CLOETTA FAZER

Cloetta Fazer year-end report January – August 2008

July – August	**2008**	2007
Net sales, SEK M	**510**	476
Operating profit, SEK M	**47**	48
Operating margin, %	**9.2**	10.1
Profit before tax, SEK M	**53**	53
Profit after tax, SEK M	**38**	38
Earnings per share, basic and diluted, SEK	**1.58**	1.58

January – August	**2008**	2007
Net sales, SEK M	**2,030**	1,874
Operating profit, SEK M	**11**	160
Operating profit excluding goodwill impairment, SEK M	**101**	160
Operating margin excluding goodwill impairment, %	**5.0**	8.5
Profit before tax, SEK M	**34**	178
Profit after tax, SEK M	**–1**	129
Earnings per share, basic and diluted, SEK	**–0.08**	5.30

Our 12 prioritised brands

Karl Fazer	Kexchoklad	Dumle
Geisha	Polly	Center
Marianne	Tutti Frutti	Ässä
Pantteri/Salta katten	Plopp	Tyrkisk Peber

COMMENTS FROM THE CEO

"The process of dividing Cloetta Fazer is proceeding as planned and in accordance with the decision of the Annual General Meeting. At year end the new companies Cloetta AB and the henceforth Fazer-controlled Cloetta Fazer AB (undergoing name change to Fazer Confectionery) will commence their respective operations.

The division will mainly affect Cloetta Fazer's activities in Sweden, where two new organisations are being built up to take over business operations after the demerger. These efforts are being carried out in a coordinated manner in order to preserve our good relations with the company's customers and the market positions of the various brands. After the demerger, Cloetta and Fazer Confectionery have agreed to continue collaborating in production and logistics.

From an earnings standpoint, the period from January to August has been a challenge. Although net sales reached SEK 2,030 million, representing an increase of 8% over the same period of last year, profit has fallen. This is mainly an effect of higher raw material and manufacturing costs, of which costs for cocoa, fresh milk and energy in particular have risen during the year and will continue to have a negative impact on earnings through the end of 2008. To compensate for this, it is necessary to raise our market prices while at the same time taking continuous measures to optimise internal efficiency.

We are fast approaching Christmas, the most important sales period of the year in the confectionery business. In view of the positive response our customers have shown to the year's Christmas product offering and campaigns, I look forward to the holiday season with confidence."

SALES AND PROFIT, JANUARY – AUGUST 2008

An Extraordinary General Meeting on 25 July 2008 adopted an amendment to the Articles of Association entailing a change in the company's financial year from the calendar year to a broken financial year from 1 September to 31 August. The first new financial year is an abbreviated year covering the period from 1 January – 31 August 2008. The decision was conditional on a dispensation from the Swedish Tax Agency, which granted approval on 28 July 2008. In the following comments, comparative figures are presented for the period 1 January – 31 August 2007. The comparative information is based on the monthly reporting to the Board and Executive Management.

Net sales rose by 8% to SEK 2,030 million (1,874). On a like-for-like basis (excluding acquisitions in 2007 and 2008) and excluding foreign exchange effects arising on the translation of foreign subsidiaries, sales improved by 3%.

The period's sales growth is explained by rising volumes in our main markets in Sweden and Finland, which reported growth of 3% and 11%, respectively. Sales in the Travel Trade (on ferries and at airports), which make up approximately 7% of total sales, were up by 14%.

Sales of the prioritised brands improved by 7% compared to the prior year. The highest growth was noted for the sugar confectionery products Ässä and Tutti Frutti. Karl Fazer, the single largest product in the prioritised brands category, rose by 16%, while the second largest, Kexchoklad, declined by 8%. Miscellaneous brands, which mainly refer to brands with strong local ties, grew by 11%. The greatest success in this category was achieved in the Finnish market. Sales of pick-and-mix products were unchanged while industrial sales, consisting of semi-finished goods to the food products industry, rose by 18% over the previous year. Industrial sales are mainly attributable to the Finnish factories.

Operating profit amounted to SEK 11 million (160), and included goodwill impairment losses of SEK 90 million. Excluding this item operating profit was SEK 101 million, a decrease of SEK 59 million from the previous year. Operating margin excluding impairment losses was 5.0% (8.5%).

The goodwill impairment refers to the Swedish market and consists of goodwill arising on the acquisition of Candelia in 1998. The impairment loss was recognised in the semi-annual accounts at 30 June and is thus attributable to the first half of the year. See also comments below under the heading "Impairment testing".

