CLOETTA FAZER

Cloetta Fazer interim report

January – September 2007

	July – September		January – September	
	2007	2006	**2007**	2006
Net sales, SEK M	**745**	692	**2,143**	2,080
Operating profit, SEK M	**46**	89	**158**	211
Operating profit excluding restructuring charges, SEK M	**67**	89	**179**	217
Equal to an operating margin of, %	**9.0**	12.9	**8.4**	10.4
Profit after financial items, SEK M	**53**	89	**178**	218
Profit after tax, SEK M	**38**	64	**129**	158
Earnings per share before and after dilution, SEK	**1.60**	2.64	**5.32**	6.52

Q3

COMMENTS FROM THE CEO

"Cloetta Fazer's confectionery sales rose by 8 per cent in the third quarter, partly due to successful new product launches. The relatively cool summer in the Nordic region also contributed to the period's sales growth, of which Finland and the Baltic countries accounted for the largest increase.

Despite robust sales, Cloetta Fazer recorded a drop in profit owing mainly to higher costs for raw materials, manufacturing and sales/marketing activities. To compensate for the sharp increase in raw material costs, it will be necessary to raise our prices in the market.

At Cloetta Fazer we are working determinedly to realise our growth target. Cloetta Fazer has successfully driven development in the Swedish and Finnish confectionery markets and strengthened its position in the Baltic countries. Today Cloetta Fazer has a confectionery market share of 40 per cent in Finland and 24 per cent in Sweden. In Estonia, the company is number two in the market.

According to our strategy, we are seeking growth by diversifying into product areas where we currently have a weak position or none at all. Our acquisition of AB Karamellpojkarna, which we informed about on 1 October, is well in line with this ambition. The company is the third largest supplier of throat lozenges in Sweden and its Extra Starka Original brand is Sweden's top-selling product in the segment. The transaction will increase Cloetta Fazer's total sales by approximately 2 per cent.

At this time of year we begin setting our sights on the year's most important sales period – Christmas. We can see that sales to our customers have developed favourably, but that earnings remain under pressure mainly from rising raw material costs."

SALES AND PROFIT

January-September 2007

Net sales for the nine-month period grew by 3 per cent to SEK 2,143 million (2,080). Nordic sales rose by 2 per cent to SEK 1,972 million (1,927) and non-Nordic sales by 12 per cent to SEK 171 million (153).

Sales of the prioritised brands improved markedly in the third quarter with an increase of 6 per cent. Continued success was seen in the sugar confectionery segment, led by Tutti Frutti and Tyrkisk Peber. Of the chocolate products, Geisha and Karl Fazer showed the most significant growth. Sales of other chocolate products were down from the previous year.

The prioritised brands are responsible for just over half of total sales. Miscellaneous brands account for one third, consisting mainly of brands with strong positions in their local markets. New product launches and marketing activities in this segment are normally carried out at the national level. Sales of miscellaneous brands remained brisk in the third quarter and reached year-on-year growth of 7 per cent for the first nine months. Sales of pick-and-mix products, which showed a falling trend in the first half of the year, recovered smartly in the third quarter and matched the year-earlier level for the period as a whole.

Sales in Finland have risen by 7 per cent this year, while sales in the Swedish market are unchanged. The Danish market and Travel Trade (sales on ferries and at airports) developed favourably, while sales in Norway declined. Together these make up the Nordic market, which reported combined sales growth of 2 per cent.

Non-Nordic sales have increased by 12 per cent this year, driven mainly by success in the Baltic countries.

Operating profit is reported at SEK 158 million (211). In the third quarter, a decision was made to reduce a certain redundancy in the Swedish organisation. The related costs are estimated at SEK 21 million and were charged to profit for the period. Restructuring charges in the year-earlier period consisted of remaining costs for the closure of the Norrköping plant. Operating profit excluding these charges was SEK 179 million (217). This is equal to an operating margin of 8.4 per cent, compared to 10.4 per cent the year before.

Profit excluding restructuring charges declined by SEK 38 million compared to the prior year. The decrease is attributable to the Nordic market, where profit fell by SEK 56 million, with the Swedish market as the main detractor. In general, earnings have been impacted by a lower gross margin arising from insufficient production efficiency and a resulting rise in manufacturing costs. The lower third quarter profit also reflects higher raw material costs, which are expected to increase further in the fourth quarter and next year. To compensate for cost increases, it will be necessary to raise sales prices. However, these are not expected to have any effect in the current year. Earnings were also affected by increased selling and marketing expenses owing to persistent price pressure and a large number of new product launches.

