Interim report

1 September 2010 – 28 February 2011

Q2

SECOND QUARTER
1 DECEMBER 2010 – 28 FEBRUARY 2011

Net sales	**SEK 224 million**	(249)
of which, Cloetta products	**SEK 202 million**	(212)
Operating profit/loss	**SEK –23 million**	(–7)
Operating margin	**neg**	(neg)
Profit/loss before tax	**SEK –23 million**	(–9)
Profit/loss after tax	**SEK –17 million**	(–7)
Earnings per share		
basic	**SEK –0.71**	(–0.28)
diluted	**SEK –0.71**	(–0.28)

FIRST HALF
1 SEPTEMBER 2010 – 28 FEBRUARY 2011

Net sales	**SEK 557 million**	(581)
of which, Cloetta products	**SEK 496 million**	(499)
Operating profit	**SEK 22 million**	(37)
Operating margin	**3.9%**	(6.4)
Profit before tax	**SEK 21 million**	(35)
Profit after tax	**SEK 15 million**	(25)
Earnings per share		
basic	**SEK 0.63**	(1.05)
diluted	**SEK 0.63**	(1.05)

Cloetta

Comments from the CEO

Lower sales and margins

Cloetta's sales for the second quarter decreased mainly in the pick-and-mix and seasonal products segments. Our ongoing focus on new product launches and the related costs for product development and increased sales and marketing activities did not result in the anticipated sales during the second quarter. Together with a decrease in products manufactured on contract and continued high prices for our most important raw materials, this led to lower earnings for the quarter.

Contract manufacture of products has decreased, which together with falling sales volumes had a negative impact on productivity. At the same time, margins are under pressure from persistent high raw material prices, even taking recent months' strengthening of the Swedish krona into account.

All in all, the drop in sales for the period combined with high raw material prices and lower capacity utilisation in production led to a weaker gross margin and a decrease in operating profit compared to the same period of last year.

The Christmas sales, which for Cloetta fall in the first quarter, developed well. A falling trend for in-store sales in December and January caused the total confectionary market to decline by 1.5%* and Cloetta by 3%* compared to the same period of last year, which inhibited our opportunities to sell to customers during the quarter. On a rolling 12-month basis, however, Cloetta outperformed the total confectionary market by 1.4 percentage points*.

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 to increase visibility in the stores, which met with a positive reception. During the quarter we also launched a whole new design for Cloetta's largest brand, Kexchoklad, in order to modernise and strengthen the brand as Sweden's most sold confectionery item. To complement the original with new flavours, we launched Kexchoklad blueberry for the start of the year's ski season. Sales of our leading brands remained strong during the quarter, while sales of pick-and-mix and seasonal products declined.

We are now working with an increased focus on efficiency-enhancement programmes throughout the value chain and are engaged in ongoing discussions with our customers regarding product range and category development, the business model and the need for price increases. 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.

Curt Petri, Managing Director and CEO

* Nielsen, value sales (in stores)

ABOUT CLOETTA

Founded in 1862, Cloetta is the oldest confectionery company in the Nordic region. The company's best known 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. The company's class B shares have been traded on NASDAQ OMX Stockholm Nordic since 16 February 2009.

FINANCIAL INFORMATION

		Second quarter		First half		Rolling 12	Full year
		Dec 2010 –Feb 2011	Dec 2009 –Feb 2010	Sep 2010 –Feb 2011	Sep 2009 –Feb 2010	Mar 2010 –Feb 2011	Sep 2009 –Aug 2010
Net sales	SEK M	**224**	249	**557**	581	**1,037**	1,061
Operating profit/loss	SEK M	**–23**	–7	**22**	37	**20**	35
Operating margin	%	**neg**	neg	**3.9**	6.4	**1.9**	3.3
Profit/loss before tax	SEK M	**–23**	–9	**21**	35	**17**	31
Profit/loss for the period	SEK M	**–17**	–7	**15**	25	**12**	22
Cash flow from operating activities	SEK M	**16**	17	**38**	–4	**61**	19

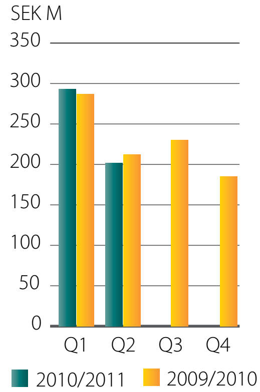
FINANCIAL OVERVIEW

The financial year runs from 1 September 2009 to 31 August 2011.

