CLOETTA FAZER

Cloetta Fazer year-end report 2007

	October – December		Full year	
	2007	2006	**2007**	2006
Net sales, SEK M	**1,110**	994	**3,253**	3,074
Sales growth for prioritised brands, %	**14**	10	**5**	6
Operating profit, SEK M	**155**	135	**313**	346
Operating profit excluding restructuring charges, SEK M	**156**	136	**335**	353
Equal to an operating margin of, %	**14.1**	13.7	**10.3**	11.5
Profit before tax, SEK M	**165**	142	**343**	360
Profit for the year, SEK M	**121**	104	**250**	262
Earnings per share before and after dilution, SEK	**4.99**	4.29	**10.31**	10.81

The Board proposes an increase in the regular dividend to SEK 7.00 (6.50) and an extra dividend of SEK 3.00, for a total of SEK 10.00.

Q4

COMMENTS FROM THE CEO

"In the final quarter of 2007 Cloetta Fazer achieved excellent earnings performance compared to the same period of last year, a feat made possible by successful Christmas sales in our Finnish and Swedish home markets and in the important growth markets of the Baltic and Russia.

It is particularly satisfying that the combination of increased Christmas sales and foreign exchange gains drove earnings growth in both Finland and Sweden, despite rising raw material prices and other manufacturing costs. Partly to compensate for the higher cost of raw materials, it was necessary to raise our market prices at year-end.

We have also worked determinedly to realise our growth targets, and in the fourth quarter were able to announce the acquisition of two companies. In October we acquired AB Karamellpojkarna, the third largest supplier of throat lozenges in Sweden. At the end of November we signed an agreement with Finland-based Fennobon Oy, with the transfer of ownership on 2 January 2008. Fennobon, which is specialised in tooth-friendly chewing gum and throat lozenges containing xylitol, is number three in the Finnish chewing gum market and the country's only domestic manufacturer of chewing gum products.

These acquisitions are in line with our strategy to seek growth by diversifying into product areas where we currently have a weak position or none at all, and have given us a new and very solid foothold in the fast-expanding lozenge and chewing gum segment.

Today Cloetta Fazer also has a strong position in the expanding Nordic chocolate market. Our robust sales in recent years have created a need for additional capacity in the company's chocolate manufacturing. In November we decided to invest in two new chocolate lines, one at the factory in Vantaa, Finland, and one at the factory in Ljungsbro, Sweden, which will enable us to continue our focus on the strong brands at the same time that efficiency in the existing chocolate manufacturing is optimised.

Delivery reliability, consumer knowledge and high quality are key success factors for Cloetta Fazer. Today we sell our products primarily in the Nordic and Baltic regions and see the advantages of having production in our own factories, close to the consumers in our home markets."

SALES AND PROFIT 2007

Net sales reached SEK 3,253 million (3,074) an increase of 6 per cent. Nordic sales rose by 5 per cent to SEK 2,982 million (2,852) and non-Nordic sales by 22 per cent to SEK 271 million (222).

Cloetta Fazer's long-term strategy to prioritise its popular and well known brands has shown continued positive results. In 2007, net sales of the 12 largest brands grew by 5 per cent compared to the previous year and together account for more than half of total sales. Net sales of the miscellaneous brands were up by 8 per cent while pick-and-mix sales fell by 3 per cent.

In Finland, the Group's largest single market, sales in 2007 increased by 10 per cent. Aside from strong performance by the prioritised brands, several successful campaigns and local brand launches also contributed to robust growth in the miscellaneous brands segment.

In Sweden, the second largest market, sales improved by 2 per cent. The greatest increase was noted for miscellaneous brands, at 7 per cent, while the 12 prioritised brands grew by 1 per cent.

The increase in non-Nordic sales was fuelled primarily by powerful growth in the Baltic countries and Russia. Robust sales of Karl Fazer and Geisha were the main engines behind the year's increase of 29 per cent in the Baltic market. Sales in Russia are conducted by a wholly owned subsidiary since 1 January 2007, which has led to improved distribution.

