Cloetta

Year-end report, October – December 2012

Stockholm, 15 February 2013

- **Net sales** for the quarter amounted to SEK 1,404m (1,371). **Operating profit** was SEK 82m (84).
- **Underlying net sales** decreased by 7.4 per cent, primarily caused by weak market conditions.
- **Items affecting comparability** amounted to SEK –122m (–116), and consisted mainly of costs related to factory restructurings and costs arising from integration activities.
- **Cash flow from operating activities** improved to SEK 147m (45) as a result of the positive impact of cash flow from changes in working capital.
- **Underlying EBITA** improved to SEK 208m (202). The increase is a result of the implemented price increases, but also the realisation of synergies from the merger.
- **The integration process** is proceeding as planned and has been largely completed.
- **The factory restructurings** are proceeding according to plan. The factory in Alingsås, Sweden was closed during the quarter.
- **The number of class A shares have decreased** by 1,938,386 and the number of class B shares has increased by the same number, whereby the number of votes in the company has decreased by 17,445,474 votes. The change in the number of shares and votes is a result of AB Malfors Promotor's request for conversion of class A shares to class B shares.
- SEK 90m of **the debt has been amortised** in the quarter. Total amortization for the year was SEK 358m. No dividend payout proposed in line with the financial strategy where focus continues to be on reducing net debt to app 2.5 x EBITDA.

	Fourth quarter			Full year		
SEKm	Oct–Dec 2012	Oct–Dec 2011	Change, %	Jan–Dec 2012[3]	Jan–Dec 2011	Change, %
Net sales	1,404	1,371	2.3	4,859	4,658	4.3
Underlying net sales[1]	1,431	1,545	–7.4	5,028	5,242	–4.1
EBITA	80	90	–10.5	125	373	–66.4
EBITA margin, %	5.7	6.6	–0.9 pts	2.6	8.0	–5.4 pts
Underlying EBITA[1]	208	202	2.7	439	548	–19.9
Underlying EBITA margin, %[1]	14.6	13.1	1.5 pts	8.7	10.5	–1,8 pts
Operating profit	82	84	–8.4	125	360	–65.9
Profit before tax	72	–57	227.6	–140	–240	40.4
Profit for the period	155	124	21.6	–73	–68	–13.3
Earnings per share, basic and diluted, SEK	0.54	0.47	na[2]	–0.26	–0.26	na[2]
Cash flow from operating activities	147	45	226.7	330	492	–32.9
Proposed dividend per share				–	–	

1 Based on constant exchange rates and the current structure (excluding the distribution business in Belgium and third-party distribution in Italy) and excluding items affecting comparability. Includes the former Cloetta's financial history for better comparability.
2 Comparative earnings per share are not representative for the current Group due to a different equity structure before the merger between Cloetta and LEAF.
3 The former Cloetta was acquired on 16 February 2012.

Message from the CEO

The fourth quarter generated a higher underlying EBITA compared to the same period last year, and was therefore a further step towards realising our strategic ambition.

The company's underlying EBITA improved primarily as a result of realisation of synergies from the merger between Cloetta and LEAF and implemented price increases.

Our underlying EBITA margin for the fourth quarter was 14.6 per cent (13.1) and the gross margin improved to 33.8 per cent (33.5). Cash flow from operating activities also increased from SEK 45m to SEK 147m.

Although underlying EBITA improved during the quarter, the ongoing supply chain restructuring is continuing to temporarily impact our efficiency and give rise to some short-term costs.

In addition, we continued to amortise our loans in line with plan. In total, we amortised SEK 358m in 2012.

During the quarter, we implemented remaining price increases to offset the sharp rise in raw material costs we experienced in the fourth quarter of 2011. Some of the revenues from these price increases have been reinvested into the markets in order to defend market shares in a time of challenging market conditions, intense promotion and campaign pressure.

Market development during the year was weak and the trend continued in the fourth quarter, including the holiday season. The Italian confectionary marketdeclined for the full year. During the autumn new legislation with new payment terms was introduced in Italy, which also had a negative impact. As Cloetta has a large holiday season business in Italy, this impacted net sales relatively more in the fourth quarter than earlier in the year.

Overall, underlying sales fell by 7.4 per cent in the fourth quarter, of which Italy accounted for about half of the decline.

The Dutch market was sluggish during 2012 with declines in pastilles and chewing gum and a relatively flat sugar confectionery segment. Despite this, net sales increased in the Netherlands during the fourth quarter. Sales grew also in Germany and the United Kingdom.

The Scandinavian markets were quite stable in 2012, except Denmark which decreased in volume due to an increased sugar tax. The Danish consumer chose to purchase its candy in the border trade to a larger extent as the price differential grew.

Cloetta's sales in the quarter, compared to previous year, was negatively impacted by the fact that inventories were built up in the end of 2011 ahead of the Scandinavian-wide ERP-implementation in order to secure customer service levels. Therefore, net sales in Sweden decreased compared to the same quarter last year.

The Finnish market recovered some of the volume loss from earlier years despite a further increase of the confectionary tax which was originally implemented in 2011. However, sales for Cloetta decreased somewhat during the fourth quarter.

The integration process is proceeding according to plan and has been largely completed. In addition to previously announced activities, we have implemented a joint IT platform, including an ERP system for the commercial units in Sweden, and taken over the distribution agreements in Finland and Denmark. Given the progress to date, I am convinced that we will be able to realise savings of at least SEK 65m in 2013, as previously communicated.

The factory restructurings are also proceeding according to plan. The factory in Alingsås, Sweden, was closed in the fourth quarter and the property has been sold. In December, we reached an agreement on the conditions for the employees at the factory in Gävle, Sweden, for the period until the planned closure in the first quarter of 2014. The factory in Aura, Finland, will cease production and close in the first quarter of 2013. All of the products that have been manufactured in Aura have been matched in the receiving factories.

The factory in Slagelse, Denmark that was closed in the beginning of 2012 is generating annual savings of SEK 45m. In addition, the closure of the factories in Alingsås and Gävle, Sweden and Aura, Finland will generate savings, as previously communicated, of SEK 100m towards the end of 2014.

The fourth quarter, like the third quarter, was a step in the right direction. The synergies from the merger are being realised and the supply chain restructuring are proceeding as planned. Therefore, I remain convinced that we will be able to realise the targeted and communicated total savings of SEK 210m.

Bengt Baron,
President and CEO

Financial overview

THE FINANCIAL YEAR

The Annual General Meeting on 19 December 2011 approved an amendment to the Articles of Association regarding the Parent Company's financial year. The Articles of Association have been changed so that the company's financial year now covers the period from 1 January to 31 December, i.e. the calendar year, instead of the period from 1 September to 31 August. This means that the current financial year will be extended to include the period from 1 September 2011 to 31 December 2012.