Operating profit (excluding impairment losses) declined in the Swedish market as a result of higher manufacturing costs and increased selling and marketing expenses. The rise in manufacturing costs is mainly explained by mounting prices for raw materials. The current price pressure in the market has limited the scope to offset these cost increases by raising consumer prices. The Norwegian market has also shown a sharp drop in earnings due to lower sales, while profit in Denmark was up somewhat from the year before.

Operating profit in the Finnish market has fallen due to escalating raw material costs and higher selling and marketing expenses. The increased overhead expenses are explained by the year's strong sales growth.

The higher manufacturing costs, a result of surging raw material prices, have pushed down gross margins and led to a drop in gross profit relative to sales, which has weakened operating profit compared to the prior year. Earnings in the Russian and Baltic markets were also impacted by higher overhead expenses.

Profit before tax reached SEK 34 million (178). Excluding goodwill impairment, profit before tax was SEK 124 million. Net financial items totalled SEK 23 million, compared to SEK 18 million the year before. The improvement in net financial items is attributable to rising market interest rates during 2008.

The year's income tax amounted to SEK 35 million (49). The goodwill impairment is a consolidation adjustment with no effect on computation of tax, which explains the high tax expense relative to profit. Excluding impairment effects, the effective tax rate was 28% (27%).

Profit for the year was SEK –1 million (129), of which profit attributable to equity holders in the Parent Company amounted to SEK –2 million (128). Earnings per share were

SEK –0.08 (5.30). Excluding impairment of goodwill, earnings per share were SEK 3.65 (5.30).

SALES AND PROFIT, JULY – AUGUST 2008

July–August consists of the period after the most recently published interim report. The comparative amounts refer to the corresponding period of last year.

Net sales increased by 7% to SEK 510 million (476). Operating profit for the period was SEK 47 million (48), equal to an operating margin of 9.2% (10.1%).

FINANCING AND LIQUIDITY

Cash and cash equivalents and short-term investments fell by SEK 371 million to SEK 778 million during the year. The Group's business has a seasonal cycle, mainly due to the important Christmas sales that occur between September and December. This period accounts for more than half of annual operating profit and an even larger share of cash flow, resulting in an uneven spread over the year. The Group has also entered a phase of large-scale equipment expenditure, which together with the increased dividend of SEK 3 per share has contributed to lower liquidity.

Cash flow from operating activities was SEK 67 million (97), a weakening explained mainly by a drop in operating profit. Net cash of SEK 177 million (129) was utilised for investments in property, plant and equipment. The acquisition of subsidiaries for SEK 62 million (0) referred to final settlement of the purchase price for Fennobon Oy. Dividends to shareholders (including minority interests in subsidiaries) amounted to SEK 244 million (158).

Interest-bearing assets exceeded interest-bearing liabilities by a net amount of SEK 628 million (952). The equity/assets ratio at the end of the period was 75% (80).

CAPITAL EXPENDITURE

The year's gross expenditure on property, plant and equipment was SEK 177 million (148), of which SEK 125 million (99) referred to the Finnish facilities and SEK 52 million (49) to the Swedish facilities. This expenditure included both capacity and replacement investments in the existing production lines. Depreciation amounted to SEK 99 million (83).

EMPLOYEES

The average number of employees during the year was 1,586 (1,515).

PARENT COMPANY

Net sales in the Parent Company are reported at SEK 50 million (41) and consist mainly of intra-group services and rents. Profit before tax was SEK 229 million (166). Net financial items amounted to SEK 257 million (177) and include subsidiary dividends of SEK 169 million (156). Cash and cash equivalents and short-term investments totalled SEK 743 million (961).

TAX

In 2005 and 2006, Cloetta Fazer AB paid total group contributions of SEK 67 million to the former Polish subsidiary that has now been liquidated. The contributions were made to cover a tax loss that arose in connection with the closure of the subsidiary, and which the subsidiary itself was unable to utilise. This tax issue has been assessed with respect to the European Court of Justice's (ECJ) judgement in the Marks & Spencer case in 2005, where the ECJ ruled in favour of the company's claim that the exclusion of cross-border tax relief is discriminatory compared to the permitted relief for domestic subsidiaries, when the contribution is made to cover losses that a foreign subsidiary is not able to utilise. This option can be used only in special circumstances, of which liquidation can be considered one.