Seasonal variations

Cloetta's business follows a seasonal cycle in which the first quarter leading up to Christmas (September–November) is the strongest. To a large extent, the company's full-year profit is therefore dependent on sales during this period. The Easter holiday, which is the second peak season in the confectionery market, falls in Cloetta's third quarter but affects sales in both the second (December–February) and third quarters (March–May) to a varying degree from year to year since Easter falls in either March or April. Cloetta's fourth quarter (June–August) is the weakest of the year in relative terms, as consumption of confectionery is normally lower during the summer months.

Sales of Cloetta's products



SECOND QUARTER (DECEMBER 2010 – FEBRUARY 2011)

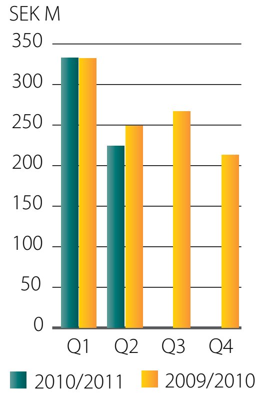
Net sales

Sales of Cloetta's products amounted to SEK 202 million (212). Net sales for the quarter totalled SEK 224 million (249), of which sales of products manufactured on contract accounted for SEK 22 million (37).

In the Swedish market, which accounts for around 85% of sales, net sales were down compared to the same period of last year. The second quarter saw weaker in-store sales and the total confectionary market also showed a falling trend. At the same time, the Easter holiday, which does not occur until mid-April this year, had a certain effect on sales particularly in the pick-and-mix and seasonal segments during the quarter. During the quarter Cloetta launched its new chocolate bags with Polly, Bridge, Kexchoklad mini bars and the new Pops Crunchy. A whole new design for Kexchoklad was introduced on the market and was complemented by the new flavour Kexchoklad blueberry. Both launches made a positive contribution to Cloetta's product sales in the Swedish market during the period. In the same quarter of last year, the Good and Tarragona chocolate bars were launched.

In other markets, sales in Finland, Denmark and the Travel Trade rose somewhat compared to the previous year

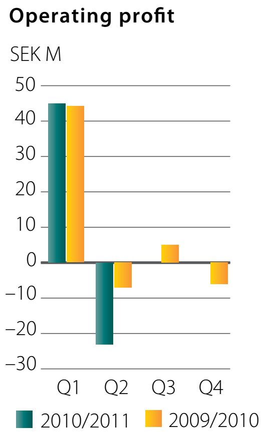
Net sales

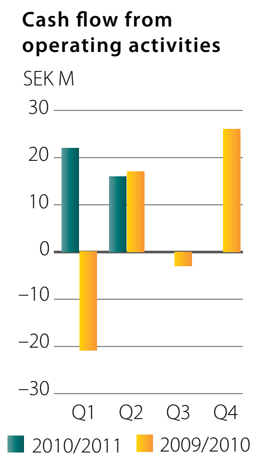


PROFIT

Gross profit

Gross profit for the period was SEK 54 million (74), which corresponds to a gross margin of 24.1% (29.7). Lower sales and weaker profitability for the product mix sold during the quarter, compared to the same period of last year, had a negative impact on gross profit. This weaker profitability is partly due to higher costs for discounts but above all to the effects of the de-





The classic Bridge is one of Cloetta's chocolate bags to be launched in a new package during the quarter under a uniform concept.

crease in products manufactured on contract that could not be replaced by Cloetta products. At the same time, margins remain under pressure from high raw material prices, even taking recent months' strengthening of the Swedish krona into account. Overall, the combination of decreased sales, high raw material prices and lower capacity utilisation in production led to a weaker gross margin for the period.

Operating profit

Selling and administrative expenses amounted to SEK 76 million (77). Selling expenses increased during the second quarter, partly as a result of customer activities to promote the period's launches, while other expenses were lower. Kexchoklad was supported by advertisements in ski resorts during January and February and by outdoor advertisements in the second half of February.

Operating profit/loss was SEK –23 million (–7) and operating margin for the quarter was negative (neg.) Operating profit was adversely affected by foreign exchange differences of SEK 1 million (–3) which are reported together with other operating income and expenses. Due to the use of forward contracts, the period's strengthening of the Swedish krona will have a delayed effect on earnings.

Profit before tax

Profit/loss before tax is reported at SEK –23 million (–9). Net financial items totalled SEK 0 million, compared to SEK –2 million the year before.