This year-end report includes the consolidated financial statements of the new Cloetta Group for the period from 1 January to 31 December 2012. Since Cloetta's acquisition of LEAF is regarded as a reverse acquisition, the consolidated comparable figures are those from LEAF Holland B.V. The comparable figures for the Parent Company are those for the legal acquirer, i.e. Cloetta AB. For the Parent Company, this year-end report covers the period from 1 September 2011 to 31 December 2012 in accordance with the Parent Company's financial year.

FOURTH QUARTER DEVELOPMENTS

Acquisitions and divestments

No acquisitions or divestments took place in the fourth quarter.

Net sales

Net sales for the fourth quarter rose by SEK 33m to SEK 1,404m (1,371) compared to the same period of last year. The increase in net sales is attributable to the merger between Cloetta and LEAF. The divestment of the distribution business in Belgium during the first quarter and the termination of an agreement for a third-party brand in Italy as of 1 January 2012 resulted in an expected decrease in sales in these two markets. Changes in exchange rates also had a negative impact on net sales of 3.7 per cent.

Underlying net sales fell by 7.4 per cent.

Sales during the quarter were down in several markets, especially in Italy were Cloetta has a large holiday season business that was negatively impacted by the economic situation in the country. Sales in Denmark decreased due to the sugar tax were the Danish consumers chose to purchase sugar confectionary in the border trade to a larger extend as the price differential grew. Net sales in the fourth quarter were also impacted compared to previous year by the fact that inventories were built up in the end of 2011 ahead of the Scandinavian-wide ERP-implementation in order to secure customer service levels. Sales in the Netherlands, Germany and United Kingdom showed positive development during the quarter.

Changes in net sales, %	Oct–Dec 2012	Jan–Dec 2012
Changes in exchange rates	–3.7	–2.7
Divestments/terminations	–4.8	–4.8
Reverse acquisition, Cloetta	19.1	15.6
Changes in underlying performance, LEAF	–8.3	–3.8
Total	**2.3**	**4.3**

Gross profit

Gross profit amounted to SEK 474m (460), which is equal to a gross margin of 33.8 per cent (33.5).

Operating profit

Operating profit was SEK 82m (84).

Underlying EBITA

Underlying EBITA amounted to SEK 208m (202). The increase is attributable to price increases and synergies from the merger.

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
Including Cloetta prior to merger	–	–9
Exchange rate differences	6	10
Other	0	4
Underlying EBITA	**208**	**439**

Items affecting comparability

Operating profit for the fourth quarter includes total items affecting comparability of SEK –122m (–116). These include items in the fourth quarter of 2012 that consist of costs for the merger between Cloetta and LEAF and factory restructurings.

Net financial items

Net financial items for the quarter improved to SEK –10m (–141). The improvement is mainly a result of lower interest expenses on loans from former shareholders in LEAF. These loans were converted into equity on 15 February 2012, for which reason no interest arose in the fourth quarter. Total interest on these loans in the fourth quarter of last year amounted to SEK 98m. In addition to the impact of the lower interest expenses, net financial items were positively affected by exchange differences on borrowings and cash in an amount of SEK 39m. The positive effect was partly offset by slightly higher other interest expenses and amortisation of financing costs for a total of SEK –9m. The interest on the shareholder loans and amortisation of financing costs are recognised in non-cash items.

Profit for the period

Profit for the period was SEK 155m (124), which is equal to basic and diluted earnings per share of SEK 0.54 (0.47). Income tax for the period was SEK 83m (181).

DEVELOPMENTS DURING THE YEAR

Acquisitions and divestments

On 16 February 2012, Cloetta AB acquired LEAF Holland B.V. from Yllop Holding S.A. (formerly named LEAF Holding S.A.). The Group's purchase price allocation for Cloetta as the acquiree for accounting purposes was finalised in the third quarter of 2012. For further information, see Page 14 of Cloetta's Q3 interim report at www.cloetta.com.

On 22 February 2012, Cloetta announced the divestment of its distribution business in Belgium to Katjes International GmbH & Co. KG in Germany. The sale was part of Cloetta's strategy to focus on the Group's own brands. The distribution business in Belgium had some 50 employees and annual sales of approximately SEK 200m, of which around SEK 40m referred to Cloetta's brands. The transaction will have a limited effect on Cloetta's future operating profit and the purchase price was insignificant compared to the market value of Cloetta. The divestment generated a non-cash capital loss of SEK 32m.

On 31 May 2012, LEAF Danmark Ejendomsselskab ApS was sold to LH Holding Slagelse ApS through a transfer of shares. LEAF Danmark Ejendomsselskab ApS owns the production unit in Slagelse, Denmark, that was closed during 2011 and conducts no operating or commercial activities. The divestment will have no effect on Cloetta's future earnings. The transaction generated a non-cash capital loss of SEK 4m.

Net sales

Net sales for the full year rose by SEK 201m to SEK 4,859m (4,658) compared to last year. The increase in net sales is attributable to the merger between Cloetta and LEAF. The divestment of the distribution business in Belgium during the first quarter and the termination of an agreement for a third-party brand in Italy as of 1 January 2012 resulted in an expected decrease in sales in these two markets.

Underlying net sales fell by 4.1 per cent. Sales during the year were down in several markets, which was primarily noticeable in Italy and Norway. Sales in Finland showed positive development, partly owing to a recovery after the introduction of a confectionery tax. Sales in the United Kingdom and outside the main markets also increased.

Gross profit

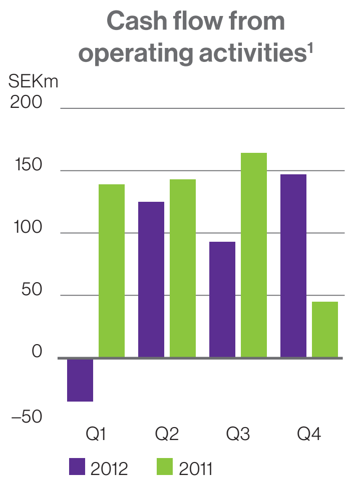
Gross profit amounted to SEK 1,702m (1,747), which is equal to a gross margin of 35.0 per cent (37.5). Gross margin was mainly diluted by the merger between Cloetta and LEAF and by higher raw material costs.

Operating profit

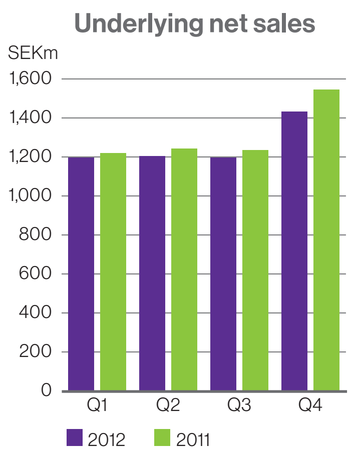
Operating profit was SEK 125m (360). The decrease was caused primarily by several items affecting comparability, but higher raw material costs, lower sales and some temporary costs in manufacturing also had an impact on operating profit.