In 2007 the ECJ dealt with a new case concerning cross-border tax relief, but where the facts of the case differ from those in the Marks & Spencer judgement. However, the Swedish Tax Agency's (STA) interpretation of the later judgement is that the Swedish legislation does not infringe on EU law even in the specific situation treated in the Marks & Spencer judgement. In 2007 the STA revised its earlier decision and rejected Cloetta Fazer AB's claim for deduction of the group contribution paid in 2005. The company has appealed the ruling to the County Administrative Court. In a review decision in September 2008, the STA announced further that no deduction would be granted for the group contribution made in 2006. The total tax is estimated at SEK 20 million, of which SEK 19 million refers to that portion capitalised as a receivable in 2007.

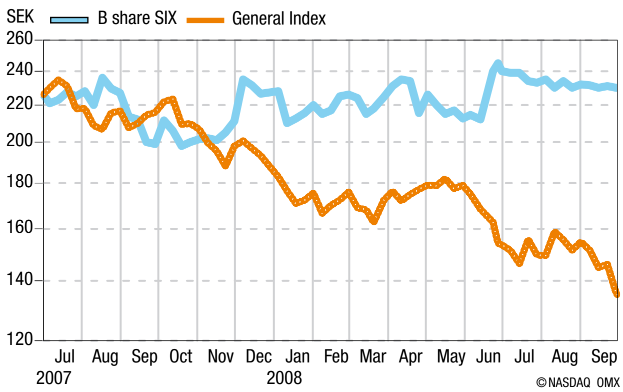
SHARE DATA

Cloetta Fazer's class B share is quoted on the OMX Nordic Exchange Stockholm. A round lot consists of 50 shares. A total of 1,054,167 shares were traded during the period January–August 2008. The highest bid price was SEK 251 and the lowest was SEK 200. At 28 August the share was quoted at SEK 230 (last price paid).

SHAREHOLDERS

On 31 August 2008, Cloetta Fazer had 3,627 shareholders. The principal shareholders, AB Malfors Promotor and Oy Karl Fazer Ab, held approximately 78.5% of the votes and 41.2% of the share capital. Other institutional investors held 17.4% of the votes and around 47.6% of the share capital.

Cloetta Fazer's share price development, July 2007 – Sept 2008



DEMERGER OF CLOETTA FAZER

Implementation

At the Extraordinary General Meeting on 25 July 2008, the shareholders in Cloetta Fazer AB passed a decision in principle to approve the demerger of Cloetta Fazer, as previously announced. The demerger will result in the formation of the two separate companies Cloetta AB and Fazer Confectionery Ltd. The Cloetta group, whose parent company is Cloetta AB, was formed in July–August and is a sub-group to Cloetta Fazer AB as of 31 August 2008. A formal resolution on the distribution of Cloetta AB is intended to be at the Annual General Meeting of Cloetta Fazer AB on 25 November 2008. According to the Lex Asea rule, the distribution of shares will be exempted from taxation in Sweden for both Cloetta Fazer AB and its shareholders[1)]. The shares in Cloetta AB will be distributed to the shareholders in proportion to their existing holdings, whereby each share of class A in Cloetta Fazer AB will entitle the holder to one new class A share in Cloetta AB and each share of class B in Cloetta Fazer AB will entitle the holder to one new class B share in Cloetta AB. Cloetta AB intends thereafter to apply for a listing on the OMX Nordic Exchange Stockholm. Trading of the share is expected to begin on 2 December 2008. The Cloetta group's operations will be described in more detail in a listing prospectus that is scheduled for publication around 28 November 2008.

The application period for Oy Karl Fazer Ab's public tender offer for the shares in the remaining Cloetta Fazer AB (the future Fazer Confectionery), as announced in the press release dated 16 June 2008, is expected to run from 1–22 December 2008. According to the offer, each class B share in Cloetta Fazer AB will be redeemed for SEK 202 in cash and 0.92 class B shares in Cloetta AB. Oy Karl Fazer Ab has bound itself to convert the class A shares received by Oy Karl Fazer Ab through the distribution and use only class B shares in Cloetta AB as compensation in the offer, aside from the cash portion. A more detailed description of Oy Karl Fazer Ab's offer will be provided in a separate offer prospectus that is planned for publication around 28 November 2008. Depending on the acceptance rate in Oy Karl Fazer Ab's offer and the ownership structure after its completion, Oy Karl Fazer Ab has announced that it may take measures to delist Cloetta Fazer AB from the OMX Nordic Exchange Stockholm.

