Interim report, Q3
July – September 2015

Stockholm, 10 November 2015

- **Net sales** for the quarter increased by 12.0 per cent to SEK 1,459m (1,303), including a positive impact from foreign exchange rates of 1.2 per cent.
- **Operating profit** increased to SEK 212m (178).
- **Cash flow from operating activities** increased by SEK 99m to SEK 174m (75).
- **Net debt/EBITDA** was 3.39x (4.30).
- **On 17 July 2015 Cloetta acquired Locawo B.V. (Lonka)** – a Dutch company that produces and sells fudge, nougat and chocolate. Lonka had net sales of approximately SEK 300m in 2014.

	Third quarter			9 months			Full year
SEKm	Jul–Sep 2015	Jul–Sep 2014	Change, %	Jan–Sep 2015	Jan–Sep 2014	Change, %	2014
Net sales	1,459	1,303	12.0[1]	4,052	3,734	8.5[1]	5,313
Operating profit, adjusted[2]	194	193	0.5	435	375	16.0	632
Operating profit margin, adjusted, %	13.3	14.8	–1.5-pts	10.7	10.0	0.7-pts	11.9
Operating profit (EBIT)	212	178	19.1	432	315	37.1	577
Operating profit margin (EBIT margin), %	14.5	13.7	0.8-pts	10.7	8.4	2.3-pts	10.9
Profit before tax	169	126	34.1	302	147	105.4	338
Profit/loss for the period	130	87	49.4	229	84	172.6	242
Earnings per share, basic and diluted, SEK	0.45	0.30	50.0	0.80	0.29	175.9	0.84
Net debt/EBITDA (Rolling 12 months), x	3.39	4.30	–21.2	3.39	4.30	–21.2	3.97
Cash flow from operating activities	174	75	132.0	560	210	166.7	500

1 Organic growth at constant exchange rates and comparable units 4.2% for the quarter and 3.0% for the first three quarters of the year. See further under Net sales on page 3.
2 Operating profit, adjusted for one-off items.

Message from the CEO

Strong sales growth and improved operating profit

David Nuutinen, President and CEO

Cloetta's operating profit (EBIT) improved in the quarter and amounted to SEK 212m (178). The operating profit margin rose to 14.5 per cent (13.7). Furthermore, sales increased through organic growth as well as acquisition-driven growth and foreign exchange movements.

The improvement in operating profit is due mainly to an adjustment in the contingent earn-out consideration for acquisitions. Operating profit has been negatively affected by exchange rate differences and one-off costs related to the acquisition of Locawo B.V. (Lonka).

Operating profit, adjusted for one-off items, was SEK 194m (193). Operating profit, adjusted for one-off items, has been affected by increased marketing investments. The operating profit margin, adjusted for one-off items, was 13.3 per cent (14.8). Profit for the period improved to SEK 130m (87).

Strong cash flow and decrease in net debt/EBITDA

Cash flow from operating activities remains strong and amounted to SEK 174m (75) in the quarter. Net debt/EBITDA decreased substantially compared to the same quarter of last year. Despite the acquisition of Lonka during the quarter, net debt/EBITDA only increased from 3.30 to 3.39 compared to the second quarter of 2015.

Confectionery market

The confectionery market showed overall positive development in Sweden, Norway, Denmark and Finland. In the Netherlands and Italy, market development was slightly negative during the quarter.

Increase in both organic and acquisition-driven growth

Cloetta's sales for the quarter grew by 12.0 per cent, of which organic growth accounted for 4.2 per cent, the acquisition of Lonka for 6.6 per cent and exchange rate differences for 1.2 per cent. I am particularly pleased that our organic sales growth reached 4.2 per cent despite the fact that we were negatively affected during the quarter by both ongoing contract negotiations and declining sales in a few markets. However, the contract negotiations with one large customer in Sweden has now been finalized.

Cloetta's sales increased in all markets except Finland, Norway and Italy. The upward sales trend in Sweden was driven by the new Pick & Mix concept and sales in Denmark rose primarily within pastilles. Sales in the Netherlands and Germany rose primarily within candy bags. Sales in Norway decreased within pastilles and in Finland, sales were down within candy bags. Sales in Italy continued to decline and Cloetta has thus not seen growth in Italy since the fourth quarter of 2013.

Stable raw material prices

Raw material prices were largely unchanged during the quarter, but with continued high prices for cocoa and nuts in particular. Over the past few quarters Cloetta has raised its prices primarily in Sweden and Norway to compensate for unfavorable exchange movements.

Integration of Lonka according to plan

Lonka, which was acquired on 17 July 2015, has significantly strengthened Cloetta's position in the Netherlands. The Nordic countries and the UK are other important markets, especially within Pick & Mix.

The process of integrating Lonka into Cloetta's organization has begun and is proceeding according to plan. A new joint sales and marketing organization has been set up in the Netherlands and plans for how Lonka products will be handled and launched in other markets are under preparation. Through the acquisition of Lonka, Cloetta has gained two additional factories. Efforts to coordinate integration of the factories and working methods have started. When all of the cost synergies from the acquisition of Lonka have been realized, we expect these to support Cloetta's target of an EBIT margin, adjusted for one-off items, of 14 per cent. With regard to sales and profitability, Lonka has developed according to plan during the quarter.

Cloetta a member of Bonsucro

Cloetta has continued to step up its sustainability commitment and has therefore become a member of Bonsucro, an organization devoted to addressing the sustainability challenges in the sugarcane sector.

Strategy stands firm

When I took over as CEO of Cloetta this summer, I said that my ambition was to continue on the profitable growth path driven by organic sales growth, continued cost-efficiencies and new initiatives, including potential acquisitions. I am therefore pleased to state that in my first quarter as CEO we were able to demonstrate both continued organic sales growth and the acquisition of Lonka. This shows that the strategy stands firm.

Our focus moving forward is naturally on sustained profitable growth, but new initiatives within Pick & Mix and the integration of Lonka are also prioritized areas.

