Interim report Q3, July – September 2012

Stockholm, 16 November 2012

- **Net sales** for the quarter amounted to SEK 1,159m (1,124). **Operating profit** was SEK 90m (129).
- **Underlying net sales** decreased by 3.2 per cent, which was caused by weak market conditions.
- **Items affecting comparability** amounted to SEK –31m (–32), and consisted mainly of costs related to the integration process and costs arising from factory restructurings.
- **Cash flow from operating activities** reached SEK 58m (164). The decrease is primarily due to planned increase of inventories related to factory restructurings.
- **Underlying EBITA** amounted to SEK 128m (159). The decrease is primarily due to lower volumes, increased investment in the market and temporary costs within manufacturing.
- **The integration process** is continuing as planned. Staff reductions were carried out during the quarter.
- **The factory restructurings** are proceeding according to plan.

	Third quarter			9 months			
SEKm	Jul–Sep 2012	Jul–Sep 2011	Change %	Jan–Sep 2012[3]	Jan–Sep 2011	Change, %	Full year 2011
Net sales	1,159	1,124	3.1	3,455	3,287	5.1	4,658
Underlying net sales[1]	1,195	1,235	–3.2	3,597	3,697	–2.7	5,242
EBITA	92	133	–31.1	45	283	–84.2	373
EBITA margin, %	7.5	11.9	–4,4-pts	1.3	8.6	–7.3-pts	8.0
Underlying EBITA[1]	128	159	–19.6	231	345	–33.2	548
Underlying EBITA margin, %[1]	10.7	12.9	–2.2-pts	6.4	9.3	–2.9-pts	10.5
Operating profit	90	129	–30.0	43	276	–84.2	364
Profit before tax	30	–9	466.1	–212	–183	–15.7	–237
Profit for the period	13	–13	220.7	–228	–192	–18.7	–65
Earnings per share, basic and diluted, SEK	0.05	–0.05	na[2]	–0.84	–0.73	na[2]	–0.25
Cash flow from operating activities	58	164	–64.3	277	447	–37.9	493

1 Based on constant exchange rates and the current structure (i.e. excluding the distribution business in Belgium and a third-party distribution agreement in Italy) and excluding items affecting comparability. Includes the former Cloetta's financial history for better comparability.
2 Comparative earnings per share are not representative for the current Group due to a different equity structure before the merger between Cloetta and LEAF.
3 The former Cloetta was acquired on 16 February 2012.

Message from the CEO

After a relatively weak first half of the year, the third quarter shows that we are on the right track. Earnings for the period were positive although underlying profit was down somewhat compared to the previous year.

Market conditions remained challenging in the third quarter, mainly as a result of the macroeconomic development, which contributed to negative market volume growth in several markets.

For Cloetta, this meant that underlying sales in the third quarter declined by 3.2 per cent compared to the same period last year. Sales in Italy fell sharply during the quarter as a result of the economic challenges in the country. As in the previous quarter, Norway showed a decrease in sales which is primarily explained by a difficult market situation for us. A drop in sales was also seen for the products that are handled by third-party distributors in Finland, Denmark and Norway. On the other hand, sales increased in Sweden, Finland, the UK and in countries outside our main markets. It is particularly satisfying to see that sales are growing in Sweden, our largest market, with the new commercial organisation is in place.

Raw material costs remain at a historically high level and although individual raw materials' prices fluctuate during an individual quarter, we have not seen a decrease in our total raw material costs.

Our pricing strategy, to balance higher raw material costs with increased prices, stands firm. However, we are experiencing a difficult market situation with relatively low or even negative growth, which has contributed to higher promotion and consumer pressure. Therefore, we have invested in the market to a large extent in order to defend our market shares. This has naturally had an impact on earnings in the short term.

The Scandinavian integration process is proceeding according to plan and, as previously communicated, we formed a joint sales and marketing organisation in Sweden since the beginning of the autumn. We have already noted certain positive signs as a result of the new organisation, such as for example accelerated sales. We have also taken over sales responsibility from a third-party distributor in the Norwegian market and are planning the takeover in the Finnish and Danish markets at year-end. In addition, new joint purchasing agreements for raw materials have been negotiated and will go into effect successively in the coming quarters. In the factory in Ljungsbro, we have begun insourcing a number of chocolate products that were previously manufactured by third-party producers. The first tangible example is the Finnish chocolate product Royal for which production will start this month. As a result of the integration we will, as previously communicated, be able to realise synergies of at least SEK 65m.

With regard to our factory restructurings, the facility in Alingsås has ceased all manufacturing of products. The aim is to leave the premises around year end. The factory in Aura is still manufacturing products, which is according to plan, but the majority of products have been prepared for production in the receiving factories. In the Gävle factory, which we do not intend to close until the beginning of 2014, efforts are focused on continuing production while simultaneously preparing the transfer of products. The overall factory restructuring is a large-scale project in which approximately 40 per cent of all products will be transferred in less than two years. This is obviously an ambitious undertaking that has impacted our production efficiency and costs in the short term. However, we remain convinced that we will be able to complete the restructuring and realise cost savings of SEK 100m towards the end of 2014, as previously communicated.

Our underlying EBITA has been affected by lower volumes as well as higher promotion and consumer pressure and has decreased in relation to the same quarter of last year. However, the decrease is less than in the two preceding quarters and there is some gain of momentum.

The third quarter was a clear step in the right direction. We are executing our plan and I am convinced that the integration process and factory restructurings will generate significant cost savings, something that will create an even stronger company in the longer term.

Bengt Baron,
President and CEO

Financial overview

THE FINANCIAL YEAR

The Annual General Meeting on 19 December 2011 approved an amendment to the Articles of Association regarding the Parent Company's financial year. The Articles of Association have been changed so that the company's financial year now covers the period from 1 January to 31 December, i.e. the calendar year, instead of the period from 1 September to 31 August. This means that the current financial year will be extended to include the period from 1 September 2011 to 31 December 2012.

This interim report includes the consolidated financial statements of the new Cloetta Group for the period from 1 January to 30 September 2012. Since Cloetta's acquisition of LEAF is regarded as a reverse acquisition, the consolidated comparable figures are those from LEAF Holland B.V. The comparable figures for the Parent Company are those for the legal acquirer, i.e. Cloetta AB. For the Parent Company, this interim report covers the period from 1 September 2011 to 30 September 2012 in accordance with the Parent Company's financial year.

THIRD QUARTER DEVELOPMENTS

Acquisitions and divestments

The Group's purchase price allocation for Cloetta as the acquiree for accounting purposes was finalised in the third quarter of 2012. No acquisitions or divestments took place in the third quarter. For further information see "Disclosures regarding the acquisition of Cloetta AB" on page 14.

