

Press Release

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Cloetta Fazer reports growth in sales and profit

Cloetta Fazer's first quarter sales rose to SEK 740 million (732). Operating profit for the quarter improved to SEK 79 million, compared with SEK 74 million for the year-earlier period excluding one-time items. Operating margin strengthened to 10.7 per cent (10.2).

“In terms of sales and profit, the first quarter was a good start to the year for Cloetta Fazer,” says the company's new CEO Jesper Åberg. Sales in Finland were up by 5 per cent and the important sales on ferries and at airports (Travel Trade) rose by 15 per cent.

Sales in the Baltic market are also showing positive development and Cloetta Fazer is now the second largest confectionery supplier in Estonia. The company's new sales organisation in Russia is now in place and operating successfully.

“The improvement in operating profit for the first quarter mainly reflects growth outside the Nordic region,” continues Jesper Åberg.

Although sales of the prioritised brands continued to increase, overall sales in Sweden fell by 1 per cent. Sales in Norway declined during the first quarter.

The upward sales trend for the Karl Fazer brand continued in Finland, driven partly by the launch of a blue-and-white countline. The strongest increase was noted for bagged products such as Pantteri in Finland and its counterpart Salta katten in Sweden.

“Higher raw material costs, mainly for cocoa and milk products, will pass through to manufacturing costs in the second half of the year, and increased consumer price will be necessary to offset these effects,” concludes Jesper Åberg.

About Cloetta Fazer

The Cloetta Fazer Group is the Nordic region's leading confectionery company, with a market share of around 22 per cent. The company has production facilities in Sweden and Finland. Cloetta Fazer's strength lies in its many popular brands, such as Karl Fazer, Kexchoklad, Dumle, Geisha, Polly and Center. The average number of employees is around 1,600 and annual sales in 2006 amounted to approximately SEK 3 billion.

www.cloettafazer.se