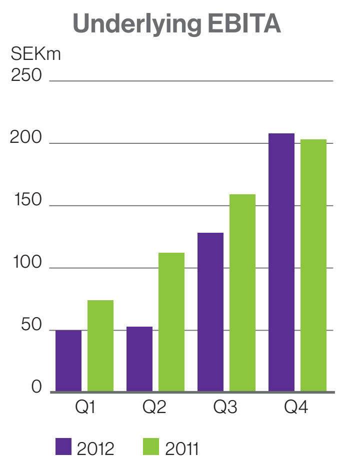
Underlying EBITA

Underlying EBITA amounted to SEK 439m (548). The decrease is primarily attributable to higher raw material costs, but also to lower net sales and some temporary costs in manufacturing.



1) The cash flow statements for Q1 and Q2 2012 have been restated after the final purchase price allocation.





Items affecting comparability

Operating profit for the full year includes total items affecting comparability of SEK –309m (–209). These include non-recurring items that consist of costs for the merger between Cloetta and LEAF, factory restructurings, a non-cash capital loss arising from the divestment of the distribution business in Belgium and other non-recurring items.

Net financial items

Net financial items improved to SEK – 265m (–600). The improvement is mainly a result of lower interest expenses on loans from former shareholders in LEAF, since these loans were converted into equity on 15 February 2012. Total interest on loans from former shareholders in LEAF amounted to SEK –61m (–441). The impact of the lower interest expenses has been partly offset by higher amortisation of capitalised financing costs. Due to the agreement for a new credit facility that was signed on 15 December 2011, but effective in the second quarter of 2012, the remaining previously capitalised financing costs have been amortised in full. The financing costs for the new credit overdraft facility will be capitalised over the period covered by the credit agreement. Total costs for previously capitalised financing costs amounted to SEK 52m (15). Both the interest on the shareholder loans and capitalisation of the financing costs are non-cash items. The net financial items were also positively impacted by positive exchange gains on borrowings and cash for an amount of SEK 20m (–12). The other net financial items do not materially deviate compared to the previous year.

Profit for the year

Profit for the year was SEK –73m (–68), which is equal to basic and diluted earnings per share of SEK –0.26 (–0.26). Income tax for the period was SEK 67m (172).

CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES

Cash flow for the fourth quarter

Cash flow from operating activities for the fourth quarter amounted to SEK 147m (45). The improvement in cash flow from operating activities is the result of the positive impact of cash flows from changes in working capital offsetting a decrease in the cash flows arising from a lower operating profit compared to the previous year. Cash flow from operating and investing activities for the fourth quarter amounted to SEK 48m (–87).

Working capital

Cash flow from changes in working capital amounted to SEK 34m (–100). The improvement is mainly the result of lower cash flows from increased trade payables and the effects of a lower inventory level partly offset by an increase in trade receivables.

Investments

Cash flow from investing activities was SEK –99m (-132). The lower cash outflow from investing activities is attributable to cash inflows from disposed property, plant and equipment in the quarter and the fact that loans to the shareholders of former LEAF were granted for an amount of SEK 63m in 2011, while this did not occur in the fourth quarter of 2012. This has been partly offset by large investments in machinery and equipment of SEK 107m (46) mainly related to the supply chain restructuring.

Cash flow for the year

Cash flow from operating activities for the year amounts to SEK 330m (492). The decrease in cash flow from operating activities is mainly due to a lower operating profit compared to the previous year partly offset by an improved cash flow from changes in working capital.

Cash flow from operating and investing activities for the year amounted to SEK –1,176m (157).

Working capital

Cash flow from changes in working capital amounted to SEK 174m (119). This improvement is explained by the combination of decreased trade receivables and increased trade payables.

Investments

Cash flow from investing activities was SEK –1,506m (–335). The decrease is mainly attributable to the acquisition of LEAF Holland B.V. The net cash impact of the acquisition was SEK –1,230m (0). In addition, the cash generated by the divestment of LEAF Belgium Distribution and LEAF Danmark Ejendomsselkab ApS amounted to SEK 45m (0). In 2012, loans were

Cash flow from operating and investing activities

	Fourth quarter		Full year	
SEKm	Oct–Dec 2012	Oct–Dec 2011	Jan–Dec 2012	Jan–Dec 2011
Cash flow from operating activities before changes in working capital	113	145	156	373
Cash flow from changes in working capital	34	–100	174	119
Cash flow from operating activities	**147**	**45**	**330**	**492**
Cash flows from investments in property, plant and equipment and intangible assets	–116	–70	–269	–224
Other cash flow from investing activities	17	–62	–1,237	–111
Cash flow from investing activities	**–99**	**–132**	**–1,506**	**–335**
Cash flow from operating and investing activities	**48**	**–87**	**–1,176**	**157**

granted to former shareholders in an amount of SEK 71m (49), see "Related party transactions" on page 16. Finally the higher investments in property, plant and equipment of SEK 47m related to the supply chain restructuring has affected the cash flows from investing activities.

FINANCIAL POSITION

Consolidated equity at 31 December 2012 amounted to SEK 3,326m (–385), which is equal to SEK 11.5 per share (–1.5). Net debt at 31 December 2012 was SEK 3,056m (2,827).

Non-current borrowings totalled SEK 2,516m (6,077) and consisted of SEK 2,571m (2,186) in gross loans from credit institutions, SEK –55m (–28) in capitalised financing costs and SEK 0m (3,919) in loans from former shareholders. Total current borrowings amounted to SEK 747m (747) and consisted of SEK 360m (356) in gross loans from credit institutions, SEK –20m (–11) in capitalised financing costs, SEK 406m (354) in a credit overdraft facility, SEK 1m (28) in interest payable and SEK 0m (20) in loans from former shareholders.

The short-term gross loans from credit institutions consist of a short-term repayment obligation for 2013.

SEKm	31 Dec 2012	31 Dec 2011
Gross non-current borrowings	2,571	2,186
Gross current borrowings	360	356
Credit overdraft facility	406	354
Derivative financial instruments	24	0
Interest payable	1	28
Gross debt	**3,362**	**2,924**
Cash and cash equivalents	–306	–97
Net debt	**3,056**	**2,827**

The loans from former shareholders are not included in the calculation of net debt. Cash and cash equivalents at 31 December 2012, excluding long-term unutilised overdraft facilities, amounted to SEK 306m (97).