Net sales

Net sales for the third quarter rose by SEK 35m to SEK 1,159m (1,124) compared to the same period of last year. The increase in net sales is attributable to the merger between Cloetta and LEAF. The divestment of the distribution business in Belgium during the first quarter and the termination of an agreement for a third-party brand in Italy as of 1 January 2012 resulted in an expected decrease in sales in these two markets. Changes in exchange rates also had a negative impact on net sales with 6.1 per cent.

Underlying net sales fell by 3.2 per cent. Sales during the quarter were down substantially in Italy as a result of the economic situation in the country. Lower sales of products distributed by third party distributers in Norway, Denmark and Finland also had a negative impact on sales. Sales in Finland, Sweden, UK and sales outside our main markets showed positive development.

Change in net sales, %	**Jul–Sep 2012**	**Jan–Sep 2012**
Changes in exchange rates	–6.1	–2.3
Divestments/terminations	–6.2	–4.8
Reverse acquisition, Cloetta	17.3	14.1
Changes in underlying performance, LEAF	–1.9	–1.9
Total	**3.1**	**5.1**

Gross profit

Gross profit amounted to SEK 429m (445), which is equal to a gross margin of 37.0 per cent (39.7). Gross margin was diluted by the merger between Cloetta and LEAF and by increased raw material costs.

Operating profit

Operating profit was SEK 90m (129). The decrease was caused primarily by higher raw material costs, but lower sales and some temporary costs within manufacturing also had an impact on operating profit.

Underlying EBITA

Underlying EBITA amounted to SEK 128m (159). The decrease is primarily attributable to higher raw material costs, but also to lower net sales and some temporary costs within manufacturing.

SEKm	**Jul–Sep 2012**	**Jan–Sep 2012**
EBITA	**92**	**45**
Supply chain restructuring	26	94
Integration expenses	6	56
Other items affecting comparability	–1	37
Including Cloetta prior to merger	–	–9
Exchange rate differences	4	4
Other	1	4
Underlying EBITA	**128**	**231**

Items affecting comparability

Operating profit for the third quarter includes total items affecting comparability of SEK –31m (–32). These include items in the third quarter of 2012 that consist mainly of costs for the merger between Cloetta and LEAF and factory restructurings.

Net sales by segment

	Third quarter				**9 months**				
SEKm	**Jul–Sep 2012**	**Jul–Sep 2011**	**Reported change, %**	**Underlying change, %**	**Jan–Sep 2012**	**Jan–Sep 2011**	**Reported change, %**	**Underlying change, %**	**Full year 2011**
Former LEAF	969	1,124	–13.9	–2.3	2,996	3,287	–8.9	–2.0	4,658
Former Cloetta	190	–	na	–7.7	459	–	na	–5.8	–
Total Group	**1,159**	**1,124**	**3.1**	**–3.2**	**3,455**	**3,287**	**5.1**	**–2.7**	**4,658**

Net financial items

Net financial items for the quarter improved to SEK –60m (–138). The improvement is mainly a result of lower interest expenses on loans from former shareholders in LEAF. These loans were converted into equity on 15 February 2012, for which reason no interest arose in the third quarter. Total interest on these loans in the third quarter of last year amounted to SEK –100m. The impact of the lower interest expenses has been partly offset by higher exchange differences on borrowings and cash. The interest on the shareholder loans is recognised in non-cash items. The other net financial items are in line with the previous year.

Profit for the period

Profit for the period was SEK 13m (–13), which is equal to basic and diluted earnings per share of SEK 0.05m (–0.05). Income tax expense for the period was SEK 17m (4).

DEVELOPMENTS IN THE FIRST THREE QUARTERS OF THE YEAR

Acquisitions and divestments

On 16 February 2012, Cloetta AB acquired LEAF Holland B.V. from Yllop Holding S.A. (formerly named LEAF Holding S.A.). The inventory remeasurement effect, before deferred tax adjustments, was recognised in full in the consolidated profit and loss accounts in an amount of SEK 5m in Q1 2012 and SEK 2m in Q2 2012. For further information see “Disclosures regarding the acquisition of Cloetta AB” on page 14.

On 22 February 2012, Cloetta announced the divestment of its distribution business in Belgium to Katjes International GmbH & Co. KG in Germany. The sale was part of Cloetta's strategy to focus on the Group's own brands. The distribution business in Belgium had some 50 employees and annual sales of approximately SEK 200m, of which around SEK 40m referred to Cloetta's brands. The transaction will have a limited effect on Cloetta's future operating profit and the purchase price was insignificant compared to the market value of Cloetta. The divestment generated a non-cash capital loss of SEK 32m.

On 31 May 2012, LEAF Danmark Ejendomsselkab ApS was sold to LH Holding Slagelse ApS through a transfer of shares. LEAF Danmark Ejendomsselkab ApS owns the production unit in Slagelse, Denmark, that was closed during 2011 and conducts no operating or commercial activities. The divestment will have no effect on Cloetta's future earnings. The transaction generated a non-cash capital loss of SEK 4m.

Net sales

Net sales for the nine-month period of the year rose by SEK 168m to SEK 3,455m (3,287) compared to the same period of last year. The increase in net sales is attributable to the merger between Cloetta and LEAF. The divestment of the distribution business in Belgium during the first quarter and the termination of an agreement for a third-party brand in Italy as of 1 January 2012 resulted in an expected decrease in sales in these two markets.

Underlying net sales fell by 2.7 per cent. Sales during the nine-month period of the year decreased primarily in Italy and Norway, but sales of products distributed by third-party distributors in Norway, Denmark and Finland were also down. Sales in Finland showed positive development, partly owing to a recovery after the introduction of a confectionery tax. Sales in countries outside our main markets also increased.

Gross profit

Gross profit amounted to SEK 1,228m (1,287), which is equal to a gross margin of 35.5 per cent (39.2). Gross margin was mainly diluted by the merger between Cloetta and LEAF and by higher raw material costs.

Operating profit

Operating profit was SEK 43m (276). The decrease was caused primarily by several items affecting comparability, but higher raw material costs, lower sales and some temporary costs within manufacturing also had an impact on operating profit.

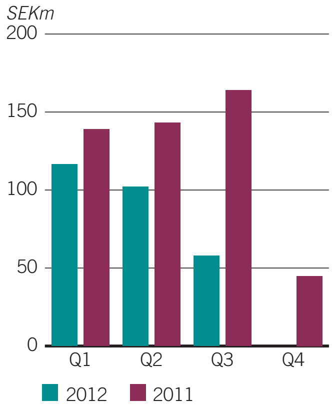
Underlying EBITA

Underlying EBITA amounted to SEK 231m (345). The decrease is primarily attributable to higher raw material costs, but also to lower net sales and some temporary costs within manufacturing.

