 2009. Pursuant to the offer, a total of 155 employees have subscribed for convertible notes with an aggregate principal amount of more than SEK 39.5 million. In view of the maximum permitted capital dilution of 4% and with consideration to the established conversion rate of SEK 30.40, the convertible debenture loan may amount to not more than SEK 30.5 million. The employee convertible note offer was thus oversubscribed. The convertible notes run from 14 May 2009 until 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 share in Cloetta during the period from 25 February 2011 to 25 February 2012 at a conversion rate of SEK 30.40.

The Cloetta share

On 18 November 2008 Cloetta applied for listing of the company's class B shares on NASDAQ OMX Stockholm, Nordic List. After reviewing the application on 26 November 2008, the stock exchange's listing committee found that no listing would be possible until Cloetta had published an interim report for the period from 1 September to 30 November 2008, after which a final decision could be made regarding a listing on NASDAQ OMX Stockholm, Nordic List. In view of the listing committee's decision, Cloetta was traded on NASDAQ OMX First North during a transitional period, with E. Öhman J:or Fondkommission AB as Certified Adviser. Trading of Cloetta's class B share commenced on 8 December 2008.

On 4 February 2009, the listing committee approved the class B share of Cloetta AB (publ) for trading on NASDAQ OMX Stockholm, Nordic List, after which trading of the class B share of Cloetta AB (publ) commenced on NASDAQ OMX Stockholm, Nordic List, on 16 February 2009. The share is traded under the ticker symbol CLA B with ISIN code SE0002626861. A round lot consists of one (1) share.

During the period from 8 December 2008 to 31 August 2009, 3,295,161 shares were traded. The highest quoted bid price for the Cloetta share was SEK 36.80 and the lowest was SEK 15.50. When the share began trading on NASDAQ OMX First North on 8 December 2008, the share was quoted at SEK 15.50. When trading commenced on NASDAQ OMX Stockholm, Nordic List, on 16 February 2009, the share was quoted at SEK 33.30. A listing prospectus for Cloetta AB (publ) published in preparation for the move to NASDAQ OMX Stockholm, Nordic List, is available on the company's website www.cloetta.se.

Shareholders

After the distribution of the shares in Cloetta, the ownership structure has changed significantly due to Fazer's use of class B shares in Cloetta as consideration in the public tender offer made by Fazer to the shareholders in Fazer Konfektyr Service AB (former Cloetta Fazer AB). Fazer Konfektyr Service AB (publ) conducts, directly or indirectly, the Fazer-related operations previously conducted within the Cloetta Fazer Group. After the changes in ownership, AB Malfors Promotor is the principal shareholder in Cloetta AB (publ). At 31 August 2009, Cloetta AB had 3,866 shareholders. The principal shareholder Malfors Promotor held 70.6% of the votes and 44.8% of the share capital. Other institutional investors held 17.5% of the votes and 32.8% of the share capital.

As a consequence of the Swedish Securities Council's statement AMN 2008:18, Malfors Holding, a wholly owned subsidiary of AB Malfors Promotor, made an offer to the former shareholders on 19 March 2009. The offer was open to those shareholders who previously accepted the public offer from Oy Karl Fazer Ab ("Fazer") to the shareholders in Cloetta to acquire class B shares in Cloetta from Malfors Holding in proportion to the number of shares in Cloetta Fazer tendered by each shareholder under Oy Karl Fazer Ab's public offer. The offer included a total of 756,321 shares and the price per share was SEK 37.71. The offer was the result of a previous agreement between AB Malfors Promotor and Oy Karl Fazer Ab, and was carried out in accordance with the Swedish Securities Council's statement AMN 2008:18 in order to ensure equal treatment of the previous shareholders in Cloetta Fazer. After the end of the application period on 8 April 2009, 78 shareholders had applied to acquire a total of 1,324 class B shares in Cloetta within the framework of the offer.

The Board's proposed dividend

The Board proposes that no dividend be paid.

Future outlook

As a result of the demerger Cloetta's net sales will decrease by approximately 40% compared to the previous year, excluding the sale of Fazer products manufactured on a contract basis. Due to the resulting decrease in scale economies, Cloetta's assessment for the short term is that it will not be possible to reduce expenses to an extent equal to the drop in net sales.