Impairment testing of cash generating units

Goodwill and most of the carrying amount of brands in the new Cloetta are attributable to the acquisition of Candelia AB in 1998. Through the acquisition, the then group gained a large number of important brands and a wider range of products that strengthened the group's market share primarily in Sweden. The products are sold mainly in the Swedish and Norwegian markets, but to a certain extent also in Denmark. The goodwill that arose on the acquisition is attributable to the at that time estimated value of the future synergies, market position and enhanced competitiveness.

Because the new Cloetta's sales will be significantly lower after the demerger of Cloetta Fazer, it has been necessary to recalculate the recoverable amount in connection with the semi-annual report at 30 June 2008. The estimated recoverable amounts of brands and goodwill, which consist of value in use for the respective category, are based on a cash flow forecast with an indefinite useful life. The forecasted operating margin is based on a pro forma level of 6% as stated in the press release on 16 June 2008. During a transitional period the operating margin will also fall below this level, which, together with the decrease in sales, will have a negative impact on cash flow.

The carrying amount of net assets in the new Cloetta at 30 June 2008 was estimated to exceed the recoverable amount by SEK 90 million, for which reason a corresponding impairment loss has been recognised. The most important assumptions in the calculations are based on anticipated sales growth, profit margins and investment requirements. Historically, the industry's general growth in the geographical markets where the new Cloetta's products are sold has been around 2% annually. The assumed growth targets, which are somewhat higher, are in line with the Group's long-term goal for organic growth and management's judgement. The discount rate before tax has been set at 9.5%.

New Cloetta

The group's operating companies consist of the parent company Cloetta AB and the wholly-owned subsidiaries Cloetta Fazer Sverige AB (name changed to Cloetta Sverige AB) and AB Karamellpojkarna. Sales are focused mainly on the Swedish market, followed by Norway and Denmark. Its operations will also include contract manufacture on behalf of Fazer Confectionery.

Fazer Confectionery

The group consists of the parent company Cloetta Fazer AB, together with the Finnish companies Cloetta Fazer Confectionery Ltd, Cloetta Fazer Chocolate Ltd, Fennobon Ab and Oy NIS - Nordic Industrial Sales Ab. As of 1 September, it also includes the newly established Swedish sales company Cloetta Fazer Konfektyr AB and the Russian sales company OOO Cloetta Fazer . Company names containing the word "Cloetta" will be changed. Sales are focused mainly on the Nordic market, with an emphasis on Finland, as well as the Baltic countries and Russia.

Distribution

The book value of Cloetta Fazer AB's shares in Cloetta AB amounts to SEK 543 million. The consolidated net asset value of the Cloetta Group is SEK 708 million. Based on the balance sheet at 31 August 2008, this value is divided between the "Fazer Confectionery" and the "new Cloetta" as shown in the table on the following page.

The Board proposes that the shares in Cloetta AB be distributed according to the conditions described above, whereby disposable funds will be reduced by SEK 543 million.

Appropriation of earnings

Retained earnings in the Parent Company, including net profit for the year, amount to SEK 519 million. The Extraordinary General Meeting on 25 July 2008 resolved to reduce the statutory reserve by an amount of SEK 689 million to be transferred to a non-restricted reserve for use according to the decision of the general meeting. On 3 October the Swedish Companies Registration Office granted the Parent Company permission for the reduction. The

1) Information about the distribution and complete tax-related treatment of this will be presented in the material provided ahead of the Annual General Meeting of Cloetta Fazer AB on 25 November 2008.

Breakdown of net assets between the "new Cloetta" and "Fazer Confectionery"

	"New Fazer Confectionery"	"New Cloetta"	Eliminations	Cloetta Fazer Group
Intangible assets	86	144		230
Tangible assets	819	397		1,216
Financial assets	19	4		23
Current assets	693	338	–76	955
Short-term investments	186	0		186
Cash and cash equivalents [1)]	313	279		592
Total assets	**2,116**	**1,162**	**–76**	**3,202**
Equity	1,682	708		2,390
Non-current liabilities				
Deferred tax	71	122		193
Other provisions	63	75		138
Current liabilities	300	257	–76	481
Total equity and liabilities	**2,116**	**1,162**	**–76**	**3,202**

1) Final reconciliation of the capital structure has not yet been completed.

funds at the disposal of the Annual General Meeting on 25 November 2008 thus amount to SEK 1,208 million.