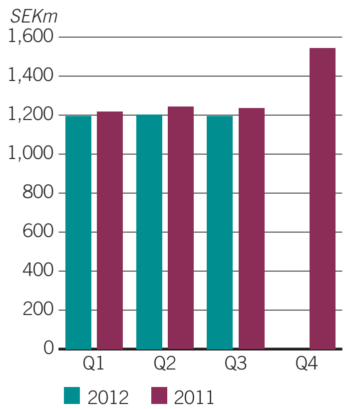
Items affecting comparability

Operating profit for the nine-month period of the year includes total items affecting comparability of SEK –187m (–93). These include non-recurring items that consist of costs for the merger between Cloetta and LEAF, factory restructurings, a non-cash capital loss arising from the divestment of the distribution business in Belgium and other non-recurring items.

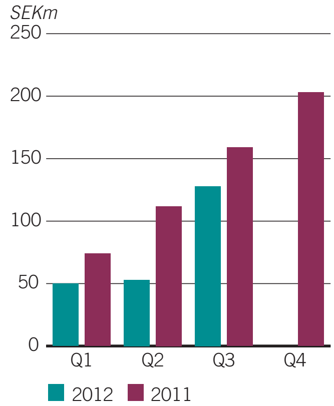
CASH FLOW FROM OPERATING ACTIVITIES



UNDERLYING NET SALES



UNDERLYING EBITA



Net financial items

Net financial items improved to SEK –255m (–459). The improvement is mainly a result of lower interest expenses on loans from former shareholders in LEAF, as these loans were converted into equity on 15 February 2012. Total interest on the loans from former shareholders in LEAF amounted to SEK –60m (–336). The impact of the lower interest expenses has been partly offset by higher amortisation of financing costs. Due to the new credit facility agreement that was signed in the second quarter, the remainder of the previously capitalised financing costs were amortised in full. The financing cost for the new credit facility agreement is amortised over the duration of the credit facility agreement. Total amortisation of previously capitalised financing costs amounted to SEK 46m (12). Both the interest on the shareholder loans and the amortisation of financing costs are non-cash items. The other net financial items do not materially deviate compared to the previous year.

Profit for the period

Profit for the first three quarters was SEK –228m (–192), equal to basic and diluted earnings per share of SEK –0.84m (–0.73). Income tax expense for the first three quarters amounted to SEK 16m (9).

CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES

Cash flow for the third quarter

Cash flow from operating activities for the third quarter amounted to SEK 58m (164). The decrease in cash flow from operating activities is partly due to a lower operating profit compared to the previous year but is mainly due to a decrease in cash flows from changes in working capital. Cash flow from operating and investing activities for the third quarter amounted to SEK –3m (88).

Working capital

Cash flow from changes in working capital amounted to SEK –45m (52). The decrease is mainly due to cash flows of SEK –150m (–74) from increased inventories and trade receivables.

Investments

Cash flow from investing activities was SEK –61m (–76). The lower cash outflow from investing activities is attributable to loans granted to shareholders in the previous year, which has not occurred in this quarter.

Cash flow for the first three quarters of the year

Cash flow from operating activities for the first three quarters of the year amounts to SEK 277m (447). The decrease in cash flow from operating activities is mainly due to a lower operating profit compared to the previous year and was partly offset by an improved cash flow from changes in working capital.

Cash flow from operating and investing activities for the first three quarters amounted to SEK –1,130m (244).

Working capital

Cash flow from changes in working capital amounted to SEK 221m (219). This improvement is partly explained by cash flows for increased inventories in 2011 due to the build-up in connection with the transfer of production from Denmark to Slovakia. The increase in inventories during 2012 has been lower, as this build-up did not occur. In addition, the build-up of seasonal products in Italy started slightly earlier in 2011 than in the current year. The improvement has been partly offset by a lower decrease in trade and other receivables compared to the previous year. This is mainly due to inclusion of the trade and other receivables of the former Cloetta in 2012 which were not included in 2011.

Investments

Cash flow from investing activities was SEK –1,407m (–203). The decrease is mainly attributable to the acquisition of LEAF Holland B.V. The net cash impact of the acquisition was SEK –1,230m (0). In addition, the cash generated by the divestment of LEAF Belgium Distribution and LEAF Danmark Ejendomsselkab ApS amounted to SEK 48m (0). In the first three quarters of 2012, loans were granted to former shareholders in an amount of SEK 71m (49), see “Related party transactions” on page 15.

CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES

	Third quarter		9 months		
SEKm	Jul–Sep 2012	Jul–Sep 2011	Jan–Sep 2012	Jan–Sep 2011	Full year 2011
Cash flow from operating activities before changes in working capital	103	112	56	228	374
Cash flow from changes in working capital	–45	52	221	219	119
Cash flow from operating activities	**58**	**164**	**277**	**447**	**493**
Cash flow from investments in property, plant and equipment and intangible assets	–59	–59	–152	–154	–224
Other cash flow from investing activities	–2	–17	–1,255	–49	0
Cash flow from investing activities	**–61**	**–76**	**–1,407**	**–203**	**–224**
Cash flow from operating and investing activities	**–3**	**88**	**–1,130**	**244**	**269**

FINANCIAL POSITION

Consolidated equity at 30 September 2012 amounted to SEK 3,241m (–422), which is equal to SEK 11.2 per share (–1.6). Net debt at 30 September 2012 was SEK 3,127m (2,997).

Non-current borrowings totalled SEK 2,571m (6,130) and consisted of SEK 2,627m (2,426) in gross loans from credit institutions, SEK –56m (–30) in capitalised financing costs and SEK 0m (3,734) in loans from former shareholders. Total current borrowings amounted to SEK 624m (805) and consisted of SEK 360m (462) in gross loans from credit institutions, SEK –19m (–13) capitalised financing cost and SEK 283m (308) in credit overdraft facility, SEK 0m (31) interest payable and SEK 0m (17) loans from former shareholders.

The short-term gross loans from credit institutions consist of a short-term repayment obligation, of which SEK 90m will mature during the remainder of 2012.

The loans from former shareholders are not included in the calculation of net debt. Cash and cash equivalents at 30 September 2012, excluding long-term unutilised overdraft facilities, amounted to SEK 169m (230).

SEKm	30 Sep 2012	30 Sep 2011	31 Dec 2011
Gross non-current borrowings	2,627	2,426	2,186
Gross current borrowings	360	462	356
Credit overdraft facilities	283	308	354
Derivative financial instruments	26	0	0
Interest payable	0	31	28
Gross debt	**3,296**	**3,227**	**2,924**
Cash and cash equivalents	–169	–230	–97
Net debt	**3,127**	**2,997**	**2,827**

In addition to the above financing, Cloetta has unutilised overdraft facilities for a total of SEK 435m (348).

