



Press release

Ljungsbro, March 8, 2012

Cloetta considers closing factories in Gävle, Aura and Alingsås, as well as streamlining the warehouse network

The merger between Cloetta and LEAF, combined with an overcapacity in the Group's production structure, makes it possible to further improve the Groups efficiency. Also, Cloetta is active on a highly competitive and mature market, and must therefore constantly reduce costs. Cloetta has evaluated how the Group can achieve savings by closing factories and transfer production to other factories in Cloetta. The evaluation results in a proposal that would incur a total non-recurring cost of SEK 320 million to SEK 370 million and generate annual savings of approximately SEK 100 million on EBITDA-level.

It is Cloettas intention to close the factories in Aura, Finland, Gävle and Alingsås, Sweden and move the majority of the production to Levice, Slovakia and Ljungsbro, Sweden. The intention is to close the factories in Aura and Alingsås early 2013 and in Gävle early 2014. In addition, the warehouses in Malmö, Sweden and Slagelse, Denmark are planned to be outsourced and consolidated into a new warehouse in southern Sweden.

"The merger between Cloetta and LEAF allows an even more cost efficient production and distribution structure. In addition, we have overcapacity in our production which makes it necessary to reduce the number of factories", says Bengt Baron, President and CEO of Cloetta.

The intention is to move the production of Ahlgrens bilar from Gävle to Ljungsbro, and the remaining products from Gävle to Levice, Slovakia. The plan is also to transfer production from Aura and Alingsås to other factories in Europe. In total, approximately 345 employees may be made redundant by the proposed measures, whereof approximately 150 in Gävle, maximum 140 in Aura, 30 in Alingsås, and 25 employees in the warehouse operation.

"It is always sad to propose the closure of factories. However, fierce competition require us to continue producing products with high quality at a low cost", says Bengt Baron.

The proposed closure of the factories and move of production would incur a total cost including potential impairments of SEK 320 million to SEK 370 million, of which a substantial part would be charged to operating profit in 2012 and recognized as items affecting comparability. The proposed production relocations are expected to generate annual cost savings of approximately SEK 100 million on EBITDA-level with a gradual effect in 2013 and with full effect from sometime during the second half of 2014.

Against this background, Cloetta will initiate consultations with the local unions and the European Works Council.

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The information contained in this press release is such that Cloetta is required to disclose pursuant to the Swedish Financial Instruments Trading Act and/or the Swedish Securities Markets Act. The information was submitted for publication on March 8, 2012 at 08.30 a.m. CET.

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, e.g. Läkerol, Cloetta, Jenkki, Kexchoklad, Malaco, Sportlife, Saila, Red Band and Sperlari. Cloetta has 12 production units in six countries. Cloetta's B-shares are traded on NASDAQ OMX Stockholm.

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