Profit in the non-Nordic markets grew by SEK 18 million to SEK 5 million. The previous year's loss is mainly attributable to the Polish subsidiary which was wound up at year-end 2006, after which sales in Poland are handled by a local distributor. The year-on-year improvement was also aided by success in the Baltic countries, where sales have risen by 34 per cent so far this year and contributed to further expansion of market shares in the region.

Profit before tax was SEK 178 million (218). Net financial items amounted to SEK 20 million, up from SEK 7 million the year before. The improvement in net financial items is explained by the current year's rise in market interest rates and the previous year's negative effects on revaluation of financial investments. Adjusted for restructuring charges, profit before tax was SEK 199 (224).

Net profit was SEK 129 million (158), equal to earnings per share of SEK 5.32 (6.52). Excluding restructuring charges, earnings per share for the year-earlier period were SEK 5.96 (6.70). The year's income tax expense was SEK 49 million (60), equal to an effective tax rate of 28 per cent (28).

Cloetta Fazer uses long-term delivery contracts to ensure access to the most important raw materials and dampen the effects of price fluctuations. The rising cost of cocoa-based and other vital raw materials has not had any significant effect on profit since most raw material deliveries during the period were contracted in 2006. The current contracts for delivery in the second half of the year will lead to increased manufacturing costs compared to the previous year. To compensate for these higher costs, price increases in the market will be necessary.

July–September 2007

Net sales for the quarter rose by 8 per cent to SEK 745 million (692). Sales improved by 6 per cent to SEK 676 million (635) in the Nordic market and by 21 per cent to SEK 69 million (57) in the non-Nordic markets.

Sales of the prioritised brands were up by 6 per cent in the quarter, with Tutti Frutti, Karl Fazer and Geisha showing the strongest growth. Miscellaneous brands and pick-and-mix also performed well and grew by 11 and 18 per cent, respectively.

Operating profit for the third quarter was SEK 46 million, compared to the year-earlier figure of SEK 89 million, and included restructuring charges of SEK 21 million related to a staff reduction in the Swedish organisation. Excluding these charges, profit was SEK 67 million, which is equal to an operating margin of 9.0 per cent, compared to 12.9 per cent the year before.

Profit in the Nordic market, excluding restructuring charges, was down by SEK 25 million. Profit in the non-Nordic markets improved by SEK 3 million.

The drop in earnings for the Nordic market is explained by a lower gross profit and higher selling and marketing costs. Rising raw material costs had a negative impact on third quarter gross profit.

The improved profit in the non-Nordic markets reflects increased Baltic sales and a prior-year loss for the now discontinued subsidiary in Poland.

Operations follow a seasonal pattern where the first quarter (Easter) and particularly the fourth quarter (Christmas) are strongest in terms of sales and profit.

ROLLING 12 MONTHS

Operating profit before restructuring charges for the period October 2006 – September 2007 was SEK 315 million (355). Operating margin was 10.1 per cent (11.6). Sales rose by SEK 84 million to SEK 3,137 million during the period.

RESTRUCTURINGS

In order reduce redundancy in the Swedish organisation, an employee development programme was started in the third quarter. By offering retirement and outplacement solutions, the number of employees has been reduced by 42. The estimated costs of SEK 21 million were charged to profit for the third quarter. The cost savings arising from a lower number of employees will be visible starting next year.

The liquidation of the Polish subsidiary is still in process pending a decision by the Polish tax authorities as to whether or not the company will be required to repay previously received tax subsidies of SEK 25 million. The amount in question has been reported as a contingent liability. The liquidation cannot be completed until a decision is made.

CASH FLOW, FINANCIAL POSITION AND LIQUIDITY

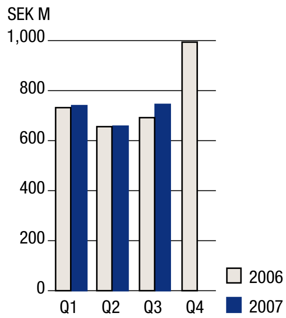
Cash and cash equivalents and short-term investments rose by SEK 65 million (16) to SEK 1,022 million (957). Cash flow from operating activities was SEK 88 million (16), an improvement explained by a decrease in working capital compared to the year-earlier period. Net cash of SEK 147 million (120) was utilised for investments in property, plant and equipment. Interest-bearing assets exceeded interest-bearing liabilities by a net amount of SEK 919 million (865).