OTHER DISCLOSURES

Restructuring

On 15 May and 15 June 2012, decisions were made to close the factories in Aura, Finland, and in Alingsås and Gävle, Sweden, in order to eliminate excess capacity in the Group's production structure. A decision was also made to rationalise warehousing operations in Scandinavia. The transfer of production to other factories in the Group has been started and is being carried out successively. This process is expected to be completed in the first quarter of 2014.

The closure of the factories will give rise to non-recurring costs of SEK 320–370m and is expected to generate annual savings of approximately SEK 100m at the EBITDA level towards the end of 2014. Non-recurring costs within supply chain restructuring amounted to SEK 26m in the quarter and SEK 94m in the first three quarters of the year.

Seasonal variations

Cloetta's sales and operating profit are subject to some seasonal variations. Sales in the first and second quarters are affected by the Easter holiday, depending on in which quarter it occurs. In the fourth quarter, the seasonal variations are primarily related to the sale of products in Sweden and Italy in connection with Christmas.

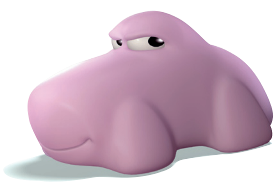
Employees

The average number of employees during the quarter was 2,577 (2,163). The increase is a result of the merger between Cloetta and LEAF. The average number of employees in the quarter was 400 (434) in former Cloetta and 2,177 (2,163) in former LEAF.

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.

Malfors Promotor has, with reference to its undertaking to CVC and Nordic Capital, requested Cloetta to reclassify a number of class A shares held by Malfors Promotor to class B shares in order to decrease its share of the total number of votes in Cloetta from 42.9 per cent to 39.9 per cent. This request is currently being processed.



The Board of Directors hereby gives its 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.

Stockholm, 16 November 2012

Cloetta AB (publ)

Board of Directors

Report on review of interim financial information

Introduction

We have reviewed the interim report of Cloetta AB (publ), corporate identity number 556308-8144,at September 30, 2012 and for the nine-month period then ended. The Board of Directors is responsible for the preparation and fair presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the Swedish Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA (International Standards on Auditing) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim report is not prepared, in all material respects, for the group in accordance with IAS 34 and the Annual Accounts Act, and for the parent company in accordance with the Annual Accounts Act.

Stockholm, 16 November 2012

KPMG AB
Helene Willberg
Authorised public accountant

Financial statements (in summary)
Consolidated profit and loss account

SEKm	Third quarter Jul–Sep 2012	Jul–Sep 2011	9 months Jan–Sep 2012	Jan–Sep 2011	Rolling 12 Oct 2011–Sep 2012	Full year 2011
Net sales	1,159	1,124	3,455	3,287	4,826	4,658
Cost of goods sold	–730	–679	–2,227	–2,000	–3,138	–2,911
Gross profit	**429**	**445**	**1,228**	**1,287**	**1,688**	**1,747**
Other operating income	4	0	4	0	5	1
Selling expenses	–185	–203	–677	–667	–925	–915
General and administrative expenses	–158	–113	–512	–344	–637	–469
Total operating expenses	**–343**	**–316**	**–1,189**	**–1,011**	**–1,562**	**–1,384**
Operating profit	**90**	**129**	**43**	**276**	**131**	**364**
Financial income	0	3	3	8	6	11
Financial expenses	–46	–139	–239	–465	–374	–600
Exchange differences borrowings and cash and cash equivalents in foreign currencies	–14	–2	–19	–2	–29	–12
Net financial items	**–60**	**–138**	**–255**	**–459**	**–397**	**–601**
Profit before tax	**30**	**–9**	**–212**	**–183**	**–266**	**–237**
Income tax expense	–17	–4	–16	–9	165	172
Profit for the period	**13**	**–13**	**–228**	**–192**	**–101**	**–65**
Profit for the period attributable to:						
Owners of the Parent Company	13	–13	–228	–192	–101	–65
Earnings per share, SEK						
Basic and diluted[1]	0.05	–0.05	–0.84	–0.73	–0.38	–0.25
Number of shares at end of period[2]	288,619,299	262,137,526	288,619,299	262,137,526	288,619,299	262,137,526
Average numbers of shares[2]	288,619,299	262,137,526	271,939,452	262,137,526	267,038,489	262,137,526

1 Comparative earnings per share are not representative for the current group due to to a completely different equity structure before the merger between Cloetta and LEAF.
2 The number of shares for comparative figures is restated with respect to the rights issue.

Consolidated statement of comprehensive income

SEKm	Third quarter Jul–Sep 2012	Jul–Sep 2011	9 months Jan–Sep 2012	Jan–Sep 2011	Rolling 12 Oct 2011–Sep 2012	Full year 2011
Net profit for the period	13	–13	–228	–192	–101	–65
Other comprehensive income						
Currency translation differences	–108	–10	–87	72	–158	1
Total comprehensive income, net of tax	**–95**	**–23**	**–315**	**–120**	**–259**	**–64**
Total comprehensive income for the period attributable to:						
Owners of the Parent Company	–95	–23	–315	–120	–259	–64

Items affecting comparability[1]

SEKm	Third quarter Jul–Sep 2012	Jul–Sep 2011	9 months Jan–Sep 2012[2]	Jan–Sep 2011	Rolling 12 Oct 2011–Sep 2012	Full year 2011
Supply chain restructuring	–26	–23	–94	–82	–174	–162
Integration expenses	–6	0	–56	0	–65	–9
Other	1	–9	–37	–11	–64	–38
Total	**–31**	**–32**	**–187**	**–93**	**–303**	**–209**
1 Corresponding line in the consolidated profit and loss account:						
Cost of goods sold	–10	–20	–39	–79	–127	–167
Other income	4	0	4	0	4	0
Selling expenses	8	–6	–14	–8	–20	–14
Administrative expenses	–33	–6	–138	–6	–160	–28
Total	**–31**	**–32**	**–187**	**–93**	**–303**	**–209**

2 Includes non-cash capital losses amounting to SEK 47m on the divestments of the distribution business in Belgium and Denmark Ejendomsselskab.