Operating profit is reported at SEK 313 million (346) and includes one-time items of SEK –22 million pertaining to redundancy costs in the Swedish organisation. The measures taken include both voluntary retirement and outplacement solutions. Profit for the prior year included one-time items of SEK –7 million, mainly relating to the wind-up of the Polish subsidiary. Operating profit excluding these items was SEK 335 million (353), equal to an operating margin of 10.3 per cent (11.5).

Operating profit in the Nordic market was down by SEK 43 million from the prior year and amounted to SEK 332 million excluding restructuring charges, a decrease that arose in the second and third quarters. A sharp rise in raw material costs since mid-year 2007 has had a negative impact on profit. Thanks to strong Christmas sales, however, sales and profit for the fourth quarter were up significantly from the previous year despite higher raw material costs, which also led to growth in earnings.

Profit in the non-Nordic markets grew by SEK 25 million to SEK 3 million excluding restructuring charges. The previous year's loss is mainly attributable to the Polish subsidiary, which has now been wound up. The year-earlier figure also includes costs for the new sales organisation in Russia.

Profit before tax was SEK 343 million (360). Net financial items totalled SEK 30 million, compared to SEK 14 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 money market instruments. Adjusted for one-time items, profit before tax was SEK 365 million (367). The year's income tax expense was SEK 93 million (98), equal to an effective tax rate of 27 per cent (27).

Q4

Profit for the year was SEK 250 million (262), of which equity holders of the Parent Company accounted for SEK 249 million (261). The year's profit is equal to earnings per share of SEK 10.31 (10.81). Excluding one-time items, earnings per share were SEK 10.96 (11.03).

FOURTH QUARTER 2007

Net sales rose by 12 per cent to SEK 1.110 million (994). Sales of the prioritised brands were up by 14 per cent. Miscellaneous brands grew by 11 per cent, while pick-and-mix declined by 8 per cent. Industrial sales, consisting of semi-finished goods for the food products industry, also improved.

Sales increased by 9 per cent to SEK 1,010 million (925) in the Nordic market and by 45 per cent to SEK 100 million (69) in the non-Nordic markets. Of the Nordic sub-markets, growth is being noted in Sweden and Finland. The upward trend in the non-Nordic markets is mainly explained by robust development in the Baltic states and Russia.

Operating profit for the fourth quarter improved to SEK 155 million (135). Before one-time items, operating profit was SEK 156 million (136), up by SEK 20 million over the year-earlier period. Of the increase, SEK 13 million is attributable to the Nordic market and SEK 7 million to the non-Nordic markets. Despite higher manufacturing costs, profit was higher in both Sweden and Finland as a result of expanding sales volumes. Foreign exchange gains also contributed to the period's earnings growth. The rise in profit for the non-Nordic markets mainly reflects the year-earlier loss in the Polish subsidiary, which has now been wound up.

Operating margin was 14.1 per cent, compared to 13.7 per cent the year before.

Sales of the prioritised brands have increased in recent years, creating a need for additional capacity in the company's chocolate manufacturing. In November, Cloetta Fazer's Board of Directors therefore decided to invest in two new chocolate lines, one at the factory in Vantaa, Finland, and one at the factory in Ljungsbro, Sweden. This will enable the company to continue its focus on the strong brands while at the same time optimising efficiency in the existing chocolate manufacturing. The investments amount to a total of SEK 270 million and will go into operation during 2009–2010.

In the fourth quarter the Polish authorities announced that the Polish subsidiary, which is in liquidation, will not be required to repay the received start-up subsidies of SEK 25 million. The amount was previously reported as a contingent liability.

ACQUISITIONS

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 the country's top-selling product in the segment.

Throat lozenges are the third largest confectionery segment, accounting for 14 per cent of the total market in Sweden. The segment has grown dramatically in Cloetta Fazer's main markets.