Profit for the period

Profit/loss after tax was SEK –17 million (–7), which is equal to earnings per share of SEK –0.71 (–0.28) before and SEK –0.71 (–0.28) after dilution. The period's income tax expense was SEK +6 million (+2).

FIRST HALF (SEPTEMBER 2010 – FEBRUARY 2011)

Net sales

Sales of Cloetta's products amounted to SEK 496 million (499). Net sales for the first half of the year totalled SEK 557 million (581), of which products manufactured on contract accounted for SEK 61 million (82).

Cumulative sales in the Swedish market, which accounts for around 85% of sales, were down somewhat from the same period of last year. Overall sales of Cloetta's leading brands rose slightly for the period from September 2010 to February 2011, driven mainly by the launch of 155-gram Tarragona chocolate bars in three different taste varieties and Juleskum in the autumn of 2010.

Total cumulative sales in Cloetta's other markets were on a level with the year-earlier period. Sales in the Travel Trade increased mainly thanks to the new large-sized bags of Kexchoklad and Polly intended for passenger ferries, charter tour operators and airports.

PROFIT

Gross profit

Gross profit for the period was SEK 174 million (188), which is equal to a gross margin of 31.2% (32.4). Somewhat lower sales compared to the same period of last year and a decrease in products manufactured on contract that could not be offset by increased volumes of Cloetta products during the period contributed to the drop in gross profit. The prices of certain key raw materials remain high, including the price of cocoa which is holding steady at a historically very high level.

Operating profit

Selling and administrative expenses amounted to SEK 151 million (151). Administrative expenses were lower than in the previous year. Marketing activities increased in connection with media and joint promotional campaigns with customers in preparation for the autumn's launch of large-sized Tarragona bars in the grocery retail trade and ahead of the Christmas sales, among other things for Juleskum. Product development costs have also risen.

Operating profit was SEK 22 million (37) and operating margin was 3.9% (6.4). Operating profit was negatively affected by foreign exchange differences of SEK 1 million (+1) which are reported together with other operating income and expenses. Due to the use of forward contracts, the period's strengthening of the Swedish krona will have a delayed effect on earnings.

Profit before tax
Profit before tax was SEK 21 million (35). Net financial items totalled SEK –1 million, compared to SEK –2 million the year before.

Profit for the period
Profit after tax is reported at SEK 15 million (25), which is equal to earnings per share of SEK 0.63 (1.05) before and SEK 0.63 (1.05) after dilution. The period's income tax expense was SEK 6 million (10).

Rolling 12 months
Net sales for the rolling 12-month period reached SEK 1,037 million. Operating profit for the rolling 12-month period was SEK 20 million.

Financing and liquidity
Cash and cash equivalents and short-term investments amounted to SEK 244 million (245).

Cloetta's working capital requirement is exposed to seasonal variations, partly resulting from a build-up of inventories in preparation for increased sales during the Christmas holiday. This means that the working capital requirement is normally highest during the autumn, i.e. in the first quarter, and lowest at year-end, i.e. in the second quarter.

Cash flow from operating activities for the period from September 2010 to February 2011 was SEK 38 million (–4), which is mainly explained by a decrease in working capital compared to the same period of last year. Net cash of SEK 21 million (28) was utilised for investments in property, plant and equipment in the first half of the year. Other cash flow from investing activities consists of ongoing investments. The dividend approved by the Annual General Meeting was charged to financing operations in an amount of SEK 18 million during the second quarter. Interest-bearing assets exceeded interest-bearing liabilities by a net amount (i.e. a net receivable) of SEK 139 million (148). The equity/assets ratio was 66.2% (63.3).

Investments
Investments in property plant and equipment during the period totalled SEK 21 million (28) and included both efficiency-enhancing and replacement investments in the existing production lines. Depreciation amounted to SEK 27 million (24).

OTHER DISCLOSURES
Employees
The average number of employees during the period from September 2010 to February 2011 was 441 (453). The decrease refers mainly to the previous year's workforce reductions at the factory in Alingsås, but also to redundancies among the production staff in Ljungsbro as announced in the preceding quarter.

Parent Company
Cloetta AB's primary activities include head office functions such as group-wide management and administration. The comments below refer to the period from September 2010 to February 2011 (cumulative).

Net sales in the Parent Company reached SEK 13 million (17) and referred mainly to intra-group services. Operating profit was SEK 1 million (0).

