



## Press Release

23 March 2011

### Interim report Q2, 1 September 2010 – 28 February 2011:

#### Lower sales and margins

During December and January 2011, the total confectionery market declined by 1.5%\* and Cloetta by 3%\*. Our ongoing focus on new product launches and the related costs for product development and increased sales and marketing activities did not generate the anticipated sales during the second quarter. Sales of Cloetta's products for the quarter amounted to SEK 202 million (212) and operating profit was SEK -23 million (-7). Net sales for the first half of the year totalled SEK 557 million (581) and operating profit was SEK 22 million (37).

"The second quarter can be summed up by a number of notable product launches and continued good performance for our strong brands but an overall decrease in sales, mainly for the pick-and-mix segment and seasonal products," comments Cloetta's CEO Curt Petri.

Lower sales and a decrease in products manufactured on contract, together with continued high raw material prices, put pressure margins and led to a drop in operating profit compared to the same period of last year.

"Sweden's most sold confectionery item, Kexchoklad, has been given a whole new design. Ahead of the ski season the brand was complemented with Kexchoklad blueberry, which contributed to growth in sales of Kexchoklad. In the second quarter we relaunched Cloetta's chocolate bags, with Polly, Bridge, Kexchoklad mini bars and the new Pops Crunchy under a uniform concept for greater visibility in stores, which met with a positive reception," says Curt Petri.

"We are now working with an increased focus on efficiency-enhancement programmes throughout the value chain. Sales and marketing activities are being optimised and we are analysing the entire company to ensure the conditions to sell and produce our products efficiently. There is also a need to raise our prices for certain products," concludes Curt Petri.

\* Nielsen, value sales (in stores)

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*The information in this press release is subject to the disclosure requirements of Cloetta AB (publ) pursuant to the Swedish Securities Market Act. The information was submitted for publication on 23 March 2011, 12:30 p.m CET.*

#### Om Cloetta

Founded in 1862, Cloetta is the oldest confectionery company in the Nordic region. The company's strongest brands are *Kexchoklad*, *Center*, *Plopp*, *Polly*, *Tarragona*, *Guldnougat*, *Bridge*, *Juleskum*, *Sportlunch*, *Extra Starka* and the *chocolate bar series Good*. Cloetta has two production units in Sweden, one in Ljungsbro and one in Alingsås. For the period from 1 September 2009 to 31 August 2010, Cloetta posted net sales of SEK 1,061 million. Since 16 February 2009, the company's class B shares are traded on NASDAQ OMX Stockholm. [www.cloetta.com](http://www.cloetta.com)