In addition to the above financing, Cloetta has unutilised overdraft facilities for a total of SEK 294m (181).

OTHER DISCLOSURES

Restructuring

On 15 May and 15 June 2012, decisions were made to close the factories in Aura, Finland, and in Alingsås and Gävle, Sweden, in order to eliminate excess capacity in the Group's production structure. A decision was also made to rationalise warehousing operations in Scandinavia. The transfer of production to other factories in the Group has been started and is being carried out successively. This process is expected to be completed in the first quarter of 2014.

The closure of the factories will give rise to non-recurring costs of SEK 320–370m and is expected to generate annual savings of approximately SEK 100m at the EBITDA level towards the end of 2014. Non-recurring costs for supply chain restructuring amounted to SEK 105m during the quarter and SEK 199m for the year.

Seasonal variations

Cloetta's sales and operating profit are subject to some seasonal variations. Sales in the first and second quarters are affected by the Easter holiday, depending on in which quarter it occurs. In the fourth quarter, the seasonal variations are primarily related to the sale of products in Sweden and Italy in connection with Christmas.

Employees

The average number of employees during the quarter was 2,565 (2,175). The increase is a result of the merger between Cloetta and LEAF.

Conversion of A shares to B shares

Following a request from AB Malfors Promotor ("Malfors"), at 21 December 2012 Cloetta has converted 1,938,386 class A shares, held by Malfors to class B shares. Malfors has thereby reduced its voting powers in Cloetta to 40.2 per cent (39.9 per cent after full exercise of the outstanding options programme issued by the three principal shareholders) in accordance with Malfors' undertaking to CVC and Nordic Capital in connection with Cloetta's merger with LEAF Holland B.V. in February 2012. The number of A shares in Cloetta has, following the conversion, decreased from 11,800,000 to 9,861,614, and the number of B shares has increased from 276,819,299 to 278,757,685. Following conversion, the number of votes in the company following conversion has decreased by 17,445,474. The share capital and the total number of issued shares in Cloetta remain unchanged.

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.

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 Cloetta's website www.cloetta.com starting in mid-March 2013.

Annual General Meeting

The Annual General Meeting will be held at 2:00 p.m. on Thursday, 11 April 2013, at Hotel Rival, Mariatorget 3 in Stockholm. The notice to attend the Annual General Meeting will be sent in mid-March 2013.

Annual report

The annual report for the financial year will be posted on Cloetta's website www.cloetta.com by 21 March 2013 at the latest.

The Board of Directors and the CEO hereby give their assurance that the year-end 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.

Stockholm, 15 February 2013
Cloetta AB (publ)

Lennart Bylock
Chairman

Hans Eckerström
Board member

Håkan Kirstein
Board member

Adriaan Nühn
Board member

Robert-Jan van Ogtrop
Board member

Mikael Svenfelt
Board member

Olof Svenfelt
Board member

Meg Tivéus
Board member

Peter Törnquist
Board member

Lena Grönedal
Employee representative

Birgitta Junland
Employee representative

Bengt Baron
President and CEO

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

Selection of key product launches during Q4

Bentasil with Vitamin C
Norway

Red Band children's range
The Netherlands

XyliFresh Kids
The Netherlands

Juleskum Winter Apple
Sweden

Sportlunch Powerbreak 75 g
Sweden

Financial statements (in summary)
Consolidated profit and loss account

SEKm	Fourth quarter Oct–Dec 2012	Fourth quarter Oct–Dec 2011	Full year Jan–Dec 2012[3]	Full year Jan–Dec 2011
Net sales	1,404	1,371	4,859	4,658
Cost of goods sold	–930	–911	–3,157	–2,911
Gross profit	**474**	**460**	**1,702**	**1,747**
Other operating income	9	1	13	1
Selling expenses	–211	–248	–888	–915
General and administrative expenses[3]	–190	–129	–702	–473
Operating profit	**82**	**84**	**125**	**360**
Exchange differences on borrowings and cash and cash equivalents in foreign currencies	39	–10	20	–12
Other financial income	2	3	5	11
Other financial expenses[3]	–51	–134	–290	–599
Net financial items	**–10**	**–141**	**–265**	**–600**
Profit before tax	**72**	**–57**	**–140**	**–240**
Income tax expense	83	181	67	172
Profit for the period	**155**	**124**	**–73**	**–68**
Profit for the period attributable to:				
Owners of the Parent Company	**155**	**124**	**–73**	**–68**
Earnings per share, SEK				
Basic and Diluted[1]	0.54	0.47	–0.26	–0.26
Number of shares at end of period[2]	288,619,299	262,137,526	288,619,299	262,137,526
Average numbers of shares[2]	288,619,299	262,137,526	276,132,021	262,137,526

1 The comparative earnings per share are not representative for the current group due to to a completely different equity structure before the merger between Cloetta and LEAF.
2 The number of shares for comparative figures has been restated for the rights issue.
3 The comparative figures have been adjusted for the impact of the early adoption of IAS 19R. See page 17.

Consolidated statement of comprehensive income

SEKm	Fourth quarter Oct–Dec 2012	Fourth quarter Oct–Dec 2011	Full year Jan–Dec 2012	Full year Jan–Dec 2011
Net profit for the period	**155**	**124**	**–73**	**–68**
Other comprehensive income				
Remeasurements of the defined benefit pension plans	–100	–31	–100	–31
Income tax on remeasurement to defined benefit pension plans	30	8	30	8
Currency translation differences	89	–51	–68	2
Total comprehensive income, net of tax	**174**	**50**	**–211**	**–89**
Total comprehensive income for the period attributable to:				
Owners of the Parent Company	174	50	–211	–89

Items affecting comparability[1]

SEKm	Fourth quarter Oct–Dec 2012	Fourth quarter Oct–Dec 2011	Full year Jan–Dec 2012[2]	Full year Jan–Dec 2011
Supply chain restructuring	–105	–80	–199	–162
Integration expenses	–17	–9	–73	–9
Other	0	–27	–37	–38
Total	**–122**	**–116**	**–309**	**–209**
1 Corresponding line in the consolidated profit and loss account:				
Net sales	–1	0	–1	0
Cost of goods sold	–82	–88	–121	–167
Other operating income	9	0	13	0
Selling expenses	1	–6	–13	–14
General and administrative expenses	–49	–22	–187	–28
	–122	**–116**	**–309**	**–209**

2 Includes non-cash capital losses on the divestments of the distribution business in Belgium and Denmark Ejendomsselkab amounting to SEK 47m.