Financial overview

Development in the third quarter

Net sales

Net sales for the third quarter rose by SEK 156m to SEK 1,459m (1,303) compared to the same period of last year. Organic growth was 4.2 per cent and acquisition-driven growth was 6.6 per cent.

Cloetta's sales increased in all markets except Finland, Norway and Italy. The upward sales trend in Sweden was driven by the new Pick & Mix concept and sales in Denmark rose primarily within pastilles. Sales in the Netherlands and Germany rose primarily within candy bags. Sales in Norway decreased within pastilles and in Finland, sales were down within candy bags. Sales in Italy continued to decline and Cloetta has thus not seen growth in Italy since the fourth quarter of 2013.

Changes in net sales, %	Jul–Sep 2015	Jan–Sep 2015
Organic growth	4.2	3.0
Structural changes	6.6	3.6
Changes in exchange rates	1.2	1.9
Total	**12.0**	**8.5**

Gross profit

Gross profit amounted to SEK 565m (500), which is equal to a gross margin of 38.7 per cent (38.4). The improvement in gross margin is mainly explained by higher efficiency in the factories and lower restructuring cost.

Operating profit

Operating profit was SEK 212m (178). The improvement is mainly due to adjustment of the contingent earn-out consideration for acquisitions. Operating profit has been negatively affected by exchange rate differences, increased marketing investments and non-recurring costs related to the acquisition of Lonka. Operating profit, adjusted for one-off items, amounts to SEK 194m (193).

One-off items

Operating profit for the third quarter includes one-off items related to adjustment of the contingent earn-out consideration for acquisitions and acquisition costs for Locawo B.V.

Net financial items

Net financial items for the quarter amounted to SEK –43m (–52). Interest expenses related to external borrowings were SEK –27m (–39) and other financial items amounted to SEK –16m (–13). Of total net financial items, SEK –10m (–18) is non-cash in nature.

Profit for the period

Profit for the period was SEK 130m (87), which is equal to basic and diluted earnings per share of SEK 0.45 (0.30). Income tax for the period was SEK –39m (–39). The effective tax rate for the quarter is 23.1 per cent (31.0).

Acquisitions and divestments

On 17 July 2015 Cloetta acquired Locawo B.V. which owns the brand "Lonka" – a Dutch company producing and selling fudge, nougat and chocolate. Lonka is a well-known brand that will significantly strengthen Cloetta's position in the Netherlands. The acquisition will diversify Cloetta's product range into new technologies and categories, including the Dutch chocolate market. It will also create cost synergies, thereby supporting Cloetta's target of an EBIT margin, adjusted for one-off items, of 14 per cent. In addition, there are long term revenue synergies that can be realized. For the preliminary accounting for the business combination, see page 17.

Development in the first three quarters of the year

Net sales

Net sales for the first three quarters were up by SEK 318m to SEK 4,052m (3,734) compared to the same period of last year. Organic growth was 3.0 per cent, acquisition-driven growth was 3.6 per cent and changes in exchange rates accounted for 1.9 per cent.

Sales increased in all markets except Italy, the Netherlands and Norway.

Gross profit

Gross profit amounted to SEK 1,580m (1,392), which is equal to a gross margin of 39.0 per cent (37.3). The improvement in gross margin is mainly explained by higher efficiency in the factories and lower restructuring cost.

Operating profit

Operating profit was SEK 432m (315). The improvement is due to higher efficiency in the factories and lower restructuring costs compared to 2014. An adjustment in the contingent earn-out consideration for acquisitions has also had a positive impact on operating profit. Operating profit, adjusted for one-off items, amounts to SEK 435m (375).

One-off items

Operating profit for the first three quarters includes one-off items related to adjustment of the contingent earn-out consideration for acquisitions, the reorganization in Italy and acquisition costs for Locawo B.V.

Net financial items
Net financial items for the first three quarters of the year amounted to SEK –130m (–168). Interest expenses related to external borrowings were SEK –94m (–108) and other financial items amounted to SEK –36m (–60). Of total net financial items, SEK –31m (–53) is non-cash in nature.

Profit for the period
Profit for the first three quarters of the year was SEK 229m (84), which is equal to basic and diluted earnings per share of SEK 0.80 (0.29). Income tax for the period was SEK –73m (–63). The effective tax rate for the first three quarters of the year was 24.2 per cent (42.9).

Acquisitions and divestments
On 17 July 2015 Cloetta acquired Locawo B.V.. No divestments took place during the first three quarters of the year.

Cash flow from operating and investing activities

Cash flow for the third quarter
Cash flow from operating activities was SEK 174m (75). Cash flow from operating activities before changes in working capital was SEK 236m (152). The improvement compared to the prior year is mainly the result of a higher operating profit and lower interest expenses. Cash flow from changes in working capital was SEK –62m (–77). Cash flow from operating and investing activities was SEK –62m (24).

Working capital

Cash flow from changes in working capital follows normal seasonal pattern and was SEK –62m (–77).

Investments

Cash flow from investing activities was SEK –236m (–51). The increase is mainly due to the acquisition of Locawo B.V. for a net amount of SEK –206m. The cash flow from investments in property, plant and equipment and intangibles amounted to SEK –30m (–38).

Cash flow for the first three quarters of the year
Cash flow from operating activities was SEK 560m (210). Cash flow from operating activities before changes in working capital was SEK 402m (225). The improvement compared to prior year is mainly the result of a higher operating profit and lower interest expenses. The cash flow from movements in working capital was SEK 158m (–15). Cash flow from operating and investing activities was SEK 241m (–99).

Working capital

The cash flow from changes in working capital was SEK 158m (–15). The cash flow from movements in working capital is mainly attributable to higher collection of receivables of SEK 175m (47) mainly related to the seasonal sales. A nearly flat inventory level in the first three quarters of the year compared to increasing inventory in the first three quarters of 2014 impacted the cash flow positively in an amount of SEK 13m (–88).

Investments

Cash flow from investing activities was SEK –319m (–309). The increase is mainly due to the acquisition of Locawo B.V. for a net amount of SEK –206m. The cash flow from investments in property, plant and equipment and intangibles amounted to SEK –113m (–118).