On 30 November 2007 Cloetta Fazer AB signed an agreement to acquire all of the shares in Finland-based Fennobon Oy, with the transfer of ownership on 2 January 2008. The company is a maker of sugar-free chewing gum and lozenges and is number three in the Finnish chewing gum market. Its best-selling products are XyliDent and XyliBon. Chewing gum makes up approximately 10 per cent of Finland's total confectionary market and the corresponding share in Sweden is 6 per cent.

The acquisition of Karamellpojkarna and Fennobon will give Cloetta Fazer expertise in new, tooth-friendly products that ideally complement the existing offering and a strong position in a fast-expanding product segment.

Net sales in AB Karamellpojkarna for 2007 amounted to SEK 65 million (69) with a profit before tax of SEK –10 million (– 8). The number of employees was 39 (37). The company is consolidated as of 1 October and reported fourth quarter net sales of SEK 17 million with a profit before tax of SEK – 2 million.

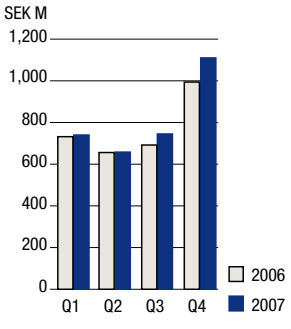
Net sales in Fennobon for the latest financial year, which ended on 30 September 2007, are reported at SEK 56 million (53) and profit before tax was SEK 4 million (6). Of the total sales volume, around 30 per cent was exported to countries like Japan, the USA and Germany. The number of employees was 45 (41).

Our 12 prioritised brands

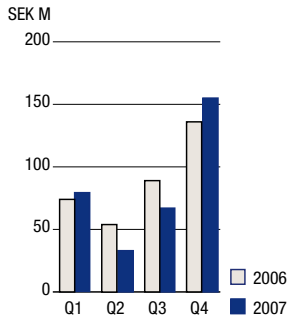
Karl Fazer	Kexchoklad	Dumle
Geisha	Polly	Center
Marianne	Tutti Frutti	Ässät
Pantteri/Salta katten	Plopp	Tyrkisk Peber



Net sales



Operating profit [1)]



1) Excluding restructuring charges

The acquisition of Karamellpojkarna had a marginal effect on the Group's profit and financial position in 2007 and gave rise to no goodwill or other intangible assets on consolidation. According to preliminary assessments, the acquisition of Fennobon in 2008 is expected to give rise to intangible assets of SEK 74 million, of which SEK 64 million in goodwill attributable to synergy gains. The Group's strong position in a number of markets provides a platform for growth in the acquired segment and by exploiting the well known brands it is possible to widen this product range. The acquisition will have no significant impact on the Group's financial position.

TAX

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

In 2007 the ECJ dealt with a new case concerning cross-border tax relief, but where the facts of the case differ from those in the Marks & Spencer judgement. However, the Swedish Tax Agency's (STA) interpretation of the later judgement is that the Swedish legislation does not infringe on EU law even in the specific situation treated in the Marks & Spencer judgement. As a result, in the fourth quarter the STA revised its earlier decision and rejected Cloetta Fazer AB's claims for deduction of the group contribution paid in 2005. Since Cloetta Fazer does not share the STA's opinion, the ruling has been appealed to the County Administrative Court. The tax was settled in an amount of SEK 19 million in December and was capitalised as a receivable at 31 December 2007.

FINANCING AND LIQUIDITY

The Group's financial position is very strong. Cash and cash equivalents and short-term investments totalled SEK 1,149 million (1,241). Cash flow from operating activities was SEK 339 million (333). Net cash of SEK –191 million (–144) was utilised for investments in property, plant and equipment. The acquisition of subsidiaries affected cash flow in a net amount of SEK –45 million, of which SEK –38 million referred advance payment for shares. Cash and cash equivalents and interest-bearing receivables exceeded interest- bearing liabilities by a net amount of SEK 1,054 million (1,148). The equity/assets ratio at 31 December was 78 per cent (78).

