Q4 2012 results – 15 Feb 2013

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Q4 highlights
– improved underlying profitability

- Continued weak conditions on Cloetta’s markets
  - Net sales of SEK 1,404m (1,371)
  - Underlying net sales down by 7.4 per cent
- EBITA of SEK 80m (90)
- Improved underlying profitability
  - Underlying EBITA of SEK 208m (202)
  - Underlying margin of 14.6 per cent
- Strong cash flow of SEK 147m (45)
- SEK 90m amortised. In total SEK 358m in 2012
- Remaining price increases implemented
- Integration process proceeding according to plan and almost completed
- Restructurings proceeding according to plan
  - Alingsås closed in Q4
  - Agreement with unions reached in Gävle
  - Aura will close in Q1, 2013

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Overall development

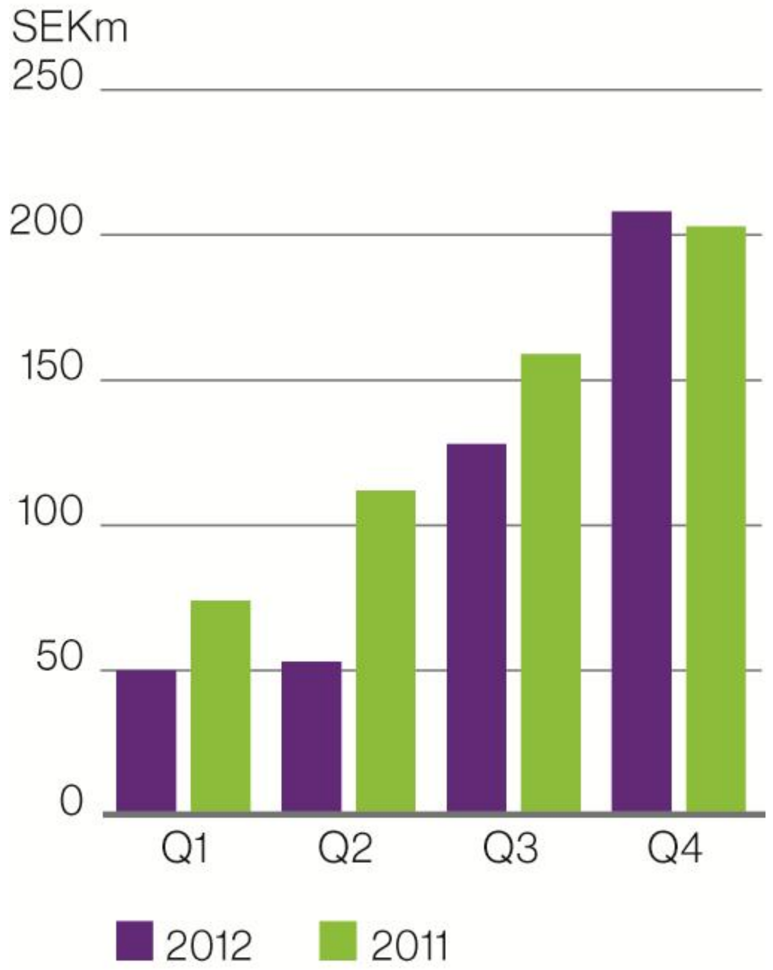
Continued weak markets

- In general continued weak markets
- Negative market in Italy due to financial crisis and new payment terms
- Large holiday season in Italy in Q4 impacted the quarter relatively more, about half of decline in sales attributed to Italy
- Sales grew in the Netherlands, Germany and the UK in Q4
- Several markets and segments were flattish or down during the year
- Investment in market to defend market shares
- Raw material prices remain high

Q4 net sales and EBITA

SEKm	Reported			Underlying		
	Oct-Dec 2012	Oct-Dec 2011	change, %	Oct-Dec 2012	Oct-Dec 2011	change, %
Net sales	1,404	1,371	2.3	1,431	1,545	-7.4
EBITA	80	90	-10.5	208	202	2.7

Underlying EBITA



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Progress
– synergy and restructuring program

Synergies from the merger

- Restructuring in the commercial organisation (including reduction of ~50 employees)
- Distribution agreements in Finland, Denmark and Norway cancelled and fully implemented
- In-sourcing of third party production
- Efficiency measures within administration
- Procurement synergies – joint contracts signed
- Update corporate processes
- IT-integration and systems
- Finalise move of production from Slagelse, Denmark to Levice, Slovakia

Completed Ongoing (on plan) Behind plan

Communicated

- **Synergies from the merger totals at least SEK 110m on EBITDA-level and comprises:**
  – Merger effects in excess of SEK 65m annually to be achieved within two years of closing of the Transaction
  – Supply chain restructuring program within LEAF that is expected to yield another SEK 45m in annual cost savings as of Q1 2012
  – Total implementation cost of approx. SEK 80m

Status

SEK 45m synergy program (Slagelse)	COMPLETED
Synergy program of SEK 65m annually	✓
Timing of implementation	✓
Cost of implementation	✓

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Progress
– synergy and restructuring program

Restructuring program

- Gävle: Products transferred from Gävle, completed early 2014. Agreement on conditions
- Aura: Production will terminate in Q1, products transferred, agreement for sale of property
- Alingsås: Production terminated, products transferred, property and equipment sold
- Levice: Matching/equipment installation/ ramp-up/full production, full production 2014
- Ljungsbro: Matching/equipment installation/ ramp-up/full production, full production 2014
- New Scandinavian warehouse structure in place, first half 2013

Completed Ongoing (on plan) Behind plan

Communicated

- **The restructuring program is expected to result in annual savings of approx. SEK 100m on EBITDA-level**
  - The savings from the production relocations will have a gradual effect in 2013 and full effect from sometime during the second half of 2014
  - Implementation began June 2012
  - Total implementation cost of approx. SEK 320-370m

Status

Restructuring program of SEK 100m	✓
Timing of implementation	✓
Cost of implementation	✓

Q4 items affecting comparability

SEKm	Oct-Dec 2012	Jan-Dec 2012
EBITA	**80**	**125**
Supply chain restructuring	105	199
Integration expenses	17	73
Other items affecting comparability	0	37
Cloetta prior to merger	-	-9
Exchange rate differences	6	10
Other	0	4
Underlying EBITA	**208**	**439**

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Q4 cash flow

SEKm	Oct-Dec 2012	Oct-Dec 2011
Operating cash flow before changes in working capital and capex	113	145
Change in working capital	34	-100
Cash flow from operating activities	**147**	**45**
Capex and investments in intangibles	-116	-70
Other cash flow from investing activities	17	-62
Cash flow from investing activities	**-99**	**-132**
Cash flow from financing activities	**26**	**-9**
Total cash flow for the period	**74**	**-96**

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In focus

Macro economic development and impact on market development

Restructuring process

New vision, mission and values

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Q4 selection of product launches

Juleskum Winter Apple
Sweden

Sportlunch Powerbreak 75gr
Sweden

Red Band children´s range
The Netherlands

XyliFresh
The Netherlands

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Q&A

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