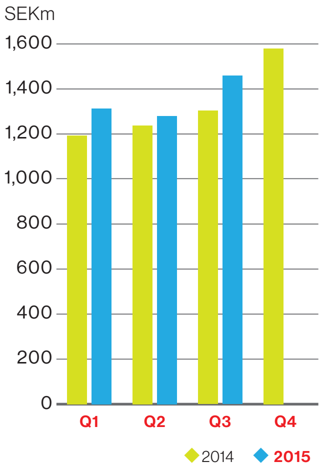
Financial position
Consolidated equity at 30 September 2015 amounted to SEK 4,342m (3,849), which is equal to SEK 15.0 per share (13.3). Net debt at 30 September 2015 was SEK 3,170m (3,461).

Non-current borrowings totalled SEK 2,759m (3,030) and consisted of SEK 1,777m (2,067) in gross loans from credit institutions, senior secured notes of SEK 1,000m (1,000) and SEK –18m (–37) in capitalized transaction costs.

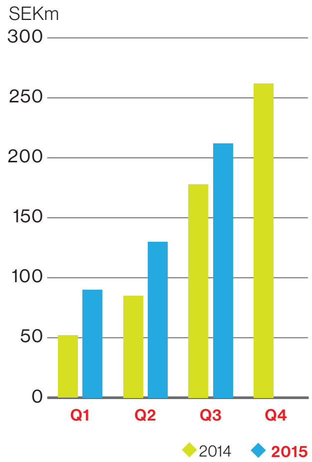
Total current borrowings amounted to SEK 446m (443) and consisted of SEK 366m (172) in gross loans from credit institutions, SEK –18m (–17) in capitalized transaction costs, SEK 97m (287) in credit overdraft facilities, and accrued interest on loans from credit institutions and senior secured notes for an amount of SEK 1m (1).

The short-term gross loans from credit institutions in an amount of SEK 366m (172) consist of a short-term repayment obligation for the last quarter of 2015 and the first three quarters of 2016.

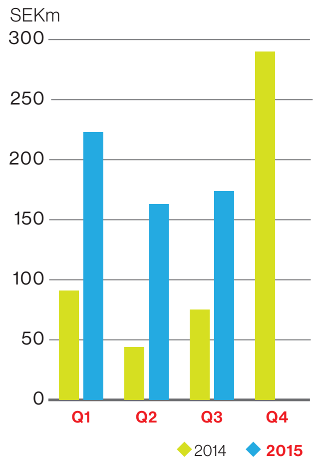
Net sales



Operating profit



Cash flow from operating activities



SEKm	30 Sep 2015	30 Sep 2014	31 Dec 2014
Gross non-current borrowings	1,777	2,067	2,026
Gross current borrowings	366	172	229
Credit overdraft facilities	97	287	211
Senior secured notes	1,000	1,000	1,000
Derivative financial instruments (current and non-current)	82	68	70
Interest payable	1	1	1
Gross debt	**3,323**	**3,595**	**3,537**
Cash and cash equivalents	–153	–134	–229
Net debt	**3,170**	**3,461**	**3,308**

Cash and cash equivalents at 30 September 2015, excluding long-term unutilized overdraft facilities, amounted to SEK 153m (134). At 30 September 2015 Cloetta had unutilized overdraft facilities for a total of SEK 633m (401).

Other disclosures

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, sales are usually higher than in the first three quarters of the year, which is mainly attributable to the sale of products in Sweden and Italy in connection with the holiday season.

Employees

The average number of employees during the quarter was 2,493 (2,495).

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.

Selection of key product launches during Q3

Italy
Sperlari chocolate Almonds
Sperlari dark chocolate Orange
Sperlari Almonds/Blackcurrant

Denmark
Lagerman Lakridskonfekt
Blå Knap and Choko Sandwich

Finland
Mini-bags x 8
Tupla+Protein
Tupla+Energy
Cloetta Sprinkle Latte Crunchiatto

Norway
Malaco Sild x 3

Sweden, Norway and Denmark
Center Mint

Sweden and Norway
Gott&blandat Supersalt

Sweden
Läkerol YUP Cola Sour
Polly Puffar Sea Salt
Ahlgrens raggarbilar limited edition
Cloetta Crispy Bite x 2
Nutisal Dry Roasted Peanuts x 3

The Netherlands
Red Band Dropfruits Smiles, Vinegum Vissen and Zure Bliksems
Lonca Soft Fudge Vlinders and Hartjes

Rest of the world
Läkerol Pink Guava
Läkerol Honey Drops
Green Apple

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, 10 November 2015
Cloetta AB (publ)

The board of Directors

Review report

Introduction

We have reviewed the summary interim financial information (interim report) of Cloetta AB (publ) as of 30 September 2015 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and 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 International Standard on Review Engagements ISRE 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 International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the 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, 10 November 2015

KPMG AB
Tomas Forslund
Authorized Public Accountant

Financial statements in summary

Consolidated profit and loss account

SEKm	Third quarter Jul–Sep 2015	Third quarter Jul–Sep 2014	9 months Jan–Sep 2015	9 months Jan–Sep 2014	Rolling 12 Oct 2014– Sep 2015	Full year 2014
Net sales	1,459	1,303	4,052	3,734	5,631	5,313
Cost of goods sold	–894	–803	–2,472	–2,342	–3,455	–3,325
Gross profit	**565**	**500**	**1,580**	**1,392**	**2,176**	**1,988**
Other income	0	3	0	4	1	5
Selling expenses	–228	–195	–712	–655	–949	–892
General and administrative expenses	–125	–130	–436	–426	–534	–524
Operating profit	**212**	**178**	**432**	**315**	**694**	**577**
Exchange differences on borrowings and cash and cash equivalents in foreign currencies	–4	7	5	3	–9	–11
Other financial income	0	1	0	4	0	4
Other financial expenses	–39	–60	–135	–175	–192	–232
Net financial items	**–43**	**–52**	**–130**	**–168**	**–201**	**–239**
Profit before tax	**169**	**126**	**302**	**147**	**493**	**338**
Income tax	–39	–39	–73	–63	–106	–96
Profit for the period	**130**	**87**	**229**	**84**	**387**	**242**
Profit for the period attributable to:						
Owners of the Parent Company	**130**	**87**	**229**	**84**	**387**	**242**
Earnings per share, SEK						
Basic	0.45	0.30	0.80	0.29	1.35	0.84
Diluted[1]	0.45	0.30	0.80	0.29	1.35	0.84
Number of shares at end of period	288,619,299	288,619,299	288,619,299	288,619,299	288,619,299	288,619,299
Average number of shares (basic)[1]	286,154,515	286,481,689	286,371,433	287,158,612	286,399,223	286,987,990
Average number of shares (diluted)[1]	286,408,540	286,593,066	286,599,467	287,247,718	286,597,526	287,092,780