The equity/assets ratio at 30 September was 78 per cent (79).

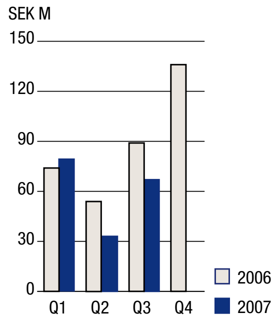
Our twelve prioritised brands

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

Net sales



Operating profit [1]



[1] Excluding restructuring charges

CAPITAL EXPENDITURE

Gross expenditure on property, plant and equipment was SEK 149 million (123) and referred primarily to supplementary and replacement investments on the existing production lines.

Depreciation and amortisation amounted to SEK 94 million (91).

EMPLOYEES

The average number of employees during the period was 1,536 (1,613). The decrease is mainly attributable to the Swedish market.

PARENT COMPANY

Net sales in the Parent Company are reported at SEK 47 million (46) and consisted mainly of intra-group services and rents. Profit after financial items was SEK 164 million (130).

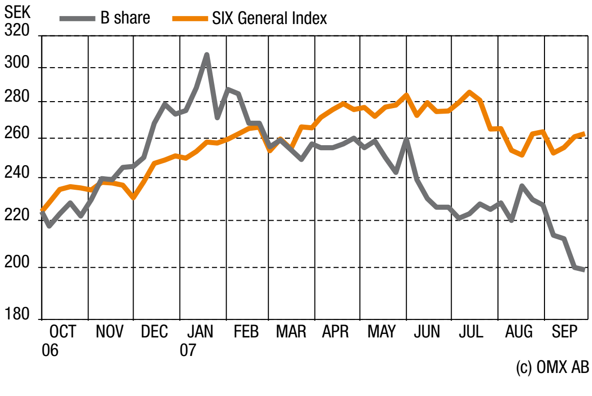
Net financial items amounted to SEK 180 million (144) and included SEK 156 million (131) in dividends from group companies. Cash and cash equivalents and short-term investments totalled SEK 927 million (869).

SHARE DATA

Cloetta Fazer's class B share is quoted on the Stockholm Stock Exchange. A round lot consists of 50 shares. A total of 6,020,847 shares were traded during the period January-September 2007.

The highest bid price was SEK 311 and the lowest was SEK 198. On 28 September the share was quoted at SEK 199 (last price paid).

Cloetta Fazer's share price development, October 2006 – September 2007



NOMINATING COMMITTEE

The 2007 Annual General Meeting (AGM) of Cloetta Fazer AB resolved on the procedure for appointment of a Nominating Committee. The Nominating Committee consists of three members, of whom two are appointed by the two largest shareholders in terms of voting power. These two representatives appoint the third member from among the independent members of the Board. The Nominating Committee consists of Juhani Mäkinen (representing Oy Karl Fazer Ab) and Christer Wagenius (representing AB Malfors Promotor), together with Board member Lennart Bylock (independent) as Chairman. The Annual General Meeting of Cloetta Fazer will be held on 23 April 2008.

SHAREHOLDERS

Cloetta Fazer had 3,710 shareholders at 30 September 2007. The principal shareholders and institutional investors held around 95.8 per cent of the votes and around 88.6 per cent of the share capital.

SUBSEQUENT EVENTS

On 1 October Cloetta Fazer AB acquired all of the shares in the confectionery company AB Karamellpojkarna. The company, based in Alingsås, is the third largest supplier of throat lozenges in Sweden and its Extra Starka Original brand is Sweden's top-selling product in the segment. In 2006 the company posted net sales of 69 million and profit of SEK –8 million after financial items. The number of employees is 35. The purchase price for the shares is divided into fixed and variable components, where the fixed component corresponds to equity on the date of ownership change and the variable component is mainly dependent on the future sales trend. Because the pre-acquisition financial statements had not yet been adopted on the publication date of this report, it is not possible to disclose information about the acquired assets and liabilities and adjustment of these to fair value. Total assets at 31 December 2006 amounted to 52 million, of which SEK 33 million consisted of fixed assets. Liabilities amounted to SEK 44 million, of which SEK 34 million was interest-bearing.