Net financial items totalled SEK –1 million (–1). Profit/loss before tax was SEK 0 million (–1) and profit/loss after tax was SEK 0 million (–1).

Cash and cash equivalents and short-term investments amounted to SEK 51 million (67).

Cloetta's SEK 30 million convertible note programme for the employees runs from 14 May 2009 to 30 March 2012 and will bear interest at a rate equal to STIBOR plus 2.5 percentage points. The convertible notes can be converted to class B shares in Cloetta during the period

EN SVENSK KLASSIKER

Kexchoklad is head sponsor of sporting Sweden's crowning achievement – A Swedish Classic. During last year's Vasaloppet cross-country ski race, we let the participants try Kexchoklad blueberry with a positive response, and the product was launched for the start of the year's ski season.

Kexchoklad has been given a new design that is aimed at strengthening the brand's position as Sweden most sold confectionery item.

Pops Crunchy is a new addition to Cloetta's chocolate bag range that combines chocolate and salt. Pops Crunchy has a crispy consistency and a core of lightly salted yoghurt-based filling.

Extra Starka is one of Sweden's most sold throat lozenges.

from 25 February 2011 to 25 February 2012 at a conversion rate of SEK 30.40, which upon full conversion will increase the number of class B shares by 1,004,889. The interest rate for the period from 10 November 2010 to 10 November 2011 has been set at 4.48%. The next interest instalment is due for payment on 10 November 2011.

The Cloetta share

Trading of the class B share of Cloetta AB (publ) commenced on NASDAQ OMX Stockholm on 16 February 2009. The share is traded under the ticker symbol CLA B with ISIN code SE0002626861.

During the period from 1 September 2010 to 28 February 2011, a total of 1,000,887 shares were traded, equal to around 5% of the total number of class B shares. The highest quoted bid price for the Cloetta share was SEK 39.90 and the lowest was SEK 35.00. The share price on 28 February 2011 was SEK 38.00 (last price paid).

Shareholders

AB Malfors Promotor is the principal shareholder in Cloetta AB (publ). At 28 February 2011 Cloetta AB had 4,278 shareholders and the principal shareholder Malfors Promotor held 74.6% of the votes and 52.3% of the share capital. Other institutional investors held 12.7% of the votes and 23.9% of the share capital. The number of shares amounted to 24,119,196, of which 21,759,196 were of class B and 2,360,000 were of class A.

Related party transactions

The principal shareholder is AB Malfors Promotor and any buying and selling of goods and services between Cloetta and the principal shareholder is regarded as a related party transaction. Aside from the dividend approved by the Annual General Meeting, no such transactions took place during the period.

The Parent Company has related party transactions with subsidiaries in the Group. The majority of such transactions refer to the sale of services, which amounted to SEK 7 million (8) for period from December 2010 to February 2011 and to SEK 13 million (17) for the period from September 2010 to February 2011, which is equal to 100% of each period's total sales. At 28 February 2011, the Parent Company's receivables from subsidiaries amounted to SEK 27 million (38) and liabilities to subsidiaries amounted to SEK 0 million (0). Transactions with related parties are priced on market-based terms.

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.

Other

The interim report for the third quarter (March – May 2011) will be published on 23 June 2011.

In 2009 a lawsuit was filed against Karamellpojkarna AB, a subsidiary of Cloetta AB, regarding the copyright to certain illustrations. Cloetta and Karamellpojkarna do not feel that there are any grounds for these claims. Cloetta has provided information about the lawsuit in the past two years' annual reports. In February 2011 the dispute came under discussion in the media. For additional information, see the company's website under the heading "Press".

Future

In view of the negative earnings trend for the quarter, Cloetta will increase the focus on efficiency-enhancing measures throughout its operations. Continued product development is critical and discussions with customers regarding product range and category development are prioritised. The long-term financial targets remain in place and aside from creating organic growth in the existing operations, Cloetta intends to grow through acquisitions and new partnerships. The financial targets are shown on page 8 of the 2010 annual report.

The Board of Directors and the Managing Director hereby give their assurance that the interim 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.

Ljungsbro, 23 March 2011

Cloetta AB (publ)

Olof Svenfelt
Chairman

Lennart Bohlin
Board member

Johan Hjertonsson
Board member

Ulrika Stuart Hamilton
Board member

Mikael Svenfelt
Board member

Meg Tivéus
Board member

Lena Grönedal
Employee representative

Birgitta Hillman
Employee representative

Curt Petri
Managing Director and CEO

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

The large-sized (155 gram) Tarragona bar that was launched in three taste varieties in the autumn of 2010 has generated growth in sales.