Consolidated balance sheet

SEKm	30 Sep 2012	30 Sep 2011	31 Dec 2011
Intangible assets	5,031	4,934	4,811
Property, plant and equipment	1,575	1,396	1,318
Deferred tax asset	426	228	441
Financial assets	87	268	261
Total non-current assets	**7,119**	**6,826**	**6,831**
Inventories	790	759	640
Current receivables	843	861	1,053
Cash and cash equivalents	169	230	97
Total current assets	**1,802**	**1,850**	**1,790**
Assets held for sale	44	–	15
TOTAL ASSETS	**8,965**	**8,676**	**8,636**
Equity	**3,241**	**–422**	**–366**
Non-current borrowings	2,571	6,130	6,077
Deferred tax liability	893	751	728
Derivative financial instruments	6	–	–
Other provisions	363	263	249
Total non-current liabilities	**3,833**	**7,144**	**7,054**
Current borrowings	624	805	747
Derivative financial instruments	20	–	–
Current liabilities	1,210	1,139	1,141
Provisions	37	10	60
Total current liabilities	**1,891**	**1,954**	**1,948**
TOTAL EQUITY AND LIABILITIES	**8,965**	**8,676**	**8,636**

Consolidated statement of changes in equity

SEKm	Jan–Sep 2012	Jan–Sep 2011	Full year 2011
Equity at beginning of period	**–366**	**–1,124**	**–1,124**
Profit for the period	–228	–192	–65
Other comprehensive income	–87	72	1
Total comprehensive income	**–315**	**–120**	**–64**
Transactions with owners			
Capital contribution			
- Loan conversion	3,441	822	822
- Contingent capital contribution to cover tax exposure	81		
Business combinations[1]	–667		
Convertible debenture loan	10		
Rights issue	1,057		
Total transactions with owners	**3,922**	**822**	**822**
Equity at end of period	**3,241**	**–422**	**–366**

1 The amount reported in business combinations in 2012 consists of:	
- The assessed value of the acquired Cloetta company	833
- The issue in kind of class C shares (see Parent Company changes in equity)	2,556
- The hypothetical repurchase of shares (reverse acquisition)	–4,056
	–667

For further information, see the notes in the pro forma balance sheet as reported in the prospectus at www.cloetta.com

Consolidated cash flow statement

SEKm	Third quarter Jul–Sep 2012	Jul–Sep 2011	9 months Jan–Sep 2012[1]	Jan–Sep 2011	Full year 2011
Cash flow from operating activities before changes in working capital	103	112	56	228	374
Cash flow from changes in working capital	–45	52	221	219	119
Cash flow from operating activities	**58**	**164**	**277**	**447**	**493**
Cash flow from investments in property, plant and equipment and intangible assets	–59	–59	–152	–154	–224
Other cash flow from investing activities	–2	–17	–1,255	–49	0
Cash flow from investing activities	**–61**	**–76**	**–1,407**	**–203**	**–224**
Cash flow from operating and investing activities	**–3**	**88**	**–1,130**	**244**	**269**
Cash flow from financing activities	**33**	**–91**	**1,264**	**–271**	**–393**
Total cash flow for the period	**30**	**–3**	**134**	**–27**	**–124**
Cash and cash equivalents at beginning of period	155	215	97	220	220
Total cash flow for the period	30	–3	134	–27	–124
Exchange gains/losses on cash and cash equivalents	–16	18	–62	37	1
Cash and cash equivalents at end of period	**169**	**230**	**169**	**230**	**97**

1) SEK 1,400m related to repayment of the vendor loan note have been reclassified from financing activities to investment activities.

Key figures

SEKm	Third quarter Jul–Sep 2012	Jul–Sep 2011	9 months Jan–Sep 2012	Jan–Sep 2011	Full year 2011
Profit					
Net sales	1,159	1,124	3,455	3,287	4,658
Net sales, growth, %	3.1	n/a	5.1	n/a	n/a
Underlying net sales	1,195	1,235	3,597	3,697	5,242
Underlying net sales, growth, %	–3.2	n/a	–2.7	n/a	n/a
Gross margin, %	37.0	39.7	35.5	39.2	37.5
Underlying EBITA	128	159	231	345	548
Underlying EBITA margin, %	10.7	12.9	6.4	9.3	10.5
Underlying EBITDA	173	200	365	473	717
Underlying EBITDA margin, %	14.5	16.2	10.2	12.8	13.7
Underlying EBIT	128	157	230	339	540
Underlying EBIT margin, %	10.7	12.7	6.4	9.2	10.3
Operating profit (EBIT)	90	129	43	276	364
Operating profit margin (EBIT), %	7.5	11.7	1.3	8.4	7.8
Profit margin, %	2.2	–0.6	–6.1	–5.6	–5.1
Financial position					
Working capital	423	481	423	481	552
Operational working capital	951	937	951	937	1,035
Capital expenditure	–59	–59	–152	–154	–224
Net debt	3,127	2,997	3,127	2,997	2,827
Capital employed	3,569	7,173	3,569	7,173	7,048
Return on capital employed, %	2.4	1.8	0.9	3.8	5.0
Equity/assets ratio, %	36.2	–4.9	36.2	–4.9	–4.2
Return on equity, %	–3.1	n/a	–3.1	n/a	n/a
Cash flow					
Cash flow from operating activities	58	164	277	447	493
Investments in non-current assets	–61	–76	–1,407	–203	–224
Cash flow after investments	–3	88	–1,130	244	269
Cash conversion, %	63.9	70.4	57.0	67.4	68.9
Employees					
Average number of employees	2,577	2,163	2,550	2,157	2,192

Segment Information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The chief operating decision maker has been identified as the Group's Chief Executive Officer. The internal reporting consists of the former Cloetta Group and the former LEAF Group. The Group's reportable segments under IFRS 8 are therefore as follows:

- Former Cloetta
- Former LEAF

Consolidated segment reporting

SEKm	Q3 2012	Q3 2011	Q2 2012	Q2 2011	Q1 2012[1]	Q1 2011	Q4 2011	Year to date 2012[1]	Full year 2011
Net sales									
External, former LEAF	969	1,124	1,025	1,120	1,002	1,043	1,371	2,996	4,658
External, former Cloetta	190	–	187	–	82	–	–	459	–
Total net sales[2]	**1,159**	**1,124**	**1,212**	**1,120**	**1,084**	**1,043**	**1,371**	**3,455**	**4,658**
Operating profit									
Former LEAF	104	129	–4	70	19	77	88	119	364
Former Cloetta	–14	–	–49	–	–13	–	–	–76	–
Corporate adjustment	–	–	–	–	–	–	–	–	–
Total operating profit	**90**	**129**	**–53**	**70**	**6**	**77**	**88**	**43**	**364**
Net financial items	**–60**	**–138**	**–77**	**–160**	**–118**	**–161**	**–142**	**–255**	**–601**
Profit before tax	**30**	**–9**	**–130**	**–90**	**–112**	**–84**	**–54**	**–212**	**–237**

1 The former Cloetta was acquired on 16 February 2012. Net sales for the former Cloetta for the period from 1 January to 31 March 2012 amounted to SEK 221m.
2 No inter-segment sales occurred during the reporting period.