Information about the acquired assets and liabilities, and the estimated purchase price, will be provided in the 2007 full-year report.

ACCOUNTING PRINCIPLES AND OTHER INFORMATION

General

Cloetta Fazer complies with the International Financial Accounting Standards (IFRS) and interpretations of these (IFRIC) that have been endorsed for application in the EU. This interim report is presented in accordance with IAS 34, Interim Financial Reporting, and RR 31, Interim Financial Reporting for Groups.

The accounts of the Parent Company have been prepared in accordance with the Annual Account Act and the Swedish Financial Reporting Board's recommendation RR 32:06, Reporting for Legal Entities. The accounting and valuation standards applied in this report are the same as those used in the annual report for 2006 aside from a certain reclassification of costs between cost of goods sold and selling expenses. The change has increased gross margin for the interim period by 1 percentage point (1).

The comparative figures have been restated accordingly. The estimates and assumptions applied by the board and management in preparation of the financial statements are evaluated on a regular basis.
The new accounting standards and interpretations effective on and after 1 January 2007 have not had any impact on the Group's financial results or position.

Related party transactions

Sales of goods to companies in the Fazer Group made up 3.5 per cent (3.1) of total sales. Of other operating income (excluding capital gains), 14.7 per cent (13.7) referred to services sold to companies in the Fazer Group. Purchases from related parties were negligible. Buying and selling of goods and services between closely related companies has been carried out at market-based prices. Transactions with these companies amounted to a receivable of SEK 7 million (8) and a liability of SEK 1 million (1).

Operating and financial risks in the Group and the Parent Company

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

The Group's manufacturing costs account for approximately 70 per cent of the total cost mass. Of total manufacturing costs, raw materials and packaging make up approximately 60 per cent. The most significant raw materials in terms of value are cocoa, sugar and milk products. Compared to the previous year, prices for cocoa-based raw materials and milk products in particular have risen sharply. The majority of raw materials purchased in the first half of the year were based on delivery contracts entered into during 2006. Consequently, the higher prices have not yet had any significant effects but are expected to do so in the second half of the year. If these price leve ls persist, they will have a negative impact on profit for the coming year unless the effects can be offset through higher sales prices

The Group's financial risks consist primarily of currency, interest rate and credit risk. Cash and cash equivalents and short-term investments at 30 September 2007 amounted to SEK 1,022 million. With respect to the anticipated future interest rate trend, investments have been reweighted and the share of investment with a maturity of less than 3 months has increased during the period January-September 2007. At 30 September, 60 per cent of the total net flow of foreign currency was hedged for a period of nine months forward.

For more information about risk management, see the related sections of the 2006 annual report. Furthermore, Note 37 describes the management's accounting estimates and judgments made in the application of the Group's accounting policies. No significant changes have taken place compared to the information provided in the annual report.

Ljungsbro, 18 October 2007

Cloetta Fazer AB (publ)

The Board of Directors

The information in this report is of such a nature that it must be published by Cloetta Fazer AB in accordance with the Act on Stock Exchange and Clearing Operations and/or the Act on Trading in Financial Instruments

REVIEW REPORT

Introduction

We have reviewed the interim report of Cloetta Fazer AB (publ), corporate registration number 556014-2357, at September 30, 2007 and for the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this semi-annual report based on our review.

Scope of Review

We conducted our review in accordance with the 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 the Standards on Auditing in Sweden (RS) 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 expressed based on an audit.

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, in accordance with IAS 34 and the Annual Accounts Act for the group and in accordance with the Annual Accounts Act for the parent company.