CAPITAL EXPENDITURE

Gross expenditure on property, plant and equipment was SEK 194 million (165). Of total investments, which include both capacity and replacement investments in the existing production lines, SEK 152 million (115) refers to the Finnish plants and SEK 42 million (50) to the Swedish plants. Depreciation and amortisation amounted to SEK 132 million (123).

EMPLOYEES

The average number of employees during the year was 1,560 (1,600).

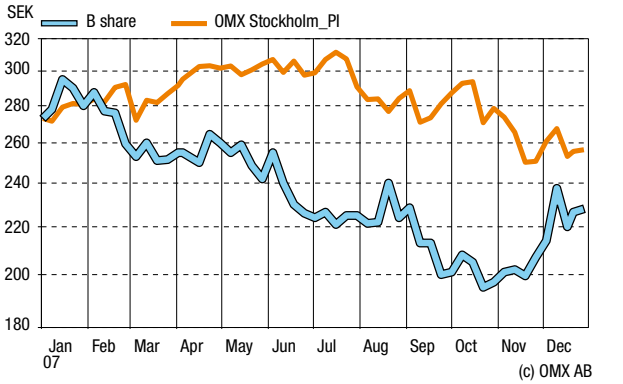
PARENT COMPANY

Net sales in the Parent Company reached SEK 66 million (62) and consisted mainly of intra-group services and rents. Profit before tax was SEK 173 million (116). Net financial items amounted to SEK 191 million (152) and included SEK 156 million (131) in dividends from group companies. Cash and cash equivalents and short-term investments totalled SEK 1,058 million (1,136).

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 6,416,739 shares were traded during the period January–December 2007. The highest bid price was SEK 315 and the lowest was SEK 192. On 28 December the share was quoted at SEK 228 (last price paid).

Cloetta Fazer share price development, January 2007 – December 2007



SHAREHOLDERS

Cloetta Fazer had 3,679 shareholders at 31 December 2007. The principal shareholders AB Malfors Promotor AB and Oy Karl Fazer held 78.5 per cent of the votes and 41.2 per cent of the share capital. Other institutional investors held 17.3 per cent of the share capital.

PROPOSED DIVIDEND

The Board proposes that the AGM approve an increase in the regular dividend to SEK 7.00 (6.50) and an extra dividend of SEK 3.00, for a combined SEK 10.00 and a

total distribution of SEK 241 million. The proposed regular divided is equal to 68 per cent of net profit. Cloetta Fazer's ambition is to maintain a consistent dividend level with a targeted dividend payout ratio of at least 40 per cent of consolidated net profit.

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 price development for raw materials is monitored and analysed continuously.

The Group's financial risks consist primarily of currency risk, interest rate risk and credit risk. Cash and cash equivalents and short-term investments at 31 December 2007 amounted to SEK 1,149 million. The Group's investment strategy is based on the guidelines set out in the Board's finance policy.

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

For more information about risk management, see the related sections of the 2006 annual report. No significant changes have taken place compared to the information provided in the annual report.

OUTLOOK FOR 2008

The Group's long-term goal over a three-year period is to grow by 25 per cent, of which 10 per cent organically. To meet these objectives it is vital to expand in the nearby geographical markets, where the Baltic countries, Russia, Norway and Denmark have high priority.

Since consumption in the Baltics and Russia is well below the Nordic level, there is particular good scope for organic growth in these markets. In addition, Cloetta Fazer continuously monitors potential acquisitions as a means for faster market growth.

Aggressive measures have been taken in recent years to streamline the production structure and reduce costs. In 2007 the Group was impacted by a sharp rise in raw material prices, which make up around 60 per cent of total manufacturing costs. Because it is not possible to offset this cost inflation through efficiency measures alone, customer prices will be raised during 2008.

The focus on twelve prioritised brands, all of which have strong market positions and profitability, has proven successful in fending off increasingly tough competition. Cloetta Fazer's offering and benefit to the retail trade and consumers is based on a combination of premium quality products and a stream of attractive product launches supported by effective marketing. The year's new products were enthusiastically received and sales of the 12 prioritised brands grew 5 per cent in 2007. In 2008 a continued focus on the prioritised brands and ongoing product innovations will create scope for sustained profitable growth.