Cloetta's assessment ahead of the listing prospectus was that these reduced scale economies would cause operating margin to fall below 1.8% in the pro forma accounts for the period from 1 September 2007 to 31 August 2008 during a transitional period of four to six quarters after Cloetta's listing on NASDAQ OMX First North on 8 December 2008. The pro forma accounts are based on the exchange rates in force between 1 September 2007 and 31 August 2008. In the interim report for the third quarter, Cloetta predicted that operating profit before restructuring charges for the financial year from 1 September 2008 to 31 August 2009 would be close to zero. Mainly owing to positive growth for Cloetta's products during the first financial year, operating profit before restructuring charges for the full year amounted to SEK 8 million.

In order to further enhance Cloetta's offering and create a more attractive brand portfolio over time, we are sharpening our focus on the most important brands and our ability to launch attractive new products to our customers and consumers.

Subsequent events

In September, Cloetta announced that it had entered into a partnership with SIA Glass. At the beginning of 2010, a number of new ice cream products will be launched with flavours and consistencies based on well known Cloetta products.

Otherwise, no significant events with a potential effect on the company's operations have taken place after the end of the reporting period.

Other

Demerger of Cloetta Fazer

On 15 June 2008 AB Malfors Promotor and Oy Karl Fazer Ab announced a decision for the demerger of the Cloetta Fazer Group. At the Extraordinary General Meeting on 25 July 2008 the shareholders in Cloetta Fazer AB passed a decision in principle to approve the demerger, which resulted in the formation of the two freestanding companies Fazer Confectionery, a division of the Fazer Group, and Cloetta.

The Cloetta Group, whose parent company is Cloetta AB, was formed in July–August and at 31 August 2008 was a sub-group of Cloetta Fazer AB. On 25 November 2008 the AGM of Cloetta Fazer AB, which has changed name to Fazer Konfektyr Service AB (publ), passed a formal resolution on the distribution of the shares in Cloetta AB.

For more information, see the listing prospectus for Cloetta AB (publ) that was published in preparation for the move to NASDAQ OMX Stockholm, Nordic List, in which Cloetta's operations are presented in more detail. The principal shareholder in Cloetta AB is AB Malfors Promotor. Among other things, the prospectus contains Cloetta's vision, goals and strategies. The demerger has now been completed and all transactions between Fazer Confectionery and Cloetta have been settled.

Changed financial year

The Extraordinary General Meeting of Cloetta Fazer on 25 July 2008 adopted an amendment to the Articles of Association entailing a change in the company's financial year from the calendar year to a broken financial year from 1 September to 31 August. A corresponding resolution to change Cloetta's financial year was passed on 25 August 2008. Abbreviated annual financial statements for Cloetta, covering the period from January to August 2008, were adopted by the Extraordinary General Meeting on 5 November 2008.

This year-end report covers the period from 1 September 2008 to 31 August 2009. During the period from 1 September to 30 November 2008, quarter 1, Cloetta was a sub-group of Cloetta Fazer AB (name changed to Fazer Konfektyr Service AB).

Operating and financial risks in the Group and Parent Company

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

The Group's manufacturing costs account for approximately 55% 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. Compared to the previous year, prices for the majority of raw materials have risen sharply. 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 Aug 2009 totalled SEK 277 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 (excluding hedged project flows), 57% of forecasted net flows at 31 Aug 2009 were hedged for a period of 9 months forward, which is in line with the Group's currency hedging policy.

In connection with acquisitions, a risk assessment of the acquired unit is carried out as part of the due diligence process preceding the transaction.

Because the Parent Company's operations consist mainly of group-wide management and administration, its risks are limited to interest rate and liquidity risk.

For more information about risk management, see the related sections of the listing prospectus for Cloetta AB (publ) that was published prior to move to NASDAQ OMX Stockholm, Nordic List. No significant changes have taken place compared to the information provided in the listing prospectus.

Accounting policies and other disclosures

General

The consolidated year-end 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 valuations methods have been applied as in the most recent annual report.

The year-end 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 2.1 Accounting for Legal Entities. The same accounting and valuation methods have been applied as in the most recent annual report. The estimates and assumptions applied by the board and management in preparation of the financial statements are evaluated on a regular basis.

The primary basis for segmentation of the Group's operations consists of geographical segments. Operations are carried out in only one business segment, consisting of manufacturing and sales of confectionery. Of the geographical segments, Sweden is by far the largest market for Cloetta and the other geographical segments do not differ from those in Sweden in terms of risks and opportunities for Cloetta, nor do the risks and opportunities differ between sugar confectionery and chocolate. Consequently, no reporting by segment is provided in the financial reports.