1 Cloetta entered into three long-term forward contracts to repurchase own shares in order to fulfill its future obligation to deliver shares to the participants in the long-term share-based incentive plan. Earnings per share are calculated on the average number of shares adjusted for the effect of the forward contracts to repurchase own shares. The three contracts covers a total of 2,567,610 Cloetta AB shares. One contract covers 937,610 Cloetta AB shares for an amount of SEK 18.50678 per share, one contract covers 1,200,000 Cloetta AB shares for an amount of SEK 23.00000 per share and the last contract covers 430,000 Cloetta AB shares for an amount of SEK 26.40000 per share.

Consolidated statement of comprehensive income

SEKm	Third quarter Jul–Sep 2015	Jul–Sep 2014	9 months Jan–Sep 2015	Jan–Sep 2014	Rolling 12 Oct 2014–Sep 2015	Full year 2014
Profit for the period	**130**	**87**	**229**	**84**	**387**	**242**
Other comprehensive income						
Remeasurement of defined benefit pension plans	48	–69	95	–106	55	–146
Income tax on other comprehensive income that will not be reclassified subsequently to profit or loss for the period	–10	17	–21	24	–12	33
Items that will never be reclassified to profit or loss for the period	**38**	**–52**	**74**	**–82**	**43**	**–113**
Currency translation differences	83	–10	–3	141	88	232
Hedge of a net investment in a foreign operation	–21	2	–1	–26	–22	–47
Income tax on other comprehensive income that will be reclassified subsequently to profit or loss for the period, when specific conditions are met	4	–1	0	5	5	10
Items that are or may be reclassified to profit or loss for the period	**66**	**–9**	**–4**	**120**	**71**	**195**
Total other comprehensive income	**104**	**–61**	**70**	**38**	**114**	**82**
Total comprehensive income, net of tax	**234**	**26**	**299**	**122**	**501**	**324**
Total comprehensive income for the period attributable to:						
Owners of the Parent Company	234	26	299	122	501	324

Net financial items

SEKm	Third quarter Jul–Sep 2015	Jul–Sep 2014	9 months Jan–Sep 2015	Jan–Sep 2014	Rolling 12 Oct 2014–Sep 2015	Full year 2014
Exchange differences on borrowings and cash	**–4**	**7**	**5**	**3**	**–9**	**–11**
Other financial income, third parties	0	1	0	4	0	4
Other financial income	**0**	**1**	**0**	**4**	**0**	**4**
Interest expenses on third-party borrowings and realized losses on single currency interest rate swaps	–27	–39	–94	–108	–132	–146
Interest expenses, contingent earn-out liabilities	–4	–4	–11	–10	–15	–14
Amortization of capitalized transaction costs	–4	–5	–13	–14	–18	–19
Unrealized losses on single currency interest rate swaps	1	–6	1	–20	–2	–23
Other financial expenses	–5	–6	–18	–23	–25	–30
Other financial expenses	**–39**	**–60**	**–135**	**–175**	**–192**	**–232**
Net financial items	**–43**	**–52**	**–130**	**–168**	**–201**	**–239**

Condensed consolidated balance sheet

SEKm	30 Sep 2015	30 Sep 2014	31 Dec 2014
ASSETS			
Non-current assets			
Intangible assets	6,063	5,785	5,882
Property, plant and equipment	1,740	1,636	1,667
Deferred tax asset	69	67	84
Other financial assets	114	104	105
Total non-current assets	**7,986**	**7,592**	**7,738**
Current assets			
Inventories	873	980	853
Other current assets	1,033	949	1,124
Derivative financial instruments	1	–	2
Cash and cash equivalents	153	134	229
Total current assets	**2,060**	**2,063**	**2,208**
Assets held for sale	16	16	16
TOTAL ASSETS	**10,062**	**9,671**	**9,962**
EQUITY AND LIABILITIES			
Equity	**4,342**	**3,849**	**4,048**
Non-current liabilities			
Long-term borrowings	2,759	3,030	2,993
Deferred tax liability	606	430	483
Derivative financial instruments	47	55	56
Other non-current liabilities	43	170	147
Provisions for pensions and other long-term employee benefits	411	470	505
Provisions	11	17	16
Total non-current liabilities	**3,877**	**4,172**	**4,200**
Current liabilities			
Short-term borrowings	446	443	423
Derivative financial instruments	36	13	16
Other current liabilities	1,349	1,182	1,210
Provisions	12	12	65
Total current liabilities	**1,843**	**1,650**	**1,714**
TOTAL EQUITY AND LIABILITIES	**10,062**	**9,671**	**9,962**

Condensed consolidated statement of changes in equity

SEKm	Jan–Sep 2015	Jan–Sep 2014	Full year 2014
Equity at beginning of period	**4,048**	**3,747**	**3,747**
Profit for the period	229	84	242
Other comprehensive income	70	38	82
Total comprehensive income	**299**	**122**	**324**
Transactions with owners			
Forward contract to repurchase own shares	–12	–27	–27
Share-based payments	7	7	4
Total transactions with owners	**–5**	**–20**	**–23**
Equity at end of period	**4,342**	**3,849**	**4,048**

