

Loetta

Q1 2013 results – 29 April 2013

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Q1 highlights

Significantly improved underlying profitability

- Underlying EBIT of SEK 91m (47)
- Underlying margin of 8.1 per cent (4.1)
- Continued weak conditions on most markets
 - Net sales of SEK 1,127m (1,084)
 - Underlying net sales down by 3.3 per cent
- Amortised debt with SEK 90m
- Price increases - gradual effect in 2013
- Integration process essentially completed
- Factory restructurings proceeding according to plan
 - Alingsås and Aura closed and sold
 - Warehousing operations in Scandinavia completed

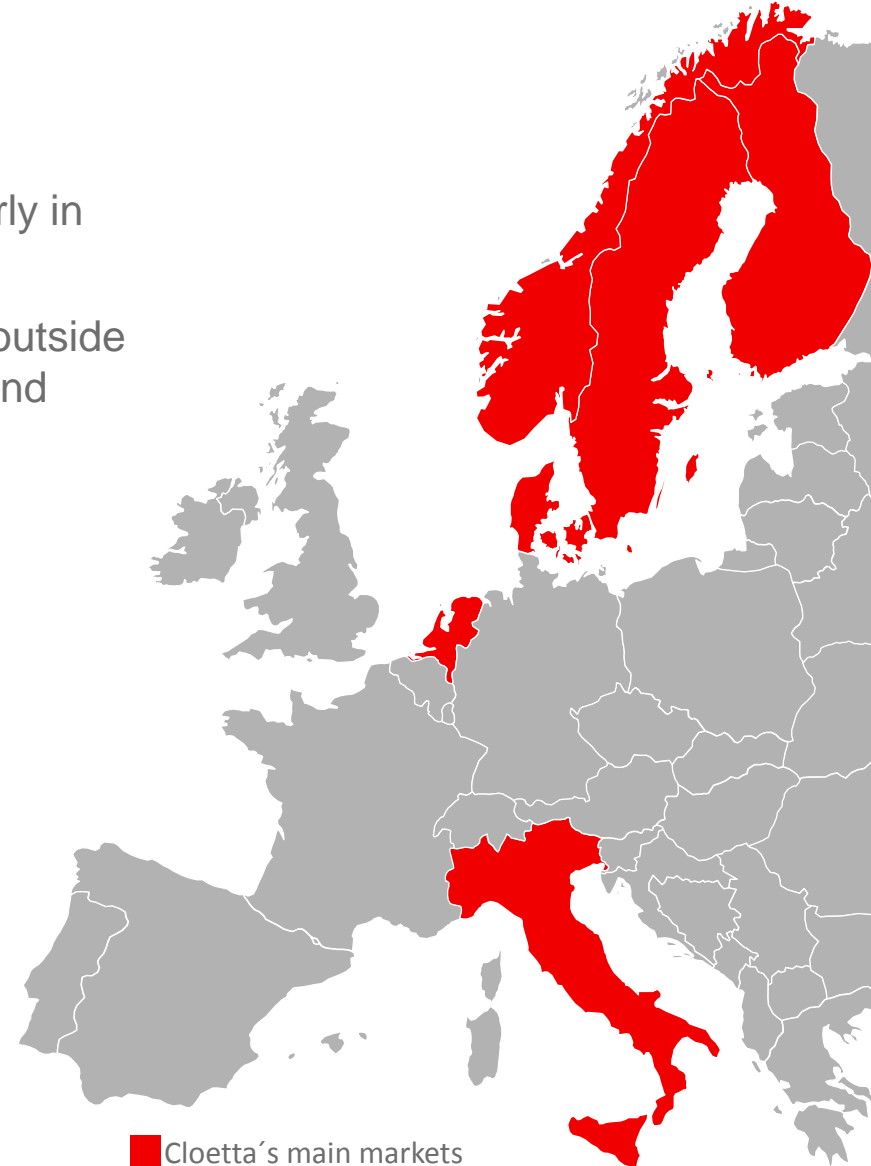


Overall sales and market development

Continued weak markets

- In general continued weak markets, particularly in Italy, Denmark and the Netherlands
- Sales grew in Sweden, the Netherlands and outside home markets. Flat development in Finland and Germany
- Italy and Denmark accounted for most of the Group's decline in sales
 - Financial crisis continues in Italy
 - Sugar tax and unresolved contract negotiations impacted sales in Denmark
- Contract manufacturing will decrease
- Raw material prices remain high

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■ Cloetta's main markets

Q1 net sales and EBIT

SEKm	Jan-Mar 2013	Margin %	Jan-Mar 2012	Margin %
Net sales	1,127		1,084	
Operating profit (EBIT)	58	5.2	6	0.5
Underlying EBIT ¹⁾	91	8.1	47	4.1
Profit for the period	36		-119	