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.

The accounts of the Parent Company have been prepared in accordance with the Annual Accounts 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 in the Group. The change has increased gross margin for the year by 1.2 percentage points (1.2). 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 3.2 per cent (3.0) of total sales. Of other operating income (excluding capital gains), 12.4 per cent (14.8) 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 net receivable of SEK 4 million (7) and a liability of SEK 1 million (2).

Stockholm, 8 February 2008
The Board of Directors

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

Summary consolidated profit and loss accounts

	Fourth quarter		Full year	
SEK M	**2007**	2006	**2007**	2006
Net sales	**1,110**	994	**3,253**	3,074
Cost of goods sold	**–718**	–618	**–2,151**	–1,972
Gross profit	**392**	376	**1,102**	1,102
Other operating income	**21**	10	**53**	52
Selling and administrative expenses	**–257**	–251	**–840**	–800
Other operating expenses	**–1**	0	**–2**	–8
Operating profit	**155**	135	**313**	346
Financial items	**10**	7	**30**	14
Profit before tax	**165**	142	**343**	360
Income tax expense	**–44**	–38	**–93**	–98
Profit for the period	**121**	104	**250**	262
Profit for the period attributable to:				
Equity holders of the Parent Company	**121**	104	**249**	261
Minority interest	**0**	0	**1**	1
Earnings per share before and after dilution [1]	**4.99**	4.29	**10.31**	10.81
Number of shares at end of period [2]	**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:

Cost of goods sold				
Closure of the Norrköping plant	**–**	4	**–**	–2
Staff reduction in Sweden	**–**	–	**–13**	–
Total cost of goods sold	**–**	4	**–13**	–2
Selling and administrative expenses				
Wind-up of the subsidiary in Poland	**–**	–5	**–**	–5
Staff reduction in Sweden	**–1**	–	**–9**	–
Total selling and administrative expenses	**–1**	–5	**–9**	–5
Effect on operating profit	**–1**	–1	**–22**	–7
Income tax expense	**0**	0	**6**	2
Effect on profit for the period	**–1**	–1	**–16**	–5

Summary consolidated profit and loss accounts in Euro [1]

	Fourth quarter		Full year	
EUR M	**2007**	2006	**2007**	2006
Net sales	**119.6**	108.4	**351.6**	332.2
Cost of goods sold	**–77.4**	–67.4	**–232.5**	–213.1
Gross profit	**42.2**	41.0	**119.1**	119.1
Other operating income	**2.2**	1.0	**5.7**	5.6
Selling and administrative expenses	**–27.5**	–27.3	**–90.7**	–86.4
Other operating expenses	**–0.1**	0.0	**–0.2**	–0.9
Operating profit	**16.8**	14.7	**33.9**	37.4
Financial items	**1.0**	0.7	**3.2**	1.5
Profit before tax	**17.8**	15.4	**37.1**	38.9
Income tax expense	**–4.8**	–4.1	**–10.1**	–10.6
Profit for the period	**13.0**	11.3	**27.0**	28.3
Profit for the period attributable to:				
Equity holders of the Parent Company	**13.0**	11.3	**26.9**	28.2
Minority interest	**0.0**	0.0	**0.1**	0.1

1) Translated at the average exchange rate during the period



Summary consolidated profit and loss account by segment

	Fourth quarter		Full year	
SEK M	**2007**	2006	**2007**	2006
Net sales				
Nordic countries	**1,010**	925	**2,982**	2,852
Other markets	**100**	69	**271**	222
Total net sales	**1,110**	994	**3,253**	3,074
Operating profit				
Nordic countries [1]	**157**	149	**310**	373
Other markets [2]	**–2**	–14	**3**	–27
Total operating profit	**155**	135	**313**	346
[1] Of which, restructuring charges	**–1**	4	**–22**	–2
[2] Of which, restructuring charges	**–**	–5	**–**	–5
	–1	–1	**–22**	–7