The Board has not proposed any dividend other than that described above.

OPERATING AND FINANCIAL RISKS IN THE GROUP AND PARENT COMPANY

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

The Group's manufacturing costs account for approximately 65% of the total cost mass. 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. Compared to the prior year, prices for the majority of raw materials have risen sharply. The 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 31 August 2008 totalled SEK 778 million. The Group's investment strategy is based on the guidelines set out in the Board's finance policy.

In connection with acquisitions, a risk assessment of the acquired unit is carried out as part of the due diligence process preceding the transaction.

For more information about risk management, see the related sections of the 2007 annual report. No significant changes have taken place compared to the information provided in the annual report.

EVENTS AFTER THE BALANCE SHEET DATE

As announced in a press release on 16 September, redundancies have been identified in connection with the company's demerger into the new Cloetta and the Fazer Confectionery. Rising costs and lower profitability are other factors behind the staff reduction. These redundancies will affect some 60 employees in both white and blue collar positions that are currently employed by Cloetta Fazer Sverige AB.

ACCOUNTING POLICIES AND OTHER INFORMATION

General

Cloetta Fazer complies with the International Financial Accounting Standards (IFRS) and interpretations of these (IFRIC) that have been endorsed for application in the EU. This year-end report is presented in accordance with IAS 34 Interim Financial Reporting. The accounts of the Parent Company have been prepared in accordance with the Swedish Financial Reporting Board's recommendation RFR 2.1 Accounting for Legal Entities. The relevant provisions in the Swedish Companies Act and the Swedish Securities Market Act have been complied with. The estimates and assumptions applied by the board and management in preparation of the financial statements are evaluated on a regular basis.

The new interpretations from IFRIC effective 1 January 2008 are IFRIC 11, 12 and 14. The latter two have not yet been endorsed by the EU and are not applied by Cloetta Fazer. IFRIC 11 IFRS 2 – Group and Treasury Share Transactions, has not had any impact on the Group's profit, financial position or cash flow.

Related party transactions

Sales of goods to companies in the Oy Karl Fazer Ab group made up 0.8% (3.2%) of total sales. Of other operating income (excluding capital gains), 12.9% (12.4%) referred to services sold to related parties. Purchases from related parties were negligible. Buying and selling of goods and services between closely related companies has been carried out at market-based prices. Transactions with these companies amounted to a net receivable of SEK 1 million (4) and a liability of SEK 1 million (1). All comparative figures refer to the financial year 2007.

Stockholm, 14 October 2008
Cloetta Fazer AB (publ)
The Board of Directors

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

Summary consolidated profit and loss accounts

SEK M	**2008 July–Aug**	2007 July–Aug	**2008 Jan–Aug**	2007 Jan–Aug	Sep 2007– Aug 2008	2007 Full year
sales	**510**	476	**2,030**	1,874	3,409	3,253
Cost of goods sold	**–349**	–322	**–1,380**	–1,244	–2,287	–2,151
Gross profit	**161**	154	**650**	630	1,122	1,102
Other operating income	**18**	7	**41**	29	65	53
Selling and administrative expenses	**–130**	–112	**–672**	–498	–1,014	–840
Other operating expenses	**–2**	–1	**–8**	–1	–9	–2
Operating profit	**47**	48	**11**	160	164	313
Financial items	**6**	5	**23**	18	35	30
Profit before tax	**53**	53	**34**	178	199	343
Income tax expense	**–15**	–15	**–35**	–49	–79	–93
Profit for the period	**38**	38	**–1**	129	120	250
Profit for the period attributable to:						
Equity holders of the Parent Company	**38**	38	**–2**	128	119	249
Minority interest	**0**	0	**1**	1	1	1
Earnings per share, basic and diluted	**1.58**	1.58	**–0.08**	5.30	4.93	10.31
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.