Consolidated balance sheet

SEKm	31 Dec 2012	31 Dec 2011
Intangible assets	5,099	4,811
Property, plant and equipment	1,611	1,318
Deferred tax asset[1]	473	447
Other financial assets	88	261
Total non-current assets	**7,271**	**6,837**
Inventories	773	640
Current receivables	955	1,053
Cash and cash equivalents	306	97
Total current assets	**2,034**	**1,790**
Assets held for sale	35	15
Total assets	**9,340**	**8,642**
Equity[1]	**3,326**	**–385**
Borrowings	2,516	6,077
Deferred tax liability	824	728
Derivative financial instruments	3	–
Other provisions[1]	463	274
Total non-current liabilities	**3,806**	**7,079**
Borrowings	747	747
Derivative financial instruments	21	–
Current liabilities	1,361	1,141
Provisions	79	60
Total current liabilities	**2,208**	**1,948**
Total equity and liabilities	**9,340**	**8,642**

1 The comparative figures have been adjusted for the impact of the early adoption of IAS 19R. See page 17.

Consolidated statement of changes in equity

SEKm	31 Dec 2012	31 Dec 2011[2]
Equity at beginning of period	**–385**	**–1,124**
Adjustment opening balance for IAS 19R	–	7
Adjusted equity at beginning of period	**–385**	**–1,117**
Profit for the period	–73	–68
Other comprehensive income	–138	–21
Total comprehensive income	**–211**	**–89**
Transactions with owners		
Capital contribution		
- Loan conversion	3,441	821
- Contingent capital contribution to cover tax exposure	81	
Business combinations[1]	–667	
Convertible debenture loan	10	
Rights issue	1,057	
Total transactions with owners	**3,922**	**821**
Equity at end of period	3,326	–385
[1] The amount reported in business combinations in 2012 consists of:		
- The assessed value of the acquired Cloetta company	833	
- The issue in kind of class C shares (see change in equity of Parent Company)	2,556	
- The hypothetical repurchase of shares (reverse acquisition)	–4,056	
	–667	

For further information, see the notes in the pro forma balance sheet as reported in the prospectus at www.cloetta.com

2 The comparative figures have been adjusted for the impact of the early adoption of IAS 19R. See page 17.

Consolidated cash flow statement

	Fourth quarter		Full year	
SEKm	Oct–Dec 2012	Oct–Dec 2011	Jan–Dec 2012	Jan–Dec 2011
Cash flow from operating activities before changes in working capital	113	145	156	373
Cash flow from changes in working capital	34	–100	174	119
Cash flow from operating activities	**147**	**45**	**330**	**492**
Cash flows from investments in property, plant and equipment and intangible assets	–116	–70	–269	–224
Other cash flow from investing activities	17	–62	–1,237	–111
Cash flow from investing activities	**–99**	**–132**	**–1,506**	**–335**
Cash flow from operating and investing activities	**48**	**–87**	**–1,176**	**157**
Cash flow from financing activities	**26**	**–9**	**1,412**	**–280**
Total cash flow for the period	**74**	**–96**	**236**	**–123**
Cash and cash equivalents at beginning of period	169	230	97	220
Total cash flow	74	–96	236	–123
Exchange gains/(losses) on cash and cash equivalents	63	–37	–27	–
Cash and cash equivalents at end of period	**306**	**97**	**306**	**97**

Key figures

SEKm	Fourth quarter Oct–Dec 2012	Fourth quarter Oct–Dec 2011	Full year Jan–Dec 2012	Full year Jan–Dec 2011
Profit				
Net sales	1,404	1,371	4,859	4,658
Net sales, growth, %	2.3	na	4.3	na
Underlying net sales	1,431	1,545	5,028	5,242
Underlying net sales, growth, %	–7,4	na	–4.1	na
Gross margin, %	33.8	33.5	35.0	37.5
Underlying EBITA	208	202	439	548
Underlying EBITA margin, %	14.6	13.1	8.7	10.5
Underlying EBITDA	253	244	618	717
Underlying EBITDA margin, %	17.6	15.8	12.3	13.7
Underlying EBIT	208	201	438	540
Underlying EBIT margin, %	14.6	13.0	8.7	10.3
Operating profit (EBIT)	82	84	125	360
Operating profit margin (EBIT margin), %	5.7	6.4	2.6	7.8
Profit margin, %	4.9	–4.0	–2.9	–5.1
Financial position				
Working capital	367	552	367	552
Operational working capital	941	1,035	941	1,035
Capital expenditure	–116	–70	–269	–224
Net debt	3,056	2,827	3,056	2,827
Capital employed	3,739	7,048	3,739	7,048
Return on capital employed, %	2.2	1.3	2.4	5.0
Equity/assets ratio, %	35.6	–4.5	35.6	–4.5
Net debt/equity ratio, %	0.9	na	0.9	na
Return on equity, %	–2.2	na	–2.2	na
Cash flow				
Cash flow from operating activities	147	45	330	492
Investments in non-current assets	–99	–132	–1,506	–335
Cash flow after investments	48	–87	–1,176	157
Cash conversion, %	51.8	71.8	54.9	68.9
Employees				
Average number of employees	2,565	2,175	2,579	2,192

Quarterly data

SEKm	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011[1]
Profit and loss account								
Net sales	1,404	1,159	1,212	1,084	1,371	1,124	1,120	1,043
Cost of goods sold	–930	–730	–799	–698	–911	–679	–693	–628
Gross profit	**474**	**429**	**413**	**386**	**460**	**445**	**427**	**415**
Other operating income	9	4	0	0	1	0	0	0
Selling expenses	–211	–185	–270	–222	–248	–203	–243	–221
General and administrative expenses[1]	–190	–158	–196	–158	–129	–113	–110	–121
Operating profit	**82**	**90**	**–53**	**6**	**84**	**129**	**74**	**73**
Exchange on borrowings and cash and cash equivalents in foreign currencies	39	–14	–9	4	–10	–2	–9	9
Other financial income	2	0	1	2	3	3	2	3
Other financial expenses[1]	–51	–46	–69	–124	–134	–139	–154	–172
Net financial items	**–10**	**–60**	**–77**	**–118**	**–141**	**–138**	**–161**	**–160**
Profit before tax	**72**	**30**	**–130**	**–112**	**–57**	**–9**	**–87**	**–87**
Income tax expense	83	–17	8	–7	181	–4	23	–28
Profit for the period	**155**	**13**	**–122**	**–119**	**124**	**–13**	**–64**	**–115**
Profit for the period attributable to:								
Owners of the Parent Company	155	13	–122	–119	124	–13	–64	–115
Underlying EBITA	208	128	53	50	202	159	113	74

1 The comparative figures have been adjusted for the impact of the early adoption of IAS 19R. See page 17. Due to the limited impact of the adjustment (SEK –3m on profit for the period), the adjustment is fully reported in the figures for Q1 2011.