The comparative financial information presented in this interim report is stated according to the principles for predecessor accounting. This means that all of the companies transferred to Cloetta from Cloetta Fazer during 2008 are reported with combined comparatives from the transferred companies based on the consolidated values at which they were reported in the Cloetta Fazer Group. Karamellpojkarna is included as of 1 October 2007 when the company was acquired by Cloetta Fazer. Because the group formation refers to companies under the same controlling influence, the rules in IFRS 3, Business Combinations, are not applicable.

Related party transactions

The definition of related party transactions changed in connection with Cloetta's separation from the Fazer group. Following the demerger, Cloetta AB is an independent and autonomous company. Its 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. No such transactions took place during the period under review.

Sales of goods to companies in the Cloetta Fazer Group (which was considered a related party to Cloetta during the period from September to November 2008) accounted for 4.0% (3.5) of total sales in the first quarter. Of other operating income for the same period, 0% (0) referred to services sold to related parties. Purchases from related parties for the same period amounted to SEK 106 million (89). Buying and selling of goods and services between closely related companies has been carried out at market-based prices.

Annual General Meeting

The Annual General Meeting will be held at 2:00 p.m. on Friday, 18 December 2009, at Collegium in Linköping. The notice to attend the Annual General Meeting will be sent in mid-November 2009 and will contain a presentation of the Board's proposed appropriation of earnings and other proposals.

Annual report

The annual report for the financial year will be posted on Cloetta's website www.cloetta.com by the week beginning 23 November at the latest. The printed annual report will be available at Cloetta's head office in Ljungsbro no later than 30 November 2009.

Ljungsbro, 16 October 2009
Cloetta AB (publ)

Olof Svenfelt
Board 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 report has not been reviewed by the company's auditors.

Summary consolidated profit and loss accounts

SEK M	Fourth quarter 2009 Jun–Aug	 2008 Jun–Aug	Full year Sept 2008– Aug 2009	 Sept 2007– Aug 2008	2008 2008 Jan–Aug
Net sales	**212**	304	**1,184**	1,387	838
Cost of goods sold	**–159**	–221	**–848**	–988	–598
Gross profit	**53**	83	**336**	399	240
Other operating income	**0**	6	**37**	6	6
Selling and administrative expenses	**–70**	–178	**–365**	–462	–330
Other operating expenses	**–5**	0	**–8**	0	0
Operating profit/loss	**–22**	–89	**0**	–57	–84
Financial items	**–3**	1	**–1**	5	3
Profit/loss before tax	**–25**	–88	**–1**	–52	–81
Income tax expense	**6**	1	**7**	–11	–4
Profit/loss for the period	**–19**	–87	**6**	–63	–85
Profit/loss for the period attributable to:					
Equity holders of the Parent Company	**–19**	–87	**6**	–63	–85
Earnings per share, basic and diluted	**–0.80**	–3.64	**0.23**	–2.63	–3. 50
Number of shares at end of period [1]	**24,119 196**	24 ,119,196	**24,119,196**	24,119,196	24,119,196

[1] Which also corresponds to the average number of shares during the period.

Breakdown between own sales and contract sales for Fazer[1]

SEK M	Own sales Cloetta	Full year Contract sales Fazer	 Total
Net sales	967	217	1,184
Cost of goods sold	–675	–166	–841
Gross profit	**292**	**51**	**343**
Selling and administrative expenses	–274	–47	–321
Other operating income and expenses	–14	–	–14
Operating profit	**4**	**4**	**8**
Operating margin, %	0.4	2.0	0.7

[1] Excluding items affecting comparability (see “Comparative information”).

Comparative information

Significant items affecting comparability between years:

	Fourth quarter		Full year		2008
SEK M	**2009 Jun–Aug**	2008 Jun–Aug	**Sept 2008– Aug 2009**	Sept 2007– Aug 2008	2008 Jan–Aug
Cost of goods sold					
Restructuring charges	**–**	–	**–7**	–13	–
Total cost of goods sold	**–**	–	**–7**	–13	–
Selling and administrative expenses					
Goodwill impairment	**–**	–90	**–**	–90	–90
Restructuring charges	**–3**	–2	**–44**	–11	–2
Total selling and administrative expenses	**–3**	–92	**–44**	–101	–92
Other operating income and expenses					
Compensation received from Fazer Confectionery for restructuring charges	**–**	–	**28**	–	–
Compensation received from Fazer Confectionery for forward exchange contracts	**–**	–	**6**	–	–
Reversal of provision for additional purchase price	**–**	–	**9**	–	–
Total other operating income and expenses	**–**	–	**43**	–	–
Effect on operating profit/loss	**–3**	–92	**–8**	–114	–92
Income tax expense	**1**	–	**5**	6	0
Effect on profit/loss for the period	**–2**	–92	**–3**	–108	–92