Segment reporting, former Cloetta 2011

SEKm	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Full year 2011
Net sales					
External, former Cloetta[1]	235	193	212	260	900
Total net sales[2]	**235**	**193**	**212**	**260**	**900**
Operating profit	**–7**	**–2**	**14**	**9**	**14**

1 The former Cloetta figures have been restated to comply with new group accounting policies.
2 No inter-segment sales occurred during the reporting period.

Quarterly data

SEKm	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Profit and loss account							
Net sales	1,159	1,212	1,084	1,371	1,124	1,120	1,043
Cost of goods sold	–730	–799	–698	–911	–679	–693	–628
Gross profit	**429**	**413**	**386**	**460**	**445**	**427**	**415**
Other operating income	4	0	0	1	0	0	0
Selling expenses	–185	–270	–222	–248	–203	–243	–221
Administrative expenses	–158	–196	–158	–125	–113	–114	–117
Total operating expenses	**–343**	**–466**	**–380**	**–373**	**–316**	**–357**	**–338**
Operating profit	**90**	**–53**	**6**	**88**	**129**	**70**	**77**
Financial income	0	1	2	3	3	2	3
Financial expenses	–46	–69	–124	–135	–139	–153	–173
Exchange gains/losses on borrowings and cash and cash equivalents in foreign currencies	–14	–9	4	–10	–2	–9	9
Net financial items	**–60**	**–77**	**–118**	**–142**	**–138**	**–160**	**–161**
Profit before tax	**30**	**–130**	**–112**	**–54**	**–9**	**–90**	**–84**
Income tax expense	–17	8	–7	181	–4	23	–28
Profit for the period	**13**	**–122**	**–119**	**127**	**–13**	**–67**	**–112**
Profit for the period attributable to:							
Owners of the Parent Company	13	–122	–119	127	–13	–67	–112
Underlying EBITA	128	53	50	202	159	113	74

Parent Company

This interim report includes the financial statements of the Parent Company covering the period from 1 September 2011 to 30 September 2012 in accordance with the Parent Company's financial year.

Summary parent company profit and loss accounts

SEKm	Jul–Sep 2012	Jul–Sep 2011	Sep 2011–Sep 2012	Sep 2010–Aug 2011
Net sales	14	6	52	26
Cost for property management and sold services	0	–1	0	–1
Gross profit	**14**	**5**	**52**	**25**
Administrative expenses	–27	–5	–81	–24
Other operating income and expenses	–4	5	–5	5
Operating profit	**–17**	**5**	**–34**	**6**
Total result from financial investments	–12	0	–39	–1
Profit before tax	**–29**	**5**	**–73**	**5**
Appropriations	0	–2	0	–2
Income tax expense	8	–1	19	–1
Profit for the period	**–21**	**2**	**–54**	**2**

Summary parent company balance sheets

SEKm	2012 30 Sep	2011 31 Aug
ASSETS		
Non-currents assets		
Property, plant and equipment	4	4
Financial assets	4,629	546
Total non-current assets	**4,633**	**550**
Current assets	257	82
TOTAL ASSETS	**4,890**	**632**
EQUITY AND LIABILITIES		
Equity		
Restricted equity	1,443	122
Non-restricted equity	2,719	470
Total equity	**4,162**	**592**
Untaxed reserves	4	4
Non-current liabilities		
Total provisions	1	1
Non-current borrowings	453	–
Convertible debenture loan	–	24
Total non-current liabilities	**454**	**25**
Current liabilities		
Current liabilities	36	11
Current borrowings	234	–
Total current liabilities	**270**	**11**
TOTAL EQUITY AND LIABILITIES	**4,890**	**632**
Pledged assets	4,619	None
Contingent liabilities	2,824	84

Changes in equity, parent company

SEKm	Sep 2011–Sep 2012	Sep 2010–Aug 2011
Equity at beginning of period	**592**	**602**
Profit/loss for the period	–54	2
Rights issue	1,057	
Dividend	–	–18
C shares issue in kind, acquisition of LEAF Holland B.V	2,556	–
Convertible debenture loan	11	6
Equity at end of period	**4,162**	**592**

Disclosures, risk factors and accounting policies

DISCLOSURES REGARDING THE ACQUISITION OF CLOETTA AB

On 16 February 2012 Cloetta acquired 100 per cent of the shares and 100 per cent of the voting rights in LEAF Holland B.V., the parent company of the LEAF group, incorporated in the Netherlands, from Yllop Holding S.A. (formerly named LEAF Holding S.A.). LEAF is a confectionery company with a focus on sugar confectionery, chewing gum and pastilles and has a leading position in the Nordic countries, the Netherlands and Italy.

The business combination is expected to result in:

- A Nordic leader in the confectionery industry.
- A full range of complementary products that will enhance the company's attractiveness among both customers and suppliers through Cloetta's strength in chocolate and LEAF's strength in sugar confectionery, as well as refreshments (pastilles and chewing gum).
- Potential for significant annual cost and efficiency synergies in excess of SEK 65m to be achieved within two years after closing the transaction.

In addition to the estimated cost synergies, Cloetta has closed its factory in Slagelse, Denmark, and moved this production to Levice, Slovakia. The transfer was finalised in January 2012 and is estimated to result in additional cost savings of SEK 45m annually. The aggregated annual cost savings potential from the cost synergies and Cloetta's ongoing restructuring amounts to SEK 110m.

Cloetta's acquisition of LEAF Holland B.V. has been accounted for as a reverse acquisition, meaning that LEAF Holland B.V. is considered to be the acquirer for group accounting purposes.

The formal acquisition of LEAF Holland B.V. by Cloetta AB was carried out partly through a cash payment of SEK 100m and partly through an interest bearing vendor loan note of SEK 1,400m, as well as an issue in kind of 165,186,924 Cloetta class C shares with a fair market value of SEK 2,556m, i.e. the total fair value of the total consideration transferred amounted to SEK 4,056m. The fair market value of the Cloetta class C shares has been determined based upon Cloetta share's stock market bid price (SEK 34.20) at the time of the acquisition. Immediately following the issue in kind of C shares, Yllop Holding S.A. held approximately 87.2 per cent of the voting rights and approximately 78.4 per cent of the share capital in Cloetta AB.