Stockholm, 18 October 2007

KPMG Bohlins AB

Helene Willberg
Authorised Public Accountant

Summary consolidated profit and loss accounts

SEK M	Third quarter 2007	Third quarter 2006	First three quarters 2007	First three quarters 2006	Rolling 12 months	Full year 2006
Net sales	**745**	692	**2,143**	2,080	3,137	3,074
Cost of goods sold	**–511**	–448	**–1,433**	–1,354	–2,051	–1,972
Gross profit	**234**	244	**710**	726	1,086	1,102
Other operating income	**10**	18	**32**	42	42	52
Selling and administrative expenses	**–197**	–173	**–583**	–549	–834	–800
Other operating expenses	**–1**	0	**–1**	–8	–1	–8
Operating profit	**46**	89	**158**	211	293	346
Financial items	**7**	0	**20**	7	27	14
Profit before tax	**53**	89	**178**	218	320	360
Income tax expense	**–15**	–25	**–49**	–60	–87	–98
Profit for the period	**38**	64	**129**	158	233	262
Profit for the period attributable to:						
Equity holders of the Parent Company	**38**	64	**128**	157	232	261
Minority interest	**0**	0	**1**	1	1	1
Earnings per share before and after dilution [1]	**1.60**	2.64	**5.32**	6.52	9.61	10.81
Number of shares at end of period [2]	**24,119,196**	24,119,196	**24,119,196**	24,119,196	24,119,196	24,119,196

[1] Based on profit for the period attributable to equity holders of the Parent Company. The subscription period for the warrants issued in 2002 expired on 1 December 2006. The warrants have not been utilised for subscription to shares and no dilutive effect has arisen for the reported periods, since the average quoted price for the respective periods has exceeded the exercise price.

[2] Which also corresponds to the average number of shares during the period.

Comparative information

Significant items affecting comparability between years:

	Third quarter 2007	Third quarter 2006	First three quarters 2007	First three quarters 2006	Rolling 12 months	Full year 2006
Cost of goods sold						
Closure of the Norrköping plant	**–**	–	**–**	–6	4	–2
Staff reduction in Sweden	**–13**	–	**–13**	–	–13	–
Total cost of goods sold	**–13**	–	**–13**	–6	–9	–2
Selling and administrative expenses						
Wind-up of the subsidiary in Poland	**–**	–	**–**	–	–5	–5
Staff reduction in Sweden	**–8**	–	**–8**	–	–8	–
Total selling and administrative expenses	**–8**	–	**–8**	–	–13	–5
Effect on operating profit	**–21**	–	**–21**	–6	–22	–7
Financial items	**–**	–	**–**	–	–	–
Income tax expense	**6**	–	**6**	2	6	2
Effect on profit for the period	**–15**	–	**–15**	–4	–16	–5

Summary consolidated profit and loss accounts in Euro [1]

EUR M	Third quarter 2007	Third quarter 2006	First three quarters 2007	First three quarters 2006	Rolling 12 months	Full year 2006
Net sales	**80.4**	75.0	**232.0**	223.8	340.4	332.2
Cost of goods sold	**–55.1**	–48.6	**–155.1**	–145.7	–222.5	–213.1
Gross profit	**25.3**	26.4	**76.9**	78.1	117.9	119.1
Other operating income	**1.1**	2.0	**3.5**	4.6	4.5	5.6
Selling and administrative expenses	**–21.3**	–18.8	**–63.2**	–59.1	–90.5	–86.4
Other operating expenses	**–0.1**	0.0	**–0.1**	–0.9	–0.1	–0.9
Operating profit	**5.0**	9.6	**17.1**	22.7	31.8	37.4
Financial items	**0.8**	0.0	**2.2**	0.8	2.9	1.5
Profit before tax	**5.8**	9.6	**19.3**	23.5	34.7	38.9
Income tax expense	**–1.6**	–2.7	**–5.3**	–6.5	–9.4	–10.6
Profit for the period	**4.2**	6.9	**14.0**	17.0	25.3	28.3
Profit for the period attributable to:						
Equity holders of the Parent Company	**4.2**	6.9	**13.9**	16.9	25.2	28.2
Minority interest	**0.0**	0.0	**0.1**	0.1	0.1	0.1

[1] Translated at the average rate of exchange during the period.

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Summary consolidated profit and loss account by segment

SEK M	Third quarter 2007	Third quarter 2006	First three quarters 2007	First three quarters 2006	Rolling 12 months	Full year 2006
Net sales						
Nordic countries	**676**	635	**1,972**	1,927	2,897	2,852
Other markets	**69**	57	**171**	153	240	222
Total net sales	**745**	692	**2,143**	2,080	3,137	3,074
Operating profit						
Nordic countries [1)]	**42**	88	**153**	224	302	373
Other markets [2)]	**4**	1	**5**	–13	–9	–27
Total operating profit	**46**	89	**158**	211	293	346
[1)] Of which, restructuring charges	**–21**	0	**–21**	–6	–17	–2
[2)] Of which, restructuring charges	**0**	0	**0**	0	–5	–5
	–21	0	**–21**	–6	–22	–7