Condensed consolidated cash flow statement

	Third quarter		9 months		Rolling 12	Full year
SEKm	Jul–Sep 2015	Jul–Sep 2014	Jan–Sep 2015	Jan–Sep 2014	Oct 2014–Sep 2015	2014
Cash flow from operating activities before changes in working capital	236	152	402	225	669	492
Cash flow from changes in working capital	–62	–77	158	–15	181	8
Cash flow from operating activities	**174**	**75**	**560**	**210**	**850**	**500**
Cash flow from investments in property, plant and equipment and intangible assets	–30	–38	–113	–118	–177	–182
Other cash flow from investing activities	–206	–13	–206	–191	–202	–187
Cash flow from investing activities	**–236**	**–51**	**–319**	**–309**	**–379**	**–369**
Cash flow from operating and investing activities	**–62**	**24**	**241**	**–99**	**471**	**131**
Cash flow from financing activities	**–28**	**–51**	**–307**	**90**	**–421**	**–24**
Cash flow for the period	**–90**	**–27**	**–66**	**–9**	**50**	**107**
Cash and cash equivalents at beginning of period	261	157	229	167	134	167
Cash flow for the period	–90	–27	–66	–9	50	107
Foreign exchange difference	–18	4	–10	–24	–31	–45
Cash and cash equivalents at end of period	**153**	**134**	**153**	**134**	**153**	**229**

Condensed consolidated key figures

SEKm	Third quarter		9 months		Rolling 12	Full year
	Jul–Sep 2015	Jul–Sep 2014	Jan–Sep 2015	Jan–Sep 2014	Oct 2014–Sep 2015	2014
Profit						
Net sales	1,459	1,303	4,052	3,734	5,631	5,313
Net sales, change, %	12.0	9.1	8.5	8.2	8.8	8.6
Organic net sales, change, %	4.2	–0.6	3.1	0.7	n/a	1.0
Gross margin, %	38.7	38.4	39.0	37.3	38.6	37.4
Depreciation	–58	–48	–168	–143	–223	–198
Amortization	–1	–1	–3	–2	–4	–3
Operating profit, adjusted	194	193	435	375	692	632
Operating profit margin, adjusted, %	13.3	14.8	10.7	10.0	12.3	11.9
Operating profit (EBIT)	212	178	432	315	694	577
Operating profit margin (EBIT), %	14.5	13.7	10.7	8.4	12.3	10.9
Profit margin, %	11.6	9.7	7.5	3.9	8.8	6.4
Financial position						
Working capital	709	824	709	824	709	819
Capital expenditure	–31	–44	–114	–124	–176	–186
Net debt	3,170	3,461	3,170	3,461	3,170	3,308
Capital employed	8,040	7,860	8,040	7,860	8,040	8,041
Return on capital employed, % (Rolling 12 months)	8.7	6.6	8.7	6.6	8.7	7.5
Equity/assets ratio, %	43.2	39.8	43.2	39.8	43.2	40.6
Net debt/equity, %	73.0	89.9	73.0	89.9	73.0	81.7
Return on equity, %	3.0	2.3	5.3	2.2	8.9	6.0
Equity per share, SEK	15.0	13.3	15.0	13.3	15.0	14.0
Net debt/EBITDA, x (Rolling 12 months)	3.39	4.30	3.39	4.30	3.39	3.97
Cash flow						
Cash flow from operating activities	174	75	560	210	850	500
Cash flow from investing activities	–236	–51	–319	–309	–379	–369
Cash flow after investments	–62	24	241	–99	471	131
Cash conversion, %[1]	87.7	81.8	81.2	76.2	80.8	77.7
Cash flow from operating activities per share, SEK	0.6	0.3	1.9	0.7	2.9	1.7
Employees						
Average number of employees	2,493	2,495	2,543	2,497	2,520	2,533

1) Comparative figures have been restated due to a change in the definition of the cash conversion.

Condensed consolidated quarterly data

SEKm	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Profit and loss account									
Net sales	1,459	1,280	1,313	1,579	1,303	1,238	1,193	1,441	1,194
Cost of goods sold	–894	–756	–822	–983	–803	–770	–769	–939	–741
Gross profit	**565**	**524**	**491**	**596**	**500**	**468**	**424**	**502**	**453**
Other income	0	0	0	1	3	1	0	0	2
Selling expenses	–228	–239	–245	–237	–195	–257	–203	–219	–197
General and administrative expenses	–125	–155	–156	–98	–130	–127	–169	–108	–127
Operating profit	**212**	**130**	**90**	**262**	**178**	**85**	**52**	**175**	**131**
Exchange gains/losses on borrowings and cash and cash equivalents in foreign currencies	–4	3	6	–14	7	–3	–1	–5	34
Other financial income	0	0	0	0	1	2	1	2	2
Other financial expenses	–39	–42	–54	–57	–60	–65	–50	–45	–66
Net financial items	**–43**	**–39**	**–48**	**–71**	**–52**	**–66**	**–50**	**–48**	**–30**
Profit/loss before tax	**169**	**91**	**42**	**191**	**126**	**19**	**2**	**127**	**101**
Income tax expense	–39	–25	–9	–33	–39	–10	–14	59	–15
Profit/loss for the period	**130**	**66**	**33**	**158**	**87**	**9**	**–12**	**186**	**86**
Profit/loss for the period attributable to:									
Owners of the Parent Company	130	66	33	158	87	9	–12	186	86
Key figures									
Operating profit, adjusted	194	133	108	257	193	108	74	n/a	n/a
Operating profit margin, adjusted, %	13.3	10.4	8.2	16.3	14.8	8.7	6.2	n/a	n/a
Operating profit margin (EBIT margin), %	14.5	10.2	6.9	16.6	13.7	6.9	4.4	12.1	11.0
Earnings per share, kr SEK									
Basic	0.45	0.23	0.12	0.55	0.30	0.03	–0.04	0.65	0.30
Diluted[1]	0.45	0.23	0.12	0.55	0.30	0.03	–0.04	0.65	0.30
Financial position									
Share price, last paid, kr SEK	23.90	25.10	25.30	22.60	21.60	22.80	23.60	19.40	18.70
Return on equity, %	3.0	1.6	0.8	3.9	2.3	0.2	–0.3	5.0	2.5
Return on equity, % (Rolling 12 months)	8.9	8.4	7.1	6.0	7.0	7.0	5.7	7.0	6.7
Equity per share, SEK	15.0	14.3	13.9	14.0	13.3	13.2	13.0	13.0	12.0
Net debt/EBITDA, x (Rolling 12 months)	3.39	3.30	3.60	3.97	4.30	4.55	4.47	4.19	4.40
Cash flow									
Cash flow from operating activities per share, SEK	0.6	0.6	0.8	1.0	0.3	0.2	0.3	0.4	0.2