Cloetta's acquisition-date fair value of SEK 833m is deemed to comprise the consideration transferred. This fair value has been calculated based on 24,355,641 shares outstanding multiplied by the stock market bid price of SEK 34.20 at the time of the acquisition. In addition, the seller, Yllop Holding S.A., has agreed to indemnify Cloetta for tax related claims that might be brought against Cloetta in respect to the proceedings in Italy. This indemnity is limited to an amount of SEK 81m and covers the financial years 2005–2007. An indemnification asset has been recognised directly against equity. For further information, see page 87 of the Rights Issue Prospectus dated 12 March 2012 at www.cloetta.com.

The Group's purchase price allocation for Cloetta as the acquiree for accounting purposes was finalised in the third quarter 2012. The inventory remeasurement effect, before deferred tax adjustments, was recognised in full in the consolidated profit and loss accounts in an amount of SEK 5m in Q1 2012 and SEK 2m in Q2 2012.

Recognition and measurement of assets acquired and liabilities assumed related to the accounting acquiree, the former Cloetta:
The provisional amounts applied in the interim reports at March 2012 and June 2012 are presented in brackets. The remeasurements have had no impact on the consolidated profit and loss statement.

SEKm		
Non-current assets	**777**	**(492)**
Intangible assets	365	(53)
Tangible assets	397	(434)
Financial assets	15	(5)
Current assets	**539**	**(539)**
Inventories	121	(121)
Current receivables	149	(149)
Cash and cash equivalents	269	(269)
Non-current liabilities	**–318**	**(–205)**
Deferred tax liabilities	–170	(–101)
Provisions for pensions	–125	(–81)
Convertible loan	–23	(–23)
Current liabilities	**–214**	**(–201)**
Other current liabilities	–214	(–201)
Net identifiable assets and liabilities assumed	**784**	**(625)**
Goodwill	49	(208)
Consideration transferred	**833**	**(833)**

Goodwill is mainly attributable to anticipated synergies arising from the combination of Cloetta and Leaf. The goodwill amount of SEK 49m is not expected to be deductible for tax purposes. The most important remeasurements are related to brand names that have been recognised at their fair market value of SEK 348m (SEK 50m in the former Cloetta) and provisions for pension excluding special payroll taxes amounting to SEK 125m (81), which have been valued in accordance with IAS 19 Employee Benefits.

Transaction costs of SEK 49m incurred by Yllop Finance AB (formerly named LEAF Finance AB) have been funded through internal loans from LEAF, and have thereby implicitly reduced equity in LEAF through the capital contribution made by Yllop Finance AB to LEAF prior to the acquisition. Acquisition-related costs of SEK 31m incurred by the accounting acquiree, Cloetta AB, were expensed prior to the acquisition and have consequently affected goodwill since expenses incurred prior to the acquisition have reduced net identifiable assets and liabilities assumed.

For the period from the acquisition date until the end of September 2012, Cloetta contributed net sales of SEK 459m and a net loss of SEK –85m. If the acquisition had taken place on 1 January 2012, management estimates that consolidated net sales would have been SEK 598m and the consolidated net loss would have been SEK –98m, excluding transaction costs of SEK 31m.

OTHER DISCLOSURES

Parent Company

On 16 February 2012, Cloetta AB acquired LEAF Holland B.V. from Yllop Holding S.A. (formerly named LEAF Holding S.A.). The acquisition was carried out through a cash payment (SEK 100m), the issue of a vendor loan note (SEK 1,400m) and an issue in kind of Cloetta shares (SEK 2,556m). The vendor loan note was repaid in full during Q2 2012.

Cloetta AB's primary activities include head office functions such as group-wide management and administration. The comments below refer to the period from 1 September 2011 to 30 September 2012. Net sales in the Parent Company reached SEK 52m (26) and referred mainly to intra-group services. Operating profit was SEK –34m (6). The deviation from the prior year is explained by termination benefits to the former Chief Executive Officer, who retired on 29 February 2012, a new executive management team and consulting costs. Net financial items totalled SEK –39m (–1). Interest on the vendor loan note amounted to SEK 15m. Profit before tax was SEK –73m (5) and profit after tax was SEK –54m (2). Cash and cash equivalents and short-term investments amounted to SEK 7m (56).

The Cloetta share

During the period from 1 January to 30 September 2012, a total of 8,830,054 shares were traded, equal to around 3 per cent of the total number of class B shares at the end of the period. The highest quoted bid price during the period from 1 January to 12 March 2012 was SEK 40.00 and the lowest was SEK 31.50. During the period from 13 March to 30 September 2012, the highest quoted bid price was SEK 20.00 and the lowest was SEK 13.50. The share price on 30 September 2012 was SEK 15.20 (last price paid). To illustrate the effects of the rights issue on the share price, the closing share price on 12 March 2012 (last day of trading including the right to receive subscription rights) was SEK 37.50 and the closing share price on 13 March 2012 (first day of trading without the right to receive subscription rights) was SEK 17.00.

Cloetta's earlier SEK 30m convertible debenture loan for the employees ran from 14 May 2009 to 30 March 2012. The convertible loan could be converted to class B shares in Cloetta during the period from 25 February 2011 to 25 February 2012 at a conversion rate of SEK 30.40. A total of 567,279 shares had been issued as a result of conversion when the loan expired, which is equal to a total increase in the share capital by SEK 3m and an increase in the share premium reserve by SEK 14m.

Shareholders

On 30 September 2012 Cloetta AB had 4,578 shareholders. The principal shareholder was AB Malfors Promotor, with a holding corresponding to 42.9 per cent of the votes and 21.8 per cent of the share capital in the company. Other institutional investors held 51.1 per cent of the votes and 70 per cent of the share capital. The number of shares amounted to 288,619,299, of which 276,819,299 were of class B and 11,800,000 were of class A.

Following completion of the rights issue in April 2012, the principal shareholders in Cloetta were Yllop Holding S.A. and AB Malfors Promotor. In April 2012, Yllop S.A.'s holding in Cloetta was divided and transferred to Cidron Pord S.á.r.l., which is owned by Nordic Capital Fund V, and Godis Holdings S.á.r.l. which is owned by funds under the advisorship of CVC Capital Partners. At 30 September 2012 Godis Holdings S.á.r.l. held shares corresponding to 24.0 per cent of the votes and 32.8 per cent of the share capital, and Cidron Pord S.á.r.l. held shares corresponding to 17.8 per cent of the votes and 24.4 per cent of the share capital in the company.

Related party transactions

AB Malfors Promotor, Cidron Pord S.á.r.l. and Godis Holdings S.á.r.l are considered to be related parties. Yllop Holding S.A. was considered to be a related party until the second quarter. Buying and selling of goods and services between Cloetta and the principal shareholders are regarded as related party transactions. No such transactions took place with these parties during the period. The principal amount and accrued interest on the vendor loan note was repaid in full to Yllop Holding S.A. in April 2012.