Quarterly data

SEK M	Q1 2007	Q2 2007	Q3 2007	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Full year 2006
Net sales	740	658	**745**	732	656	692	994	3,074
Operating profit	79	33	**46**	68	54	89	135	346
Operating profit [1)]	79	33	**67**	74	54	89	136	353
Operating margin, % [1)]	10.7	4.9	**9.0**	10.2	8.2	12.9	13.7	11.5
Earnings per share, SEK	2.61	1.11	**1.60**	2.09	1.79	2.64	4.29	10.81
Cash flow from operating activities	–5	61	**32**	27	–57	46	317	333

[1)] Excluding restructuring charges

Summary consolidated balance sheets

SEK M	30 Sept 2007	30 Sept 2006	31 Dec 2006
Intangible assets			
Goodwill	**181**	181	181
Other intangible assets	**66**	63	67
Tangible assets	**1,041**	982	975
Financial assets	**20**	19	18
Inventories	**416**	393	303
Current receivables	**470**	469	429
Short-term investments	**413**	550	375
Cash and cash equivalents	**609**	407	866
Assets held for sale	**–**	18	–
Total assets	**3,216**	3,082	3,214
Equity	**2,500**	2,428	2,513
Non-current liabilities			
Provisions for taxes	**183**	169	185
Other provisions	**127**	112	112
Current liabilities	**406**	373	404
Total equity and liabilities	**3,216**	3,082	3,214

Summary statement of changes in equity

SEK M	30 Sept 2007	30 Sept 2006	31 Dec 2006
Equity at 1 January	**2,513**	2,427	2,427
Translation differences	**16**	–12	–31
Profit for the period	**129**	158	262
Total recognised income and expense excluding transactions with shareholders	**145**	146	231
Dividends	**–158**	–145	–145
Equity at end of period	**2,500**	2,428	2,513
Minority interest in equity	**3**	3	3

Summary consolidated cash flow statements

	Third quarter		First three quarters		Rolling	Full year
SEK M	**2007**	2006	**2007**	2006	12 months	2006
Cash flow from operating activities	**32**	46	**88**	16	405	333
Investing activities						
Net expenditure on property, plant and equipment	**–54**	–41	**–147**	–120	–171	–144
Investments/disinvestments in short-term investments	**5**	13	**–42**	124	124	290
Cash flow from investing activities	**–49**	–28	**–189**	4	–47	146
Financing activities						
Dividends to shareholders including minority	**0**	0	**–158**	–145	–158	–145
Cash flow from financing activities	**0**	0	**–158**	–145	–158	–145
Cash flow for the period	**–17**	18	**–259**	–125	200	334
Cash and cash equivalents at beginning of period	**627**	385	**866**	531	407	531
Translation difference in cash and cash equivalents	**–1**	4	**2**	1	2	1
Cash and cash equivalents at end of period	**609**	407	**609**	407	609	866
Cash, cash equivalents and short-term investments	**609**	407	**609**	407	609	866
Short-term investments > 3 months	**413**	550	**413**	550	413	375
	1,022	957	**1,022**	957	1,022	1,241

Key ratios

	First three quarters		Full year	
	2007	2006	2006	2005
Operating profit, SEK M	**158**	211	346	314
Operating margin, %	**7.4**	10.2	11.3	10.2
Restucturing charges with an effect on operating profit, SEK M	**–21**	–6	–7	–55
Operating margin excluding one-time items, %	**8.4**	10.4	11.5	12.0
Profit before tax, SEK M	**178**	218	360	333
Earnings per share, SEK [1)]	**5.32**	6.52	10.81	10.19
Earnings per share, SEK [1,2)]	**5.96**	6.70	11.03	11.71
Return on capital employed, % [2,3)]	**14.2**	15.1	14.6	15.7
Return on equity after tax, % [2,3)]	**10.1**	11.6	10.8	11.9
Cash flow from operating activities, SEK M	**88**	16	333	529
Cash flow from investing activities, SEK M	**–59**	–104	189	442
Net asset, SEK M	**919**	865	1,148	1,117
Equity/assets ratio, %	**77.8**	78.8	78.1	77.2
Equity per share, SEK	**103.60**	100.59	104.10	100.56
Average number of employees	**1,536**	1,613	1,600	1,801
Number of shares at end of period [4)]	**24,119,196**	24,119,196	24,119,196	24,119,196

1) Based on profit for the period attributable to equity holders of the Parent Company. The subscription period for the warrants issued in 2002 expired on 1 December 2006. The warrants have not been utilised for subscription to shares and no dilutive effect has arisen for the reported periods, since the average quoted price for the respective periods has exceeded the exercise price.
2) Excluding restructuring charges affecting comparability between years.
3) Refers to rolling 12-month period.
4) Which also corresponds to the average number of shares during the period.