Quarterly data

SEK M	Q11 2007	Q2 2007	Q3 2007	**Q4 2007**	**Full year 2007**	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Full year 2006
Net sales	740	658	745	**1,110**	**3,253**	732	656	692	994	3,074
Operating profit	79	33	46	**155**	**313**	68	54	89	135	346
Operating profit [1]	79	33	67	**156**	**335**	74	54	89	136	353
Operating margin, % [1]	10.7	4.9	9.0	**14.1**	**10.3**	10.2	8.2	12.9	13.7	11.5
Earnings per share, SEK	2.61	1.11	1.60	**4.99**	**10.31**	2.09	1.79	2.64	4.29	10.81
Cash flow from operating activities	–5	61	32	**251**	**339**	27	–57	46	317	333

[1] Excluding restructuring charges

Summary consolidated balance sheets

SEK M	**31 Dec 2007**	31 Dec 2006
Intangible assets		
Goodwill	**181**	181
Other intangible assets	**66**	67
Tangible assets	**1,111**	975
Financial assets	**66**	18
Inventories	**331**	303
Current receivables	**474**	429
Short-term investments	**454**	375
Cash and cash equivalents	**695**	866
Total assets	**3,378**	3,214
Equity	**2,647**	2,513
Non-current liabilities		
Deferred tax liability	**189**	185
Other provisions	**138**	112
Current liabilities	**404**	404
Total equity and liabilities	**3,378**	3,214

Summary statement of changes in equity

SEK M	**31 Dec 2007**	31 Dec 2006
Equity at 1 January	**2,513**	2,427
Translation differences	**42**	–31
Profit for the period	**250**	262
Total recognised income and expense excluding transactions with shareholders	**292**	231
Dividends	**–158**	–145
Equity at end of period	**2,647**	2,513
Minority interest in equity	**3**	3

Summary consolidated cash flow statements

	Fourth quarter		Full year	
SEK M	**2007**	2006	**2007**	2006
Cash flow from operating activities	**251**	317	**339**	333
Investing activities				
Net expenditure on property, plant and equipment	**–44**	–24	**–191**	–144
Acquisition of subsidiaries [1]	**–45**	–	**–45**	–
Investments/disinvestments in short-term investments	**–38**	166	**–80**	290
Acquisition of long-term investments	**–6**	–	**–6**	–
Cash flow from investing activities	**–133**	142	**–322**	146
Financing activities				
Dividends to shareholders including minority	**–**	–	**–158**	–145
Repayment of debt	**–33**	–	**–33**	–
Cash flow from financing activities	**–33**	–	**–191**	–145
Cash flow for the period	**85**	459	**–174**	334
Cash and cash equivalents at beginning of period	**609**	407	**866**	531
Translation difference in cash and cash equivalents	**1**	0	**3**	1
Cash and cash equivalents at end of period [1]	**695**	866	**695**	866
Cash, cash equivalents	**695**	866	**695**	866
Short-term investments > 3 months	**454**	375	**454**	375
	1,149	1,241	**1,149**	1,241

[1] of which, SEK 38 million paid in advance during 2007.

Key ratios

	2007	2006	2005
Operating profit, SEK M	**313**	346	314
Operating margin, %	**9.6**	11.3	10.2
Restructuring charges with an effect on operating profit, SEK M	**–22**	–7	–55
Operating margin excluding restructuring charges, %	**10.3**	11.5	12.0
Profit before tax, SEK M	**343**	360	333
Earnings per share, SEK [1]	**10.31**	10.81	10.19
Earnings per share, SEK [1, 2]	**10.96**	11.03	11.71
Return on capital employed, % [2]	**14.6**	14.6	15.7
Return on equity after tax, % [2]	**10.2**	10.8	11.9
Cash flow from operating activities, SEK M	**339**	333	529
Cash flow from investing activities, SEK M	**148**	189	442
Net asset, SEK M	**1,054**	1,148	1,117
Equity/assets ratio, %	**78.4**	78.1	77.2
Equity per share, SEK	**109.65**	104.10	100.56
Average number of employees	**1,560**	1,600	1.801
Number of shares at end of period [3]	**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) Which also corresponds to the average number of shares during the period.