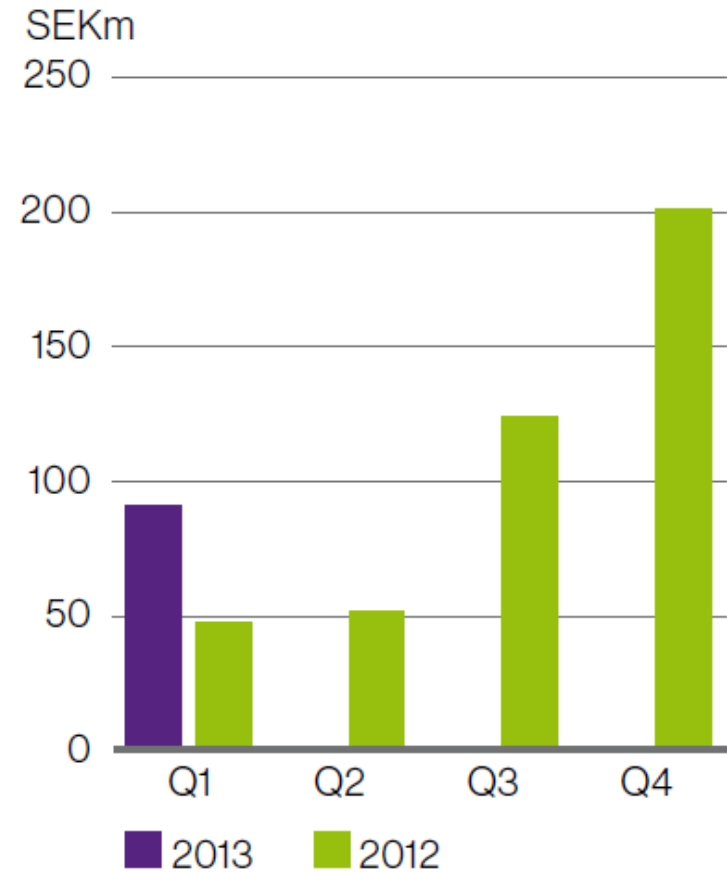
1) Adjusted for items affecting comparability related to the restructuring and integration

Changes in net sales, %	Jan-Mar 2013
Total	4.0
Changes in exchange rates	-2.3
Structural changes	9.6
Organic growth	-3.3



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Underlying EBIT







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Progress

Synergy 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

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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	✓

Progress

Factory restructuring program

Restructuring program

-  Gävle: Products transferred from Gävle, completed early 2014. Agreement on conditions
-  Aura: Production terminated, products transferred, property and equipment sold
-  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

 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



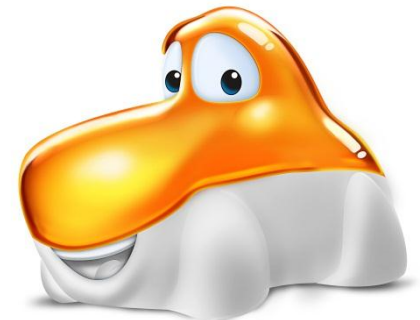
Cost of implementation



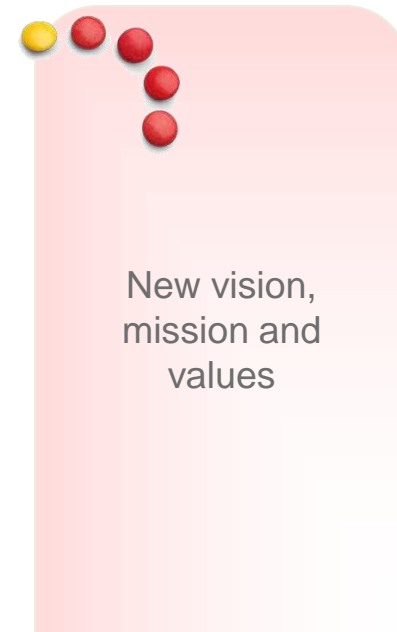
Q1 cash flow

SEKm	Jan-Mar 2013	Jan-Mar 2012
Cash flow from operating activities before changes in working capital	20	-45
Cash flow from changes in working capital	-36	10
Cash flow from operating activities	-16	-35
Cash flows from investments in property, plant and equipment and intangible assets	-54	-43
Other cash flow from investing activities	31	118
Cash flow from investing activities	-23	75
Cash flow from operating and investing activities	-39	40

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In focus



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Which markets do we wish to serve?

NEW TERRITORY

Chocolate



Chewing Gum



Candy & Liquorice



Pastilles



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We do not serve the main meals



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Munchy Moments is our territory!



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The Cloetta guide towards the future

PURPOSE / MISSION

**To bring a smile to your
Munchy Moments**

VISION

**To be the most admired
satisfier of Munchy
Moments**

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Q1 selection of product launches



Sweden
 Ahlgrens bilar Fruktkombi
 Läkerol throat lozenges
 TOY Sweetmint



Netherlands
 Sportlife Frozn Arcuicmint
 Sportlife Mints
 Red Band Crazy Mix
 Red Band Happy Mix



Italy
 Dietorelle
 Saila Xtreme



Finland
 TV Mix Special Edition
 TV Mix POP
 Polly Rocks



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Norway
 Läkerol Dark Humor



Denmark
 Malaco Solstreff

Q&A

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