Summary parent company profit and loss accounts

SEK M	Third quarter 2007	Third quarter 2006	First three quarters 2007	First three quarters 2006	Full year 2006
Net sales	**16**	15	**47**	46	62
Costs for property management and sold services	**–15**	–14	**–44**	–42	–59
Gross profit	**1**	1	**3**	4	3
Administrative expenses	**–6**	–7	**–18**	–18	–37
Other operating income and expenses	**–1**	2	**–1**	0	–2
Operating profit	**–6**	–4	**–16**	–14	–36
Result from participations in group companies	**0**	0	**156**	131	131
Other financial income and expenses	**9**	6	**24**	13	21
Profit after financial items	**3**	2	**164**	130	116
Appropriations	**0**	0	**0**	0	3
Income tax expense	**–1**	–4	**–3**	–4	3
Profit for the period	**2**	–2	**161**	126	122

Summary parent company balance sheets

SEK M	**30 Sept 2007**	30 Sept 2006	31 Dec 2006
Intangible assets	**2**	2	2
Tangible assets	**60**	78	61
Financial assets	**1,583**	1,580	1,581
Current receivables	**1,183**	1,163	1,445
Total assets	**2,828**	2,823	3,089
Equity	**2,412**	2,394	2,407
Untaxed reserves	**22**	25	22
Non-current liabilities	**48**	46	47
Current liabilities	**346**	358	613
Total equity and liabilities	**2,828**	2,823	3,089

CLOETTA FAZER

Key events in the third quarter

- A newcomer to the Snacks family was launched in Sweden – Kexchoklad Snacks dipped in dark chocolate. Parallel to this, the Snacks family was given a new appearance.
- September saw the launch of Center Season Taste of Funky Pear, a product developed in collaboration with the Swedish National Culinary Team.
- The Karl Fazer Exclusive series has been joined by Karl Fazer Thin Maya, a 70-per cent cocoa chocolate bar with crisp and a hint of chilli.
- In Finland a new Karl Fazer chocolate bar with liquorice dragees was launched. The well-known Fazer Blue chocolate contains soft liquorice pieces and combines two of the Finns' absolute favourite flavours.
- Another third quarter launch in Finland was the new Tastes of Nature product series, consisting one a nut and chocolate mix, one fruit and chocolate mix and one mix of tropical fruits and chocolate.
- Tutti Frutti+choco and Tutti Frutti Passion light up the autumn with a taste of summer. Tutti Frutti+choco, a medley of fruit flavours including chocolate-covered wine gums, earned high marks in a consumer test.
- The Finns have once again chosen Karl Fazer (Fazer Blue) as their favourite brand in the marketing magazine Markkinointi & Mainonta's annual consumer survey to rank Finland's 100 most popular brands.
- Within the framework of the worldwide Carbon Disclosure Project, Swedish companies have been judged according to the transparency of their climate impact reporting. The project is supported by 315 of the world's largest investors, and Cloetta Fazer is among the most highly ranked.

Cloetta Fazer is the Nordic region's leading confectionery company, with a market share of around 22 per cent. The company has production facilities in Sweden and Finland. Cloetta Fazer's strength lies in its many popular brands, such as Karl Fazer, Kexchoklad, Dumle, Geisha, Polly and Center. The average number of employees is around 1,500 and annual sales in 2006 amounted to approximately SEK 3 billion.

Financial calendar 2008

- 2007 Full-year Report – 8 February 2008
- 2007 Annual Report – early April 2008
- 2008 Annual General Meeting – 23 April 2008
- Interim reports
  - first quarter 2008 – 23 April 2008
  - second quarter 2008 – 20 August 2008
  - third quarter 2008 – 20 October 2008

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