Summary parent company profit and loss accounts

	Fourth quarter		Full year	
SEK M	**2007**	2006	**2007**	2006
Net sales	**19**	16	**66**	62
Costs for property management and sold services	**–19**	–17	**–63**	–59
Gross profit	**0**	–1	**3**	3
Administrative expenses	**–8**	–19	**–26**	–37
Other operating income and expenses	**6**	–2	**5**	–2
Operating profit	**–2**	–22	**–18**	–36
Result from participations in group companies	**–**	–	**156**	131
Other financial income and expenses	**11**	8	**35**	21
Profit after financial items	**9**	–14	**173**	116
Appropriations	**–5**	3	**–5**	3
Income tax expense	**–1**	7	**–4**	3
Profit for the period	**3**	–4	**164**	122

Summary parent company balance sheets

SEK M	**31 Dec 2007**	31 Dec 2006
Intangible assets	**2**	2
Tangible assets	**58**	61
Financial assets	**1,637**	1,581
Current receivables	**1,310**	1,445
Total assets	**3,007**	3,089
Equity	**2,415**	2,407
Untaxed reserves	**27**	22
Non-current liabilities	**59**	47
Current liabilities	**506**	613
Total equity and liabilities	**3,007**	3,089

CLOETTA FAZER

Key events in the fourth quarter

- In October Cloetta Fazer AB acquired all of the shares in the confectionery company AB Karamellpojkarna. 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.
- At the end of November Cloetta Fazer signed an agreement to acquire Finland-based Fennobon Oy, which is specialised in tooth-friendly chewing gum and throat lozenges containing xylitol. Fennobon is number three in the Finnish chewing and the country's only domestic manufacturer of chewing gum products. The company's well known products include XyliDent and Mumin xylitol chewing gum.
- The Christmas sales were a success in Finland, partly thanks to a widely appreciated holiday range and popular new Christmas launches. The new Chokladnjutning chocolate box found a place in Finnish hearts and the retro box Makalös/Verraton surpassed expectations. Many of the new Christmas launches were also sold successfully in the Baltic market.
- Around 80 million Juleskum marshmallow Santas were sold in Sweden! Placed in a line, the Juleskum figures would reach from Stockholm to Berlin – a distance of 800 km. Sales of Juleskum have doubled over the past five years and is it hoped that this rapid rate will continue. The Polly Christmas box also contributed to strong sales for the fourth quarter.
- The Polish authorities announced that the Polish subsidiary, which is in liquidation, will not be required to repay the received start-up subsidies of SEK 25 million. The amount was previously reported as a contingent liability.



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 1,600 and annual sales amount to approximately SEK 3.3 billion.

Annual General Meeting 2008

The Annual General Meeting of Cloetta Fazer AB will be held at 3 pm on Wednesday, 23 April 2008, at Piperska Muren, Scheelegatan 14 in Stockholm.

Financial calendar 2008

- 2007 Annual Report – early April 2008
- Interim reports
  - first quarter 2008 – 23 April 2008
  - second quarter 2008 – 20 August 2008
  - third quarter 2008 – 16 October 2008

For additional information contact

Jesper Åberg, Managing Director and CEO, mobile +46 (0)70-180 21 01
Curt Petri, CFO and Deputy Managing Director, mobile +46 (0)70-593 21 69

The annual report and interim reports are also published at

www.cloettafazer.com

Cloetta Fazer AB (publ) Corp. reg. no. 556014-2357 www.cloettafazer.se
Head office: WTC, Klarabergsviadukten 70, Box 735, SE-101 35 Stockholm, Sweden
Tel +46 (0)8-534 817 00, Fax +46 (0)8-411 27 66
Registered office: SE-590 69 Ljungsbro, Sweden, Tel +46 (0)13-28 50 00, Fax +46 (0)13-655 60