Summary consolidated profit and loss accounts

SEK M	Second quarter Dec 2010 –Feb 2011	Dec 2009 –Feb 2010	First half Sep 2010 –Feb 2011	Sep 2009 –Feb 2010	Rolling 12 Mar 2010 –Feb 2011	Full year Sep 2009 –Aug 2010
Net sales	**224**	249	**557**	581	**1,037**	1,061
Cost of goods sold	**–170**	–175	**–383**	–393	**–722**	–732
Gross profit/loss	**54**	74	**174**	188	**315**	329
Other operating income	**0**	0	**0**	1	**5**	6
Selling and administrative expenses	**–76**	–77	**–151**	–151	**–299**	–299
Other operating expenses	**–1**	–4	**–1**	–1	**–1**	–1
Operating profit/loss	**–23**	–7	**22**	37	**20**	35
Financial items	**0**	–2	**–1**	–2	**–3**	–4
Profit/loss before tax	**–23**	–9	**21**	35	**17**	31
Income tax expense	**6**	2	**–6**	–10	**–5**	–9
Profit/loss for the period	**–17**	–7	**15**	25	**12**	22
Profit/loss for the period attributable to:						
Owners of the Parent Company	**–17**	–7	**15**	25	**12**	22
Earnings per share						
Basic	**–0.71**	–0.28	**0.63**	1.05	**0.48**	0.90
Diluted	**–0.71**	–0.28	**0.63**	1.05	**0.48**	0.90
Number of shares at end of period[1)]	**24,119,196**	24,119,196	**24,119,196**	24,119,196	**24,119,196**	24,119,196

1) Which also corresponds to the average number of shares during the period.

Consolidated statements of comprehensive income

SEK M	Second quarter Dec 2010 –Feb 2011	Dec 2009 –Feb 2010	First half Sep 2010 –Feb 2011	Sep 2009 –Feb 2010	Rolling 12 Mar 2010 –Feb 2011	Full year Sep 2009 –Aug 2010
Profit/loss for the period	**–17**	–7	**15**	25	**12**	22
Other comprehensive income						
Translation differences	**0**	0	**0**	0	**0**	0
Other comprehensive income for the period	**0**	0	**0**	0	**0**	0
Total comprehensive income for the period	**–17**	–7	**15**	25	**12**	22
Comprehensive income for the period attributable to:						
Owners of the Parent Company	**–17**	–7	**15**	25	**12**	22

Quarterly data

		Q2 Dec 2010 –Feb 2011	Q1 2010 Sep–Nov	Q4 2010 Jun–Aug	Q3 2010 Mar–May	Q2 Dec 2009 –Feb 2010
Net sales	SEK M	**224**	333	213	267	249
Of which, Cloetta products	SEK M	**202**	293	185	230	212
Operating profit/loss	SEK M	**–23**	45	–6	4	–7
Operating margin	%	**neg**	13.5	neg	1.5	neg
Earnings per share						
Basic	SEK	**–0.71**	1.35	–0.24	0.09	–0.28
Diluted	SEK	**–0.71**	1.32	–0.24	0.09	–0.28

Summary consolidated balance sheets

SEK M	2011 28 Feb	2010 28 Feb	2010 31 Aug
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	**91**	91	91
Other intangible assets	**53**	53	53
Property, plant and equipment	**454**	464	460
Financial assets	**1**	2	1
Total non-current assets	**599**	610	605
Current assets			
Inventories	**126**	138	145
Current receivables	**133**	170	121
Short-term investments	**0**	46	50
Cash and cash equivalents	**244**	199	195
Total current assets	**503**	553	511
TOTAL ASSETS	**1,102**	1,163	1,116
EQUITY AND LIABILITIES			
Equity	**730**	736	733
Non-current liabilities			
Deferred tax liability	**102**	107	103
Other provisions	**77**	74	74
Convertible debenture loan	**29**	27	28
Total non-current liabilities	**208**	208	205
Current liabilities	**164**	219	178
TOTAL EQUITY AND LIABILITIES	**1,102**	1,163	1,116
Pledged assets	**1**	2	1
Contingent liabilities	**2**	2	2