Comparative information

Significant items affecting comparability between years:

Cost of goods sold						
Staff reduction in Sweden	**–**	–	**–**	–	–13	–13
Total cost of goods sold	**–**	–	**–**	–	–13	–13
Selling and administrative expenses						
Impairment loss on goodwill in Sweden	**–**	–	**–90**	–	–90	–
Staff reduction in Sweden	**–**	–	**–**	–	–9	–9
Total selling and administrative expenses	**–**	–	**–90**	–	–99	–9
Effect on operating profit	**–**	–	**–90**	–	–112	–22
Income tax expense	**–**	–	**–**	–	6	6
Effect on profit for the period	**–**	–	**–90**	–	–106	–16

Summary consolidated profit and loss accounts in Euro

EUR M	**2008 July–Aug**	2007 July–Aug	**2008 Jan–Aug**	2007 Jan–Aug	Sep 2007– Aug 2008	2007 Full year
Net sales	**54.2**	51.4	**216.2**	203.0	364.8	351.6
Cost of goods sold	**–37.1**	–34.8	**–147.0**	–134.8	–244.7	–232.5
Gross profit	**17.1**	16.6	**69.2**	68.2	120.1	119.1
Other operating income	**2.0**	0.8	**4.4**	3.2	6.9	5.7
Selling and administrative expenses	**–13.7**	–12.1	**–71.5**	–54.0	–108.2	–90.7
Other operating expenses	**–0.3**	–0.1	**–0.9**	–0.1	–1.0	–0.2
Operating profit	**5.1**	5.2	**1.2**	17.3	17.8	33.9
Financial items	**0.6**	0.5	**2.4**	1.9	3.7	3.2
Profit before tax	**5.7**	5.7	**3.6**	19.2	21.5	37.1
Income tax expense	**–1.6**	–1.6	**–3.7**	–5.3	–8.5	–10.1
Profit for the period	**4.1**	4.1	**–0.1**	13.9	13.0	27.0
Profit for the period attributable to:						
Equity holders of the Parent Company	**4.1**	4.1	**–0.2**	13.8	12.9	26.9
Minority interest	**0.0**	0.0	**0.1**	0.1	0.1	0.1

Summary consolidated profit and loss account by segment

SEK M	**2008 July–Aug**	2007 July–Aug	**2008 Jan–Aug**	2007 Jan–Aug	Sep 2007– Aug 2008	2007 Full year
Net sales						
Nordic countries	**462**	433	**1,855**	1,729	3,108	2,982
Other markets	**48**	43	**175**	145	301	271
Total net sales	**510**	476	**2,030**	1,874	3,409	3,253
Operating profit						
Nordic countries [1)]	**40**	45	**5**	156	159	310
Other markets	**7**	3	**6**	4	5	3
Total operating profit	**47**	48	**11**	160	164	313
1) Of which, restructuring charges	**–**	–	**–90**	–	–112	–22

Summary consolidated balance sheets

SEK M	**2008 31 Aug**	2007 31 Aug	2007 31 Dec
Intangible assets			
Goodwill	**155**	181	181
Other intangible assets	**75**	66	66
Tangible assets	**1,216**	1,044	1,111
Financial assets	**23**	19	66
Inventories	**488**	392	331
Current receivables	**467**	408	474
Short-term investments	**186**	375	454
Cash and cash equivalents	**592**	678	695
Total assets	**3,202**	3,163	3,378
Equity	**2,390**	2,513	2,647
Non-current liabilities			
Deferred tax liability	**193**	186	189
Other provisions	**138**	121	138
Current liabilities	**481**	343	404
Total equity and liabilities	**3,202**	3,163	3,378

Summary statement of changes in equity

SEK M	**2008 31 Aug**	2007 31 Aug	2007 31 Dec
Equity at 1 January	**2,647**	2,513	2,513
Translation differences	**–12**	29	42
Profit for the period	**–1**	129	250
Total recognised income and expense excluding transactions with shareholders	**–13**	158	292
Dividends	**–244**	–158	–158
Equity at end of period	**2,390**	2,513	2,647
Minority interest in equity	**2**	3	3

Summary consolidated cash flow statements

SEK M	**2008 July–Aug**	2007 July–Aug	**2008 Jan–Aug**	2007 Jan–Aug	Sep 2007–Aug 2008	2007 Full year
Cash flow from operating activities	**75**	41	**67**	97	309	339
Investing activities						
Net expenditure on property, plant and equipment	**–42**	–36	**–177**	–129	–239	–191
Acquisition of subsidiaries	**–**	–	**–62**	0	–107	–45
Investments/disinvestments in short-term investments	**102**	46	**263**	–1	184	–80
Acquisition of long-term investments	**2**	0	**1**	0	–5	–6
Cash flow from investing activities	**62**	10	**25**	–130	–167	–322
Financing activities						
Dividends to shareholders including minority	**–**	–	**–244**	–158	–244	–158
Repayment of debt	**51**	–	**49**	0	16	–33
Cash flow from financing activities	**51**	–	**–195**	–158	–228	–191
Cash flow for the period	**188**	51	**–103**	–191	–86	–174
Cash and cash equivalents at beginning of period	**404**	627	**695**	866	678	866
Translation difference in cash and cash equivalents	**0**	0	**0**	3	0	3
Cash and cash equivalents at end of period	**592**	678	**592**	678	592	695
Cash, cash equivalents and short-term investments < 3 months	**592**	678	**592**	678	592	695
Short-term investments > 3 months	**186**	375	**186**	375	186	454
	778	1,053	**778**	1,053	778	1,149