Parent Company

This year-end report includes the financial statements of the Parent Company covering the period from 1 September 2011 to 31 December 2012 in accordance with the Parent Company's financial year.

Summary parent company profit and loss accounts

	Fourth quarter		Full year	
SEKm	Oct–Dec 2012	Oct–Dec 2011	Sep 2011–Dec 2012	Sep 2010–Aug 2011
Net sales	20	6	72	26
Cost for property management and sold services	0	0	0	–1
Gross profit	**20**	**6**	**72**	**25**
Administrative expenses	–29	–6	–110	–24
Other operating income and expenses	3	0	–2	5
Operating profit	**–6**	**0**	**–40**	**6**
Total result from financial investments	77	0	38	–1
Profit before tax	**71**	**0**	**–2**	**5**
Appropiations	4	0	4	–2
Income tax expense	–21	0	–2	–1
Profit for the period	**54**	**0**	**0**	**2**

Summary parent company balance sheets

SEKm	31 Dec 2012	31 Aug 2011
ASSETS		
Non-currents assets		
Property, plant and equipment	4	4
Financial assets	4,629	546
Total non-current assets	**4,633**	**550**
Current assets	**156**	**82**
TOTAL ASSETS	**4,789**	**632**
EQUITY AND LIABILITIES		
Equity		
Restricted equity	1,443	122
Non-restricted equity	2,773	470
Total equity	**4,216**	**592**
Untaxed reserves	**–**	**4**
Non-current liabilities		
Total provisions	0	1
Non-current borrowings	343	0
Convertible debenture loan	–	24
Total non-current liabilities	**343**	**25**
Current liabilities		
Current liabilities	16	11
Current borrowings	214	-
Total current liabilities	**230**	**11**
TOTAL EQUITY AND LIABILITIES	**4,789**	**632**
Pledged assets	4,623	None
Contingent liabilities	2,765	84

Parent company statement of changes in equity

SEKm	Sep 2011–Dec 2012	Sep 2010–Dec 2011
Equity at the beginning of period	592	602
Profit/loss for the period	0	2
Rights issue	1,057	–
Dividend	–	–18
Issue in kind of class C shares, acquisition of LEAF Holland B.V	2,556	–
Convertible debenture loan	11	6
Equity at the end of period	**4,216**	**592**

DISCLOSURES REGARDING THE ACQUISITION OF CLOETTA AB

On 16 February 2012 Cloetta acquired 100 per cent of the shares and 100 per cent of the voting rights in LEAF Holland B.V., the parent company of the LEAF group, incorporated in the Netherlands, from Yllop Holding S.A. (formerly named LEAF Holding S.A.). LEAF is a confectionery company with a focus on sugar confectionery, chewing gum and pastilles and has a leading position in the Nordic countries, the Netherlands and Italy.

The business combination is expected to result in:

- A Nordic leader in the confectionery industry.
- A full range of complementary products that will enhance the company's attractiveness among both customers and suppliers through Cloetta's strength in chocolate and LEAF's strength in sugar confectionery, as well as refreshment (pastilles and chewing gum).
- Potential for significant annual cost and efficiency synergies in excess of SEK 65m to be achieved within two years after closing the transaction.

In addition to the estimated cost synergies, Cloetta has closed its factory in Slagelse, Denmark, and moved this production to Levice, Slovakia. The transfer was finalised in January 2012 and is estimated to result in additional cost savings of SEK 45m annually. The aggregated annual cost savings potential from the cost synergies and Cloetta's ongoing restructuring amounts to SEK 110m.

Cloetta's acquisition of LEAF Holland B.V. has been accounted for as a reverse acquisition, meaning that LEAF Holland B.V. is considered to be the acquirer for group accounting purposes.

The formal acquisition of LEAF Holland B.V. by Cloetta AB was carried out partly through a cash payment of SEK 100m and partly through an interest-bearing vendor loan note of SEK 1,400m, as well as an issue in kind of 165,186,924 Cloetta class C shares with a fair market value of SEK 2,556m, i.e. the total fair value of the total consideration transferred amounted to SEK 4,056m. The fair market value of the Cloetta class C shares has been determined based upon Cloetta share's stock market bid price (SEK 34.20) at the time of the acquisition. Immediately following the issue in kind of C shares, Yllop Holding S.A. held approximately 87.2 per cent of the voting rights and approximately 78.4 per cent of the share capital in Cloetta AB.

Cloetta's acquisition-date fair value of SEK 833m is deemed to comprise the consideration transferred. This fair value has been calculated based on 24,355,641 shares outstanding multiplied by the stock market bid price of SEK 34.20 at the time of the acquisition. In addition, the seller, Yllop Holding S.A., has agreed to indemnify Cloetta for tax related claims that might be brought against Cloetta in respect of the proceedings in Italy. This indemnity is limited to an amount of SEK 81m and covers the financial years 2005–2007. An indemnification asset has been recognised directly against equity. For further information, see page 87 of the Rights Issue Prospectus dated 13 March 2012 at www.cloetta.com.

The Group's purchase price allocation for Cloetta as the acquiree for accounting purposes was finalised in the third quarter 2012. The inventory remeasurement effect, before deferred tax adjustments, was recognised in full in the consolidated profit and loss accounts in an amount of SEK 5m in Q1 2012 and SEK 2m in Q2 2012.

Recognition and measurement of assets acquired and liabilities assumed related to the accounting acquiree, the former Cloetta

The provisional amounts applied in the interim reports at March 2012 and June 2012 are presented in brackets. The remeasurements have had no impact on the consolidated profit and loss statement.

SEKm		
Non-current assets	**777**	**(492)**
Intangible assets	365	(53)
Tangible assets	397	(434)
Financial assets	15	(5)
Current assets	**539**	**(539)**
Inventories	121	(121)
Current receivables	149	(149)
Cash and cash equivalents	269	(269)
Non-current liabilities	**–318**	**(–205)**
Deferred tax liabilities	–170	(–101)
Provisions for pensions	–125	(–81)
Convertible loan	–23	(–23)
Current liabilities	**–214**	**(–201)**
Other current liabilities	–214	(–201)
Net identifiable assets and liabilities assumed	**784**	**(625)**
Goodwill	49	(208)
Consideration transferred	**833**	**(833)**

Goodwill is mainly attributable to anticipated synergies arising from the combination of Cloetta and LEAF. The goodwill amount of SEK 49m is not expected to be deductible for tax purposes. The most important remeasurements are related to brand names that have been recognised at their fair market value of SEK 348m (SEK 50m in the former Cloetta) and provisions for pension excluding special payroll taxes amounting to SEK 125m (81), which have been valued in accordance with IAS 19, Employee Benefits.