Consolidated statements of changes in equity

SEK M	Sep 2010 –Feb 2011	Sep 2009 –Feb 2010	Sep 2009 –Aug 2010
Equity at beginning of period	**733**	711	711
Dividend	**–18**	–	–
Total comprehensive income for the period	**15**	25	22
Equity at end of period	**730**	736	733

Summary consolidated cash flow statements

SEK M	Second quarter Dec 2010 –Feb 2011	Dec 2009 –Feb 2010	First half Sep 2010 –Feb 2011	Sep 2009 –Feb 2010	Rolling 12 Mar 2010 –Feb 2011	Full year Sep 2009 –Aug 2010
Cash flow from operating activities before changes in working capital	**–13**	–7	**42**	39	**74**	71
Changes in working capital	**29**	24	**–4**	–43	**–13**	–52
Cash flow from operating activities	**16**	17	**38**	–4	**61**	19
Net investments in property, plant and equipment	**–11**	–12	**–21**	–28	**–44**	–51
Other cash flow from investing activities	**10**	–25	**50**	–25	**46**	–29
Cash flow after investing activities	**15**	–20	**67**	–57	**63**	–61
Cash flow from financing activities	**–18**	–	**–18**	–	**–18**	–
Cash flow for the period	**–3**	–20	**49**	–57	**45**	–61
Cash and cash equivalents at beginning of period	**247**	219	**195**	256	**199**	256
Cash and cash equivalents at end of period	**244**	199	**244**	199	**244**	195
Cash, cash equivalents and short-term investments < 3 months	**244**	199	**244**	199	**244**	195
Short-term investments > 3 months	**0**	46	**0**	46	**0**	50
	244	245	**244**	245	**244**	245

Key ratios

		Second quarter Dec 2010 –Feb 2011	Dec 2009 –Feb 2010	First half Sep 2010 –Feb 2011	Sep 2009 –Feb 2010	Full year Sep 2009 –Aug 2010
Operating profit/loss	SEK M	**–23**	–7	**22**	37	**35**
Operating margin	%	**neg**	neg	**3.6**	6.4	**3.3**
Profit/loss before tax	SEK M	**–23**	–9	**21**	35	**31**
Earnings per share						
Basic	SEK	**–0.71**	–0.28	**0.63**	1.05	**0.90**
Diluted	SEK	**–0.71**	–0.28	**0.63**	1.05	**0.90**
Return on capital employed[1]	%	**3.00**	2.5	**3.00**	2.5	**4.7**
Return on equity after tax[1]	%	**1.58**	1.1	**1.58**	1.1	**3.0**
Cash flow from operating activities	SEK M	**16**	17	**38**	–4	**19**
Cash flow after investments in property, plant and equipment	SEK M	**5**	5	**17**	–32	**–32**
Net receivable	SEK M	**139**	148	**139**	148	**144**
Equity/assets ratio	%	**66.2**	63.3	**66.2**	63.3	**65.7**
Equity per share	SEK	**30.25**	30.52	**30.25**	30.52	**30.38**
Average number of employees		**434**	450	**441**	453	**452**
Number of shares at end of period[2]		**24,119,196**	24,119,196	**24,119,196**	24,119,196	**24,119,196**

1) Refers to rolling 12-month period.
2) Which also corresponds to the average number of shares during the period.

For definitions of key ratios, see page 101 of the 2010 annual report.

Summary parent company profit and loss accounts

SEK M	Second quarter Dec 2010 –Feb 2011	Dec 2009 –Feb 2010	First half Sep 2010 –Feb 2011	Sep 2009 –Feb 2010	Full year Sep 2009 –Aug 2010
Net sales	**7**	8	**13**	17	**35**
Costs for property management and sold services	**0**	0	**0**	0	**–1**
Gross profit	**7**	8	**13**	17	**34**
Administrative expenses	**–6**	–7	**–12**	–17	**–31**
Other operating income and expenses	**0**	0	**0**	0	**0**
Operating profit	**1**	1	**1**	0	**3**
Other financial income and expenses	**–1**	0	**–1**	–1	**–2**
Profit before tax	**0**	1	**0**	–1	**1**
Appropriations	**–**	–	**–**	–	**–1**
Income tax expense	**0**	0	**0**	0	**0**
Profit/loss for the period	**0**	1	**0**	–1	**0**