Quarterly data

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	2009 Jun–Aug	2009 Mar–May	Dec 2008– Feb 2009	2008 Sept–Nov	2008 Jun–Aug	2008 Mar–May	Dec 2007– Feb 2008	2007 Sept–Nov
Net sales, SEK M	**212**	237	278	457	304	305	332	446
Operating profit/loss, SEK M	**–22**	–8	–8	38	–89	3	–9	38
Operating margin, %	**neg.**	neg.	neg.	8.3	neg.	1.0	neg.	8.5
Operating profit/loss, SEK M [1)]	**–19**	2	–8	33	3	3	–9	60
Operating margin, % [1)]	**neg.**	0.8	neg.	7.2	1.0	1.0	neg.	13.5
Earnings per share, SEK	**–0.80**	–0.32	–0.18	1.53	–3.64	0.09	–0.18	1.10

[1)] Excluding items affecting comparability.

Summary consolidated balance sheets

SEK M	2009 31 Aug	2008 31 Aug
ASSETS		
Non-current assets		
Intangible assets		
Goodwill	**91**	91
Other intangible assets	**52**	53
Tangible assets	**461**	397
Financial assets	**2**	4
Total non-current assets	**606**	545
Current assets		
Inventories	**117**	153
Current receivables	**113**	185
Short-term investments	**21**	–
Cash and cash equivalents	**256**	279
Total current assets	**507**	617
TOTAL ASSETS	**1,113**	1,162
EQUITY AND LIABILITIES		
Equity	**711**	707
Non-current liabilities		
Deferred tax liability	**108**	122
Other provisions	**73**	76
Convertible debenture loan	**26**	–
Total non-current liabilities	**207**	198
Current liabilities	**195**	257
TOTAL EQUITY AND LIABILITIES	**1,113**	1,162
Pledged assets	**2**	4
Contingent liabilities	**2**	7

Consolidated statements of changes in equity

SEK M	Sept 2008– Aug 2009	2008 Jan–Aug
Equity at beginning of period	**707**	778
Translation differences	**0**	0
Total income and expense recognised directly in equity, excluding transactions with shareholders	**0**	0
Profit/loss for the period	**6**	–85
Total recognised income and expense excluding transactions with shareholders	**6**	–85
Option portion of convertible debenture loan	**2**	–
Shareholder contributions received	**–**	17
Group contributions	**–**	–3
Dividends	**–4**	–
Equity at end of period	**711**	707

Summary consolidated cash flow statements

SEK M	Fourth quarter 2009 Jun–Aug	2008 Jun–Aug	Full year Sept 2008–Aug 2009	Sept 2007–Aug 2008	2008 Jan–Aug
Cash flow from operating activities	**–1**	–24	**127**	25	–35
Investing activities					
Net expenditure on property, plant and equipment	**–20**	–63	**–111**	–97	–86
Acquisition of subsidiaries	**–**	–	**–**	1	–
Acquisition/divestment of short-term investments	**–**	–	**–21**	–	–
Acquisition/divestment of long-term investments	**3**	7	**3**	1	6
Cash flow from investing activities	**–17**	–56	**–129**	–95	–80
Financing activities					
Dividends to shareholders	**–**	–	**–4**	–	–
Borrowings	**–**	47	**–**	47	47
Convertible debenture loan	**–**	–	**30**	–	–
Repayment of debt	**–**	–	**–47**	–	–
Cash flow from financing activities	**–**	47	**–21**	47	47
Cash flow for the period	**–18**	–33	**–23**	–23	–68
Cash and cash equivalents at beginning of period	**274**	312	**279**	302	347
Cash and cash equivalents at end of period	**256**	279	**256**	279	279
Cash, cash equivalents and short-term investments < 3 months	**256**	279	**256**	279	279
Short-term investments > 3 months	**21**	–	**21**	–	–
	277	279	**277**	279	279