1) Cloetta entered into three long term forward contracts to repurchase own shares to fulfill its future obligation to deliver the shares to the participants of the long-term share based incentive plan. Earnings per share are calculated on the average number of shares adjusted for the effect of the forward contracts to repurchase own shares. The three contracts covers a total of 2,567,610 Cloetta AB shares. One contract covers 937.610 Cloetta AB shares for an amount of SEK 18.50678 per share, one contract covers 1,200,000 Cloetta AB shares for an amount of SEK 23.00000 per share and the last contract covers 430,000 Cloetta AB shares for an amount of SEK 26.40000 per share.

Parent Company

Condensed parent company profit and loss account

SEKm	Third quarter Jul–Sep 2015	Third quarter Jul–Sep 2014	9 months Jan–Sep 2015	9 months Jan–Sep 2014	Rolling 12 Oct 2014–Sep 2015	Full year 2014
Net sales	23	26	65	69	84	88
Gross profit	**23**	**26**	**65**	**69**	**84**	**88**
Other income	–	–	–	0	–	0
General and administrative expenses	–30	–23	–87	–81	–110	–104
Operating loss	**–7**	**3**	**–22**	**–12**	**–26**	**–16**
Net financial items	–7	–12	–25	–37	4	–8
Loss before tax	**–14**	**–9**	**–47**	**–49**	**–22**	**–24**
Income tax	3	4	10	11	4	5
Loss for the period	**–11**	**–5**	**–37**	**–38**	**–18**	**–19**

Loss for the period corresponds to comprehensive income for the period.

Condensed parent company balance sheet

SEKm	30 Sep 2015	30 Sep 2014	31 Dec 2014
ASSETS			
Non-current assets	**5,314**	**5,185**	**5,184**
Current assets	**37**	**40**	**62**
TOTAL ASSETS	**5,351**	**5,225**	**5,246**
EQUITY AND LIABILITIES			
Equity	**4,175**	**4,190**	**4,205**
Non-current liabilities			
Borrowings	1,121	989	990
Derivative financial instruments	6	9	11
Provisions	1	1	1
Total non-current liabilities	**1,128**	**999**	**1,002**
Current liabilities			
Derivative financial instruments	13	6	9
Current liabilities	35	30	30
Total current liabilities	**48**	**36**	**39**
TOTAL EQUITY AND LIABILITIES	**5,351**	**5,225**	**5,246**
Pledged assets	4,882	4,623	4,623
Contingent liabilities	2,961	3,275	3,219

Condensed parent company statement of changes in equity

SEKm	Jan–Sep 2015	Jan–Sep 2014	Jan–Dec 2014
Equity at beginning of period	**4,205**	**4,221**	**4,221**
Loss for the period	–37	–38	–19
Total comprehensive income	**–37**	**–38**	**–19**
Transactions with owners			
Share based payments	7	7	3
Total transactions with owners	**7**	**7**	**3**
Equity at end of period	**4,175**	**4,190**	**4,205**

Disclosures, risk factors and accounting policies

Disclosures

Parent Company

Cloetta AB's primary activities include head office functions such as group-wide management and administration. The comments below refer to the period from 1 January to 30 September 2015. Net sales in the Parent Company reached SEK 65m (69) and referred mainly to intra-group services. Operating profit was SEK –22m (–12). Net financial items totalled SEK –25m (–37). Profit before tax was SEK –47m (–49) and profit for the period was SEK –37m (–38). Cash and cash equivalents and short-term investments amounted to SEK 0m (0).

The Cloetta share

Cloetta's class B share is listed on Nasdaq Stockholm, Mid Cap. During the period from 1 January to 30 September 2015, a total of 124,317,595 shares were traded for a combined value of SEK 3,165m, equal to around 45 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 30 September 2015 was SEK 28.10 (8 May) and the lowest was SEK 22.40 (7 January). The share price on 30 September 2015 was SEK 23.90 (last price paid).

During the period from 1 January to 30 September 2015, the Cloetta share rose by 5 per cent while the Nasdaq OMX Stockholm PI index was unchanged.

Cloetta's share capital at 30 September 2015 amounted to 1,443,096,495. The total number of shares is 288,619,299, consisting of 9,861,614 class A shares and 278,757,685 class B shares, equal to a quota value of SEK 5 per share.

Shareholders

On 30 September 2015 Cloetta AB had 13,474 shareholders. The largest shareholder was AB Malfors Promotor with a holding corresponding to 41.5 per cent of the votes and 23.6 per cent of the share capital in the company. AMF was the second largest shareholder with 6.9 per cent of the votes and 9.0 per cent of the share capital. The third largest shareholder was Threadneedle Investment Funds with 3.8 per cent of the votes and 4.9 per cent of the share capital.

Institutional investors held 91.3 per cent of the votes and 88.6 per cent of the share capital. Foreign shareholders held 26.1 per cent of the votes and 34.2 per cent of the share capital.

Taxes

In the first three quarters of the year, some minor amounts of international tax rate differences and non-deductible expenses impacted the effective tax rate for the Group. Cloetta's deferred tax balances have been calculated according to the enacted tax rates.

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 annual report for 2014 and consist of industry- and market-related risks, operational risks and financial risks. Compared to the annual report for 2014, which was issued on 12 March 2015, no new risks have been identified.