Summary parent company balance sheets

SEK M	2011 28 Feb	2010 28 Feb	2010 31 Aug
ASSETS			
Non-current assets			
Property, plant and equipment	**4**	4	4
Financial assets	**540**	539	540
Total non-current assets	**544**	543	544
Current assets	**79**	96	101
TOTAL ASSETS	**623**	639	645
EQUITY AND LIABILITIES			
Equity			
Restricted equity	**121**	121	121
Non-restricted equity	**463**	480	481
Total equity	**584**	601	602
Untaxed reserves	**2**	1	2
Non-current liabilities			
Other provisions	**1**	0	1
Convertible debenture loan	**29**	27	28
Total non-current liabilities	**30**	27	29
Current liabilities	**7**	10	12
TOTAL EQUITY AND LIABILITIES	**623**	639	645
Pledged assets	**None**	None	None
Contingent liabilities	**78**	74	75

Operating and financial risks in the Group and the Parent Company

Through its operations, the Cloetta Group is exposed to both operating and financial risks. The operating risks and handled by the operating units and the financial risks by the central finance function.

The Group's manufacturing costs account for approximately 65% of total costs. Of total manufacturing costs, raw materials and packaging make up approximately 60%. The most significant raw materials in terms of value are cocoa, sugar and milk products. The prices of our most important raw materials, such as cocoa, remain high. Due to the use of forward contracts, the impact of price changes on earnings is somewhat delayed. Price development for raw materials is monitored and analysed continuously.

The Group's financial risks consist primarily of currency risk, interest rate risk and credit risk. Cash and cash equivalents and short-term investments at 28 February 2011 amounted to SEK 244 million. The Group's investment strategies are based on the guidelines set out in the Board's finance policy. With regard to the Group's currency hedging, 72% of the forecasted net flows at 28 February 2011 were hedged for a period of 9 months forward, which is in line with the Group's finance policy. Due to the use of forward exchange contracts, exchange rate fluctuations affect profit at a certain delay.

Because the Parent Company's operations consist mainly of group-wide management and administration, its risks are limited to interest rate risk and liquidity risk. However, these risks are minor in view of the company's low interest expenses and good liquidity. For further information about risk management, see the annual report for 2010 at www.cloetta.se.

Through advertisements and other activities, Kexchoklad is visible in ski resorts throughout the winter season.

For information about risk management, see pages 62 and 95 of Cloetta's annual report for 2010 at www.cloetta.se

Accounting policies and other disclosures

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 September 2010. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, has been applied.

The consolidated interim report is presented in accordance with IAS 34 Interim Financial Reporting and in compliance with the relevant provisions in the Swedish Companies Act and the Swedish Securities Market Act. The same accounting and valuation methods have been applied as in the most recent annual report. The interim report for the Parent Company has been prepared in accordance with the Swedish Companies 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.

For detailed information about the accounting policies, see Cloetta's annual report for 2010 at www.cloetta.se.

For detailed accounting policies, see page 77 of Cloetta's annual report for 2010 at www.cloetta.se

Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual outcomes may differ from these estimates and assumptions.

The estimates and assumptions are evaluated on a regular basis. Changes in estimates are reported in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

Cloetta's Fairtrade-labelled Good chocolate bar series has been extended with a new taste variety – almond macaroon. Cloetta's traditional almond macaroons have been chopped and mixed with our delicious milk chocolate.

FINANCIAL CALENDAR 2011

Q3, September 2010 – May 2011	23 June 2011
Q4, September 2010 – August 2011	18 October 2011

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The annual report and interim reports are also published on **www.cloetta.com**

KEY EVENTS DURING THE QUARTER

- Kexchoklad was given a new design that is aimed at increasing the brand's visibility. In the second quarter, Kexchoklad was featured in a nationwide outdoor campaign.
- The new Kexchoklad blueberry was launched at the start of the year's ski season. As part of the collaboration with A Swedish Classic, Kexchoklad took part in the Engelsbrektsloppet cross-country ski race.
- Cloetta's chocolate bags were given a new family identify. The bag series initially consists of Polly, Bridge, Kexchoklad mini bars and the new Pops Crunchy. The cohesive concept results in clearer exposure in the store and is therefore more attractive to the retail trade. Pops Crunchy is a new taste combination for Cloetta, a mixture of chocolate and salt.
- Cloetta Good almond macaroon is another new taste combination. Cloetta's traditional almond macaroons have been chopped and mixed with our Fairtrade-labelled chocolate bar.
- In connection with Valentine's Day, Plopp mini bars were relaunched with the messages Kiss, Hug, Joy and Love.

Cloetta

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