Transaction costs of SEK 49m incurred by Yllop Finance AB (formerly named LEAF Finance AB) have been funded through internal loans from LEAF, and have thereby implicitly reduced equity in LEAF through the capital contribution made by Yllop Finance AB to LEAF prior to the acquisition. Acquisition-related costs of SEK 31m incurred by the accounting acquiree, Cloetta AB, were expensed prior to the acquisition and have consequently affected goodwill since expenses incurred prior to the acquisition have reduced net identifiable assets and liabilities assumed.

For the period from the acquisition date until the end of December 2012, Cloetta contributed net sales of SEK 701m and a net loss of SEK –27m. If the acquisition had taken place on 1 January 2012, management estimates that consolidated net sales would have been SEK 840m and the consolidated net loss would have been SEK –41m, excluding transaction costs of SEK 31m.

OTHER

Parent Company

On 16 February 2012, Cloetta AB acquired LEAF Holland B.V. from Yllop Holding S.A. (formerly named LEAF Holding S.A.). The acquisition was carried out through a cash payment (SEK 100m), the issue of a vendor loan note (SEK 1,400m) and an issue in kind of Cloetta shares (SEK 2,556m). The vendor loan note was repaid in full during Q2 2012.

Cloetta AB's primary activities include head office functions such as group-wide management and administration. The comments below refer to the period from 1 September 2011 to 31 December 2012. Net sales in the Parent Company reached SEK 72m (26) and referred mainly to intra-group services. Operating profit was SEK –40m (6). The deviation from the prior year is explained by termination benefits to the former Chief Executive Officer, who retired on 29 February 2012, a new executive management team and consulting costs. Net financial items totalled SEK 38m (–1). Interest on the vendor loan note amounted to SEK 15m. Profit before tax was SEK –2m (5) and profit after tax was SEK 0m (2). Cash and cash equivalents and short-term investments amounted to SEK 12m (53).

The Cloetta share

During the period from 1 January to 31 December 2012, a total of 32,931,684 shares were traded, equal to around 12 per cent of the total number of class B shares at the end of the period. The highest quoted bid price during the period from 1 January to 12 March 2012 was SEK 40.00 and the lowest was SEK 31.50. During the period from 13 March to 31 December 2012, the highest quoted bid price was SEK 20.00 and the lowest was SEK 12.85. The share price on 31 December 2012 was SEK 13.45 (last price paid). To illustrate the effects of the rights issue on the share price, the closing share price on 12 March 2012 (last day of trading including the right to receive subscription rights) was SEK 37.50 and the closing share price on 13 March 2012 (first day of trading without the right to receive subscription rights) was SEK 17.00.

Cloetta's earlier SEK 30m convertible debenture loan for the employees ran from 14 May 2009 to 30 March 2012. The convertible loan could 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. A total of 567,279 shares had been issued as a result of conversion when the loan expired, which is equal to a total increase in the share capital by SEK 3m and an increase in the share premium reserve by SEK 14m.

Shareholders

On 31 December 2012 Cloetta AB had 4,667 shareholders. The principal shareholder was AB Malfors Promotor, with a holding corresponding to 40.2 per cent of the votes (39.9 per cent after full exercise of the outstanding options programme issued by the three principal shareholders) and 21.8 per cent of the share capital in the company. Other institutional investors held 53.5 per cent of the votes and 69.9 per cent of the share capital.

After completion of the rights issue in April 2012, the principal shareholders in Cloetta were Yllop Holding S.A. and AB Malfors Promotor. In April 2012, Yllop S.A.'s holding in Cloetta was divided and transferred to Cidron Pord S.á.r.l., which is owned by Nordic Capital Fund V, and Godis Holdings S.á.r.l. which is owned by funds under the advisorship of CVC Capital Partners. At 31 December 2012 Godis Holdings S.á.r.l. held shares corresponding to 21.9 per cent of the votes and 28.6 per cent of the share capital, and Cidron Pord S.á.r.l. held shares corresponding to 16.3 per cent of the votes and 21.3 per cent of the share capital in the company.

Following a request from AB Malfors Promotor, Cloetta converted 1,938,386 A shares in Cloetta, which are held by Malfors, to B shares. Malfors has thereby reduced its voting powers in Cloetta in accordance with Malfors' undertaking to CVC and Nordic Capital in connection with Cloetta's merger with LEAF Holland B.V. earlier in 2012.

After conversion, the number of A shares in Cloetta has decreased from 11,800,000 to 9,861,614, and the number of B shares has increased from 276,819,299 to 278,757,685. The number of votes in the company following conversion has decreased by 17,445,474. The share capital of SEK 1,443,096,495 and the total number of issued shares of 288,619,299 remain unchanged.

Related party transactions

AB Malfors Promotor, Cidron Pord S.á.r.l. and Godis Holdings S.á.r.l are considered to be related parties. Yllop Holding S.A. was considered to be a related party until the second quarter. Buying and selling of goods and services between Cloetta and the principal shareholders are regarded as related party transactions. No such transactions took place with these parties during the period. The principal amount and accrued interest on the vendor loan note was repaid in full to Yllop Holding S.A. in April 2012.

Invoices paid by Cloetta AB to AB Malfors Promotor for costs incurred by AB Malfors Promotor in connection with the merger transaction, and which according to the purchase agreement should be covered by Cloetta AB, are regarded as related party transactions and amount to SEK 2m.

The Parent Company has related party transactions with subsidiaries in the Group. The majority of such transactions refer to the sale of services, which for the period from September 2011 to December 2012 amounted to SEK 72m (26), equal to 100 per cent of each period's total sales. At 31 December 2012 the Parent Company's receivables from subsidiaries amounted to SEK 261m (24) and liabilities to subsidiaries amounted to SEK 119m (0). Transactions with related parties are priced on market-based terms.

On 7 February 2012, Yllop Finance AB (a subsidiary of Yllop Holding S.A.) received a loan of SEK 71m from LEAF Holland B.V. On 15 February 2012, this loan and all other existing loans to the shareholder Yllop Finance AB were converted into equity as a capital contribution in a net amount of SEK 3,441m. See "Capital contribution" in the consolidated statement of changes in equity on page 10.

The rights issue resolved on by the Board of Directors on 7 March 2012 is regarded as a related party transaction.

Segment reporting

As of Q4, 2012 the segment "Former Cloetta" is no longer valid. The reason is that the activities in "Former Cloetta" have now been totally integrated into "Former Leaf", i.e. the "new Cloetta". As a result of a high level of consistencies between the different regions in Cloetta, for financial reporting purposes only one reportable segment is used.

Taxes

In Q4 2012 the Swedish and Slovakian parliaments approved government proposals to change corporate tax rates as from 1 January 2013. Cloetta's deferred tax balances at 31 December 2012 have been measured using the 2013 enacted tax rates. This change in tax rates had a positive effect of SEK 49m for the Group.