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 2015. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, has been applied. The consolidated interim report is presented compliant 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 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 policies and methods of computation are followed in the interim financial statements as compared to the most recent annual financial statements, except for amendments to standards that are effective for annual periods beginning on 1 January 2015 that have not been already applied in preparing the 2014 consolidated financial statements. The changes in these standards have not had any material impact on recognition or measurement or the financial reporting disclosure requirements. For detailed information about the accounting policies, see Cloetta's annual report for 2014 at www.cloetta.com

Fair value measurement

The only items recognized at fair value after initial recognition are the interest rate swaps and forward foreign currency contracts categorized at level 2 of the fair value hierarchy in all periods presented and the contingent earn-out consideration related to the acquisition of Alrifai Nutisal AB (currently known as Cloetta Nutisal AB) and the contingent consideration arising from the option agreement for Aran Candy Ltd. categorized at level 3, as well as assets held for sale, in cases where the fair value less cost to sell is below the carrying amount. The fair values of financial assets (loans and receivables) and liabilities measured at amortized cost are approximately equal to their carrying amounts. The fair value of financial assets and liabilities for measurement purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair value measurements by level according to the fair value measurement hierarchy are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that were measured at fair value at 30 September 2015

SEKm	Level 1	Level 2	Level 3	Total
Assets				
Assets at fair value through profit or loss				
- Non-current assets measured at fair value	–	–	16	16
- Forward foreign currency contracts	–	1	–	1
Total assets	**–**	**1**	**16**	**17**
Liabilities				
Liabilities at fair value through profit or loss				
- Interest rate swaps	–	25	–	25
- Contingent consideration	–	–	128	128
- Forward foreign currency contracts	–	1	–	1
Total liabilities	**–**	**26**	**128**	**154**

The liabilities measured at fair value are reflected in the 'other non-current liabilities', 'derivative financial instruments' and 'other current liabilities'.

The non-current assets measured at fair value at 30 September 2015 consisted of the land and building in Zola Predosa, Italy.

The following table presents the Group's assets and liabilities that were measured at fair value at 31 December 2014

SEKm	Level 1	Level 2	Level 3	Total
Assets				
Assets at fair value through profit or loss				
- Non-current assets measured at fair value	–	–	16	16
- Forward foreign currency contracts	–	2	–	2
Total assets	**–**	**2**	**16**	**18**
Liabilities				
Liabilities at fair value through profit or loss				
- Interest rate swaps	–	27	–	27
- Contingent consideration	–	–	147	147
Total liabilities	**–**	**27**	**147**	**174**

The liabilities measured at fair value are reflected in the 'other non-current liabilities' and 'derivative financial instruments'.

The following table presents the Group's assets and liabilities that were measured at fair value at 30 September 2014

SEKm	Level 1	Level 2	Level 3	Total
Assets				
Assets at fair value through profit or loss				
- Non-current assets measured at fair value	–	–	16	16
Total assets	**–**	**–**	**16**	**16**
Liabilities				
Liabilities at fair value through profit or loss				
- Interest rate swaps	–	23	–	23
- Contingent consideration	–	–	170	170
Total liabilities	**–**	**23**	**170**	**193**

The liabilities measured at fair value are reflected in the 'other non-current liabilities' and 'derivative financial instruments'.

Movements in financial instruments categorized at level 3 of the fair value hierarchy can be specified as follows:

SEKm	Jan–Sep 2015	Jan–Sep 2014	Full Year 2014
Opening balance	**147**	**2**	**2**
Business combinations	–	158	158
Remeasurements recognized in profit or loss			
- Unrealized remeasurements on contingent consideration recognized in general and administrative expenses	–30	–	–27
- Unrealized interest on contingent consideration recognized in other financial expenses	10	10	14
Remeasurements recognized in other comprehensive income			
- Unrealized currency translation differences	1	0	0
Closing balance	**128**	**170**	**147**

No transfer between fair value hierarchy levels has occured during the financial year or the prior financial year.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included at level 2. The valuation of these instruments is based on quoted market prices (price-component), but the underlying contract amounts (quantity-component) are based on the specific requirements of the Group. These instruments are therefore included at level 2. The fair value measurement of the contingent earn-out liability requires the use of significant unobservable inputs and is thereby categorized at level 3. The valuation techniques and inputs used to value financial instruments are:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

- The fair value of forward foreign currency contracts is calculated using the difference between the exchange rate on the spot date with the contractually agreed upon exchange rates.
- The fair value of the assets held for sale is based on valuations by external independent valuators.
- Other techniques, such as discounted cash flow analysis, are used to determine the fair value of the remaining financial instruments.

The fixed assets measured at fair value are identified as a non-recurring fair value measurement and are related to the assets held for sale. The assets are valued at fair value because the fair value less cost to sell is below the carrying amount. The contingent earn-out liabilities are measured at fair value using a scenario model with an earn-out threshold, different results and related changes, and an applicable multiplier as input. These data are aligned with the earn-out contracts. The inter-relationship between significant unobservable inputs and fair value measurement are:

- The estimated fair value of the contingent earn-out consideration would increase (decrease) if:
  - the forecasted profit before indirect cost for 2015 and 2016 was higher (lower).
- The estimated fair value of the contingent consideration arising from option agreements would increase (decrease) if:
  - the working capital at 31 December 2015 was higher (lower),
  - the cash balance at 31 December 2015 was higher (lower),
  - the adjusted gross profit for 2015 was higher (lower).

Acquisition of Locawo B.V.

On 17 July 2015 Cloetta acquired control of Locawo B.V., a manufacturer of a wide range of sweets, by acquiring 100 per cent of the total outstanding ordinary shares. This transaction has provided Cloetta with 100 per cent of the voting rights in Locawo B.V. The primary reason for the acquisition is to broaden the Cloetta product portfolio as part of its 'Munchy Moments' strategy and to gain access to the adult candy and chocolate market in the Netherlands.

The total consideration consists of SEK 206m of cash. No contingent consideration is arranged in the transaction.