Key ratios

	Fourth quarter 2009 Jun–Aug	2008 Jun–Aug	Full year Sept 2008–Aug 2009	Sept 2007–Aug 2008	2008 Jan–Aug
Operating profit/loss, SEK M	**–22**	–89	**0**	–57	–84
Operating margin, %	**neg.**	neg.	**0**	neg.	neg.
Items affecting comparability with an effect on operating profit, SEK M	**–3**	–92	**–8**	–114	–92
Operating profit/loss including items affecting comparability, SEK M	**–19**	3	**8**	57	8
Operating margin excluding items affecting comparability, %	**neg.**	1.0	**0.7**	4.1	1.0
Profit/loss before tax, SEK M	**–25**	–88	**–1**	–52	–81
Earnings per share, basic and diluted, SEK	**–0.80**	–3.64	**0.23**	–2.63	–3.50
Earnings per share, basic and diluted, SEK [1)]	**–0.71**	0.17	**0.35**	1.84	0.31
Return on capital employed, % [1,2)]	**1.2**	3.8	**1.2**	3.8	3.8
Return on equity after tax, % [1,2)]	**1.3**	neg.	**1.3**	neg.	neg.
Cash flow from operating activities, SEK	**–1**	–24	**127**	25	–35
Cash flow after investments in property, plant and equipment, SEK M	**–21**	–87	**16**	–72	–121
Net receivable, SEK M	**183**	171	**183**	171	171
Equity/assets ratio, %	**63.9**	60.9	**63.9**	60.9	60.9
Equity per share, SEK	**29.48**	29.34	**29.48**	29.34	29.34
Average number of employees	**454**	505	**464**	512	503
Number of shares at end of period [3)]	**24,119,196**	24,119,196	**24,119,196**	24,119,196	24,119,196

[1)] Excluding items affecting comparability between years.
[2)] Refers to rolling 12-month period.
[3)] Which also corresponds to the average number of shares during the period.

Summary parent company profit and loss accounts

	Fourth quarter		Full year		2008
SEK M	**2009 Jun–Aug**	2008 Jun–Aug	**Sept 2008– Aug 2009**	Sept 2007– Aug 2008	2008 Jan–Aug
Net sales	**10**	–	**39**	–	–
Costs for property management and sold services	**–1**	–	**–1**	–	–
Gross profit	**9**	–	**38**	–	–
Administrative expenses	**–9**	–1	**–41**	–1	–1
Other operating income and expenses	**0**	–	**0**	–	–
Operating profit/loss	**0**	–1	**–3**	–1	–1
Result from participations in group companies	**–**	–	**80**	–	–
Other financial income and expenses	**0**	–	**–1**	–	–
Profit/loss before tax	**0**	–1	**76**	–1	–1
Appropriations	**–1**	–	**–1**	–	–
Income tax expense	**1**	0	**1**	0	0
Profit/loss for the period	**0**	–1	**76**	–1	–1

Summary parent company balance sheets

SEK M	**2009 31 Aug**	2008 31 Aug
Tangible assets	**4**	4
Financial assets	**539**	547
Total non-current assets	**543**	551
Current assets	**98**	33
TOTAL ASSETS	**641**	584
Equity	**602**	528
Untaxed reserves	**1**	–
Non-current liabilities		
Other provisions	**0**	9
Convertible debenture loan	**26**	–
Current liabilities	**12**	47
TOTAL EQUITY AND LIABILITIES	**641**	584
Contingent liabilities	**71**	7

About Cloetta

*Founded in 1862, Cloetta is the oldest and only major wholly Swedish confectionery company in the Nordic region. The company's best known brands are **Kexchoklad, Center, Plopp, Polly, Tarragona, Guldnougat, Bridge, Juleskum, Sportlunch** och **Extra Starka.** Cloetta has two production units in Sweden, one in Ljungsbro and one in Alingsås. As of 16 February 2009 Cloetta's class B shares are traded on NASDAQ OMX Stockholm, Nordic List.*

Financial calendar 2009

Financial year 2008 – 2009

Annual report, Sept 2008 – Aug 2009	week 48 2009
Annual General Meeting 2008/2009	18 December 2009

Financial year 2009 – 2010

Interim report Q1, Sept– Nov 2009	18 December 2009
Interim report Q2, Sept 2009 – Feb 2010	23 March 2010
Interim report Q3, Sept 2009 – May 2010	22 June 2010
Year-end report, Sept 2009 – Aug 2010	19 October 2010
Annual report, Sept 2009 – Aug 2010	week 48 2010
Annual General Meeting 2009/2010	15 December 2010

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