RISK FACTORS

Cloetta is an internationally active company that is exposed to a number of market and financial risks. All identified risks are monitored continuously and, if needed, risk-mitigating measures are taken to limit their impact. The most relevant risk factors are described in the prospectus and include the merger, the relocation of production, IT, foreign exchange effects, interest rates, financing, raw material costs and tax risks. Compared to the prospectus, which was issued on 7 March 2012, no new risks have been identified.

ACCOUNTING POLICIES

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 January 2012. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, has been applied.

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 Annual Accounts Act and the Swedish Securities Market Act. The year-end report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts 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 except for the following: IAS 19, Employee benefits was revised in June 2011. The group has early adopted IAS 19 revised, Employee Benefits with retrospective effect as of 1 January 2011. This resulted in the Group changing its accounting policy accounting for pensions and other long-term service awards. The main effect is that under the revised IAS 19 actuarial gains and losses arising from changes in actuarial assumptions exceeding 10 per cent of the higher of pension benefit obligations and the fair value of plan assets at the opening of the financial year were credited or charged to the income statement over the expected average future years of service of the employees concerned. Under the revised IAS 19 as adopted by the company, actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income.

As a result of the change, the Group now determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) at the beginning of the annual period. It takes into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. The net interest on the net defined benefit liability (asset) comprises:

- interest cost on the defined benefit obligation; and
- interest income on plan assets.

Previously, the Group determined interest income on plan assets based on their long-term rate of expected return.

The effects of the change in accounting policies on the profit and loss account, equity and defined benefit obligation of the Group for 2011 are summarised below.

SEKm	31 Dec 2011
Increase/(decrease) in equity	–19
Increase/(decrease) of defined benefit obligation	25
Increase/(decrease) deferred tax	6

SEKm	2011
Increase/(decrease) in operating profit	–4
Increase/(decrease) in profit for the period	–3

The effect of the early adoption of IAS 19R on the opening balance of equity per 1 January 2011 amounts to SEK 7m. The deferred tax impact on the opening balance of 1 January 2011 amounts to SEK 2m.

For detailed information about the accounting policies, see LEAF's annual report for 2011 at www.cloetta.com. For detailed information about the accounting principles applied in the Parent Company's separate financial statements, see Cloetta's annual report for 2010/11 at www.cloetta.com.

Accounting policy – business combinations

The Group applies the acquisition method to account for business combinations. The acquirer for accounting purpose is identified as the entity that obtains control of the acquiree. The consideration transferred for the acquisition of the acquiree consists of the fair values of the assets transferred, the liabilities incurred by the former owners of the acquiree and the equity interest issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date.

At acquisition, goodwill is measured as the excess of the aggregate of the consideration transferred and the fair value of net identifiable assets acquired and liabilities assumed.

Definitions

General	All amounts in the tables are presented in SEK millions unless otherwise stated. All amounts in brackets () represent comparable figures for the same period of the prior year, unless otherwise stated.
Margins	
EBITA margin:	EBITA expressed as a percentage of net sales.
EBITDA margin:	EBITDA expressed as a percentage of net sales.
Gross margin:	Net sales less cost of goods sold as a percentage of net sales.
Operating margin:	Operating profit expressed as a percentage of net sales.
Return	
Cash conversion:	Underlying EBITDA less capital expenditures as a percentage of underlying EBITDA.
Return on capital employed:	Operating profit plus financial income as a percentage of average capital employed.
Return on equity:	Profit for the period as a percentage of total equity.
Capital structure	
Capital employed:	Total assets less interest-free liabilities (including deferred tax).
Equity/assets ratio:	Equity at the end of the period as a percentage of total assets.
Interest-bearing liabilities:	Total non-current and current borrowings, including pensions and other long-term employee benefits.
Gross debt:	Gross current and non-current borrowings, credit overdraft facility, derivative financial instruments and interest payables.
Net debt:	Gross debt less cash and cash equivalents.
Net debt/equity ratio:	Net debt at the end of the period divided by equity at the end of the period.
Operational working capital:	Total inventories and trade receivables, less trade payables.
Third-party borrowings:	Total non-current and current borrowings excluding loans to former shareholders and finance lease liabilities.
Working capital:	Total current assets, excluding cash and cash equivalents and derivative financial instruments, less current liabilities.
Data per share	
Earnings per share:	Profit for the period divided by the average number of shares.
Other definitions	
EBITA:	Operating profit before amortisation of intangible assets (excluding software).
EBITDA:	Operating profit before depreciation and amortisation.
Items affecting comparability:	Items affecting comparability refer to non-recurring items.
Net sales, change:	Net sales as a percentage of net sales in the comparative period of the previous year.
Operating profit (EBIT):	Operating profit consisting of total earnings before net financial items and corporate income tax.
Underlying net sales, EBITA, EBITA margin:	The underlying figures are based on constant exchange rates and the current structure (excluding the distribution business in Belgium and a third-party distribution agreement in Italy) and excluding items affecting comparability. Includes the former Cloetta's historical financial values for better comparability.

Exchange rates

	31 Dec 2012	31 Dec 2011
EUR, average	8.6958	9.0228
EUR, end of period	8.5750	8.9100
NOK, average	1.1643	1.1577
NOK, end of period	1.1667	1.1467
GBP, average	10.7435	10.4057
GBP, end of period	10.5215	10.6668
DKK, average	1.1682	1.2112
DKK, end of period	1.1495	1.1987

Financial calendar

2013	Jan		
	Feb	Year-end report 2012	15 February 2013
	Mar	Annual report 2012	At the latest 21 March 2013
	Apr	Annual General Meeting	11 April 2013
		Interim report Q1 2013	29 April 2013
	May		
	Jun		
	Jul	Interim report Q2 2013	19 July 2013
	Aug		
	Sep		
	Oct		
	Nov	April Q3 2013	14 November 2013
	Dec		
2014	Jan		
	Feb	Year-end report 2013	14 February 2014

The information in this year-end report is such that Cloetta is required to disclose in accordance with the Securities Market Act. The report was released for publication at 7:30 a.m. CET on 15 February 2013.

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About Cloetta

Cloetta, founded in 1862, is a leading confectionary company in the Nordic region, the Netherlands and Italy. In total, Cloetta products are sold in more than 50 countries worldwide. Cloetta owns some of the strongest brands on the market, such as Läkerol, Cloetta, Jenkki, Kexchoklad, Malaco, Sportlife, Saila, Red Band and Sperlari. Cloetta has 11 production units in six countries. Cloetta's class B shares are traded on NASDAQ OMX Stockholm.

More information about Cloetta is available at www.cloetta.com

Cloetta

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