Key ratios

	2008 Jan–Aug	2007 Jan–Aug	2007 Full year	2006 Full year
Operating profit. SEK M	**11**	160	313	346
Operating margin, %	**0.5**	8.5	9.6	11.3
Impairment losses/restructuring charges with an effect on operating profit, SEK M	**–90**	–	–22	–7
Operating margin excluding impairment losses/restructuring charges, %	**5.0**	8.5	10.3	11.5
Profit before tax, SEK M	**34**	178	343	360
Earnings per share, basic and diluted, SEK	**–0.08**	5.30	10.31	10.81
Earnings per share, basic and diluted, SEK [1)]	**3.65**	5.30	10.96	11.03
Return on capital employed, % [1, 2)]	**12.5**	15.0	14.6	14.6
Return on equity after tax, % [1, 2)]	**9.0**	10.7	10.2	10.8
Cash flow from operating activities, SEK M	**67**	97	339	333
Cash after investments in PPE, SEK M	**–110**	–32	148	189
Net asset, SEK M	**628**	952	1,054	1,148
Equity/assets ratio, %	**74.7**	79.5	78.4	78.1
Equity per share, SEK	**99.06**	104.10	109.65	104.10
Average number of employees	**1,586**	1,515	1,560	1,600
Number of shares at end of period [3)]	**24,119,196**	24,119,196	24,119,196	24,119,196

1) Excluding impairment losses/restructuring charges affecting comparability between years.

2) Refers to rolling 12-month period.

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

Summary parent company profit and loss accounts[1)]

SEK M	**2008 July–Aug**	2007 July–Aug	**2008 Jan–Aug**	2007 Jan–Aug	2007 Full year
Net sales	**14**	10	**50**	41	66
Costs for property management and sold services	**–11**	–10	**–44**	–39	–63
Gross profit	**3**	0	**6**	2	3
Administrative expenses	**–9**	–1	**–20**	–13	–26
Other operating income and expenses	**–9**	0	**–14**	0	5
Operating profit	**–15**	–1	**–28**	–11	–18
Result from participations in group companies	**–**	–	**230**	156	156
Other financial income and expenses	**6**	6	**27**	21	35
Profit before tax	**–9**	5	**229**	166	173
Appropriations	**10**	–	**10**	–	–5
Income tax expense	**–1**	–1	**–3**	–3	–4
Profit for the period	**0**	4	**236**	163	164

Summary parent company balance sheets[1)]

SEK M	**2008 31 Aug**	2007 31 Aug	2007 31 Dec
Intangible assets	**1**	2	2
Tangible assets	**0**	60	58
Financial assets	**1,688**	1,583	1,637
Current receivables	**235**	343	253
Short-term investments	**186**	375	454
Cash and cash equivalents	**557**	586	602
Total assets	**2,667**	2,949	3,006
Equity	**2,414**	2,414	2,415
Untaxed reserves	**16**	22	27
Non-current liabilities	**45**	45	59
Current liabilities	**192**	468	505
Total equity and liabilities	**2,667**	2,949	3,006

1) Until the Board of Directors has approved the annual report for publication, certain adjustments may be made.

Cloetta Fazer is the Nordic region's leading confectionery company, with a market share of around 22%. 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 net sales in 2007 were approximately SEK 3.3 billion.

2008 AGM

The Annual General Meeting of Cloetta Fazer AB will be held at 1:00 p.m. on Tuesday, 25 November 2008, at Nalen Konferens on Regeringsgatan 74 in Stockholm.

Financial calendar 2008/2009

- Annual report 1 January –31 August 2008 – to be distributed to all shareholders and published on the website during week 46
- Interim report September –November 2008 – 30 January 2009

The company's share is expected to be delisted during the first quarter of 2009.

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The annual report and interim reports are also published at **www.cloettafazer.se**