Invoices paid by Cloetta AB to AB Malfors Promotor for costs incurred by AB Malfors Promotor in connection with the merger transaction, and which according to the purchase agreement should be covered by Cloetta AB, are regarded as related party transactions and amount to SEK 2m.

The Parent Company has related party transactions with subsidiaries in the Group. The majority of such transactions refer to the sale of services, which for the period from September 2011 to September 2012 amounted to SEK 52m (23), equal to 100 per cent of each period's total sales. At 30 September 2012 the Parent Company's receivables from subsidiaries amounted to SEK 232m (24) and liabilities to subsidiaries amounted to SEK 101m (0). Transactions with related parties are priced on market-based terms.

On 7 February 2012, Yllop Finance AB (a subsidiary of Yllop Holding S.A.) received a loan of SEK 71m from LEAF Holland B.V. On 15 February 2012, this loan and all other existing loans to the shareholder Yllop Finance AB were converted into equity as a capital contribution in a net amount of SEK 3,441m. Reference is made to the "Capital contribution" in the consolidated statement of changes in equity on page 9.

The rights issue resolved on by the Board of Directors on 7 March 2012 is regarded as a related party transaction.

Taxes

In September the Swedish Government proposed a reduction of the corporate tax rate from 26.3 percent to 22 percent, effective as of January 1, 2013. If the reduction is implemented according to the proposal, Cloetta's deferred tax liabilities and assets as of December 31, 2012, will change insofar as these relate to Swedish entities.

RISK FACTORS

Cloetta is an internationally active company that is exposed to a number of market and financial risks. All identified risks are monitored continuously and, if needed, risk-mitigating measures are taken to limit their impact. The most relevant risk factors are described in the prospectus and include the merger, the relocation of production, IT, foreign exchange effects, interest rates, financing, raw material costs and tax risks. Compared to the prospectus, issued on 7 March 2012, no new risks have been identified.

Merger

The merger between Cloetta and LEAF is a perfect match. Nonetheless, the merger of two large companies involves risks that could impact the business negatively. These risks include sub-optimisation in production and sales if the two companies are not integrated and continue to operate as separate entities. To mitigate the risks associated with the integration on 1 May 2012, a Senior Vice President Business Development took up duties to lead the integration process between Cloetta and LEAF.

ACCOUNTING POLICIES

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 January 2012. 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 Annual Accounts Act and the Swedish Securities Market Act. The same accounting and valuation methods have been applied as in the most recent annual report of LEAF.

The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts 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 LEAF's annual report for 2011 at www.cloetta.com. For detailed information about the accounting principles applied in the Parent Company's separate financial statements, see Cloetta's annual report for 2010/11 at www.cloetta.com.

Accounting policies – business combinations

The Group applies the acquisition method to account for business combinations. The acquirer for accounting purpose is identified as the entity that obtains control of the acquiree. The consideration transferred for the acquisition of the acquiree consists of the fair values of the assets transferred, the liabilities incurred by the former owners of the acquiree and the equity interest issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date.

At acquisition, goodwill is measured as the excess of the aggregate of the consideration transferred and the fair value of net identifiable assets acquired and liabilities assumed.

Selection of key product launches during Q3

Big box

Definitions

General	All amounts in the tables are presented in SEK millions unless otherwise stated. All amounts in brackets () represent comparable figures for the same period of the prior year, unless otherwise stated.
Capital indicators	
Capital employed	Total assets less interest-free liabilities (including deferred tax).
Equity/assets ratio	Equity at the end of the period as a percentage of total assets.
Gross debt	Gross current and non-current borrowings, credit overdraft facilities, derivative financial instruments and interest payables.
Interest-bearing liabilities	Total non-current and current borrowings, including pensions and other long-term employee benefits.
Net debt	Gross debt less cash and cash equivalents.
Operational working capital	Total inventories and trade receivables, less trade payables.
Third-party borrowings	Total non-current and current borrowings excluding loans to former shareholders and finance lease liabilities.
Working capital	Total current assets, excluding cash and cash equivalents and derivative financial instruments, less current liabilities.
Other definitions	
Cash conversion	Underlying EBITDA less capital expenditures as a percentage of underlying EBITDA.
Earnings per share	Profit for the period divided by the average number of shares.
EBITA	Operating profit before amortisation of intangible assets (excluding software).
EBITA margin	EBITA expressed as a percentage of net sales.
EBITDA	Operating profit before depreciation and amortisation.
EBITDA margin	EBITDA expressed as a percentage of net sales.
Gross margin	Net sales less cost of goods sold as a percentage of net sales.
Items affecting comparability	Items affecting comparability refer to non-recurring items as part of EBITA.
Net sales, change	Net sales as a percentage of net sales in the comparative period of the previous year.
Operating margin	Operating profit expressed as a percentage of net sales.
Operating profit (EBIT)	Operating profit consisting of total earnings before net financial items and corporate income tax.
Return on capital employed	Operating profit plus financial income as a percentage of average capital employed.
Return on equity	Profit for the period as a percentage of total equity.
Underlying net sales, EBITA, EBITA margin	The underlying figures are based on constant exchange rates and the current structure (excluding the distribution business in Belgium and a third-party distribution agreement in Italy) and excluding items affecting comparability. Includes the former Cloetta's historical financial values for better comparability.

Exchange rates

	30 Sep 2012	30 Sep 2011	31 Dec 2011
EUR, average	8.7247	9.0088	9.0228
EUR, end of period	8.4350	9.2400	8.9100
NOK, average	1.1624	1.1541	1.1577
NOK, end of period	1.1461	1.1711	1.1467
GBP, average	10.7672	10.3442	10.4057
GBP, end of period	10.5821	10.6907	10.6668
DKK, average	1.1730	1.2087	1.2112
DKK, end of period	1.1315	1.2419	1.1987

Financial calendar

2013	Jan		
	Feb	Full-year report 2012	15 February 2013
	Mar	Annual report 2012	End of March 2013
	Apr	AGM in Stockholm	11 April 2013
		Interim report Q1 2013	29 April 2013
	May		
	Jun		
	Jul	Interim report Q2 2013	19 July 2013
	Aug		
	Sep		
	Oct		
	Nov	Interim report Q3 2013	14 November 2013
	Dec		
2014	Jan		
	Feb	Full-year report 2013	14 February 2014

The information in this interim report is such that Cloetta is required to disclose in accordance with the Securities Market Act.

The report was released for publication at 7:30 a.m. CET on 16 November 2012.

Contacts

Jacob Broberg Senior Vice President Corporate Communications and Investor Relations, +46 70-190 00 33

Danko Maras Chief Financial Officer, +46 8-52 72 88 08

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

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