The goodwill of SEK 40m relates primarily to the potential of new distribution channels, the workforce, the creation of diversity in Cloetta's branded portfolio and new market/sales opportunities in Cloetta's markets. The total goodwill of SEK 40m is not expected to be deductible for tax purposes.

The acquired receivables consist of trade receivables of SEK 34m which are expected to be collected in full. The contingent liabilities recognized as part of the purchase price allocation amount to SEK 1m. The total of transaction cost related to the acquisition amounted to SEK 9m and is fully recognized in the profit and loss account for of the period concerned as 'General & administrative expenses'.

Due to the short-term nature of the receivables, the fair value approximates the gross contractual amounts. The contractual cash flows which are not expected to be collected are immaterial.

Locawo B.V. contributed SEK 86m to Cloetta's consolidated revenues from acquisition date to 30 September 2015. Had Locawo B.V. been consolidated from 1 January 2015, it would have (pro forma) contributed SEK 230m to consolidated revenues over the period from 1 January 2015 to 30 September 2015. Because Locawo B.V. was acquired on 17 July 2015, the accounting for the business combination is preliminary and has not yet been finalized, as the company is still assessing certain information. The goodwill acquired is allocated to the Middle cash generating unit.

SEKm	
Consideration paid	
Cash paid	206
Contingent consideration	–
Consideration transferred	**206**
Recognized amounts of identifiable assets and liabilities assumed:	
Non-current assets	**264**
Intangible assets (excl. goodwill)	143
Property, plant and equipment	119
Other non-current assets	2
Current assets	**83**
Inventories	31
Trade and other receivables	52
Cash and cash equivalents	–
Non-current liabilities	**–74**
Borrowings	–21
Provisions	–2
Deferred tax liabilities	–51
Current liabilities	**–107**
Borrowings	–30
Trade payables	–26
Derivative financial instruments	–3
Taxes and social security premiums	–6
Payables to related parties	–27
Other current liabilities	–15
Total identifiable net assets	**166**
Goodwill	40
Consideration transferred	**206**

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.
Margins	
Gross margin	Net sales less cost of goods sold as a percentage of net sales.
Operating profit margin (EBIT margin)	Operating profit expressed as a percentage of net sales.
Operating profit margin, adjusted	Operating profit, adjusted for one-off items, as a percentage of net sales.
Profit margin	Profit/loss before tax expressed as a percentage of net sales.
Return	
Cash conversion	Operating profit, adjusted for one-off items, before depreciation and amortization less capital expenditures as a percentage of operating profit, adjusted for one-off items, before depreciation and amortization.
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.
Capital structure	
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 including credit overdraft facilities, derivative financial instruments and interest payables.
Net debt	Gross debt less cash and cash equivalents.
Net debt/EBITDA ratio	Net debt/EBITDA according to the definition in the credit facility agreement. The difference between net debt in the credit facility agreement and the external net debt definition is that the definition in the credit facility agreement includes the minimum contingent earn-out consideration but excludes financial derivative instruments. The definition of EBITDA in the credit facility agreement corresponds to operating profit, adjusted, before depreciation and amortization, and includes the rolling twelve-month EBITDA of acquired companies.
Net debt/equity ratio	Net debt at the end of the period divided by equity at the end of the period.
Working capital	Total inventories and trade and other receivables adjusted for trade and other payables.
Data per share	
Earnings per share	Profit for the period divided by the average number of shares.
Other definitions	
EBIT	Operating profit consists of comprehensive income before net financial items and income tax.
Net sales, change	Net sales as a percentage of net sales in the comparative period of the previous year.
One-off items	One-off items are items such as restructurings and impact from acquisitions.
Operating profit, adjusted	Operating profit adjusted for one-off items.

Glossary

Pick & Mix concept	Cloetta's range of candy (Godisfavoriter) and natural snacks (Natursnacks) that are picked and mixed by the consumers themselves.

Exchange rates

	30 Sep 2015	30 Sep 2014	31 Dec 2014
EUR, average	9.3625	9.0526	9.1051
EUR, end of period	9.3941	9.1471	9.3829
NOK, average	1.0608	1.0926	1.0882
NOK, end of period	0.9903	1.1286	1.0439
GBP, average	12.8795	11.1720	11.3118
GBP, end of period	12.7188	11.7663	12.0340
DKK, average	1.2554	1.2137	1.2215
DKK, end of period	1.2594	1.2290	1.2604

Financial calendar

2015 2016

NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT

Annual General Meeting in Stockholm 12 April 2016

Year-end report Q4 18 February 2016

Annual Report March 2016

Interim report Q1 21 April 2016

Interim report Q2 15 July 2016

Interim report Q3 27 October 2016

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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 8:00 a.m. CET on 10 November 2015.

About Cloetta

Cloetta, founded in 1862, is a leading confectionery 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 13 production units in six countries. Cloetta's class B shares are traded on Nasdaq Stockholm.

Vision

To be the most admired satisfier of Munchy Moments

The vision, together with the goals and strategies, expresses Cloetta's business concept.

Business model

Cloetta's business model is to offer strong local brands in Munchy Moments and provide effective sales and distribution to the retail trade. Together, this will ensure continued positive development of the company's leading market positions.

Strategies

- **Focus on margin expansion and volume growth.**
- **Focus on cost-efficiency.**
- **Focus on employee development.**

Long-term financial targets

- **Cloetta's target is to increase organic sales at least in line with market growth.**
- **Cloetta's target is an EBIT margin, adjusted for one-off items, of at least 14 per cent.**
- **Cloetta's long-term target is a net debt/EBITDA ratio of around 2.5.**
- **Cloetta's long-term intention is a dividend payout of 40–60 per cent of profit after tax.**

Value drivers

- **Strong brands and market positions in a non-cyclical market.**
- **Excellent availability in the retail trade with the help of a strong and effective sales and distribution organization.**
- **Good consumer knowledge and loyalty.**
- **Innovative product and packaging development.**
- **Effective production with high and consistent quality.**

Cloetta

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