Q1 Presentation 2012

27 April, 2012

Duni

Disclaimer

- This presentation has been prepared by Duni AB (the "Company") solely for use at this investor presentation and is furnished to you solely for your information and may not be reproduced or redistributed, in whole or in part, to any other person. By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations.
- This presentation is not for presentation or transmission into the United States or to any U.S. person, as that term is defined under Regulation S promulgated under the Securities Act of 1933, as amended.
- This presentation contains various forward-looking statements that reflect management's current views with respect to future events and financial and operational performance. The words "believe," "expect," "anticipate," "intend," "may," "plan," "estimate," "should," "could," "aim," "target," "might," or, in each case, their negative, or similar expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Company's control and may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. These risks include but are not limited to the Company's ability to operate profitably, maintain its competitive position, to promote and improve its reputation and the awareness of the brands in its portfolio, to successfully operate its growth strategy and the impact of changes in pricing policies, political and regulatory developments in the markets in which the Company operates, and other risks.
- The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.
- No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained herein. Accordingly, none of the Company, or any of its principal shareholders or subsidiary undertakings or any of such person's officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.

2012 Q1 Highlights

- Professional displays topline growth of 3.4%
  - Stability or growth in all regions.
  - Gross margin continues to strengthen in comparison to previous year.
- Consumer (formerly Retail) showed a noticeably weak quarter.
  - Loss of private label customer and weak Easter sales main explanations for the weak performance.
  - New contracts secured in the quarter; gradually contributing from Q2 and onwards.
- Positive cash flow in a traditionally weak season.
- Evolin®, launched mid quarter with positive initial reactions from market.
- Inventory reductions caused a low utilization of capacity in Tissue.

- Net sales SEK 856 m (867)
- Underlying operating income SEK 60 m (67)
- Underlying operating margin 7.0% (7.8%)

Market Outlook

- HORECA market long-term growing in line or slightly above GDP
  - Positive eating out trend.
  - Higher growth in take-away sector.
- Consumer segment suffers from weak demand in main markets.
- HoReCa sector still positive in main north and central European markets
  - Scandinavia & Germany continue to indicate modest growth in restaurant segment.
  - Clearly weaker demand in debt burdened southern Europe markets.
- Input material for traded goods show signs of returning to historical high levels. Pulp still below last years levels.

HORECA Sales Development Germany (Feb 2012)

Ausser-Haus-Markt Allgemein

Gastgewerbeumsatz Februar '12: real +2,0 %

DESTATIS wissen. nutzen.

Die Unternehmen des Gastgewerbes in Deutschland setzten im Februar 2012 nominal 4,1 % und real 2,0 % mehr um als im Februar 2011. So die Nachricht vom Statistischen Bundesamt Wiesbaden (Destatis).

Dabei gelang der Beherbergung ein nominales Plus von 4,2 % – real +3,0 %. Bei der Gastronomie belaufen sich die Mehrerlöse im Vorjahresvergleich des Monats Februar auf 3,9 % nominal – real +1,7 %. Will heißen, aktuell deutlich höhere Preissteigerungen bei Essen und Trinken als beim Schlafen.

Wirtschaftsbereich	02/2012 zu 02/2011		01-02/2012 zu 01-02/2011	
	nominal	real	nominal	real
Gastgewerbe insgesamt	4,1	2,0	3,2	1,3
davon:				
Beherbergung	4,2	3,0	3,0	1,5
Gastronomie	3,9	1,7	3,2	1,1

HoReCa total → Gastgewerbe insgesamt

Noch wichtiger, die positive Entwicklung aus dem Jahr 2011 setzt sich 2012 fort.

www.destatis.de

Duni

Restaurant Sales Development,
Sweden (Feb 2011 – Feb 2012)

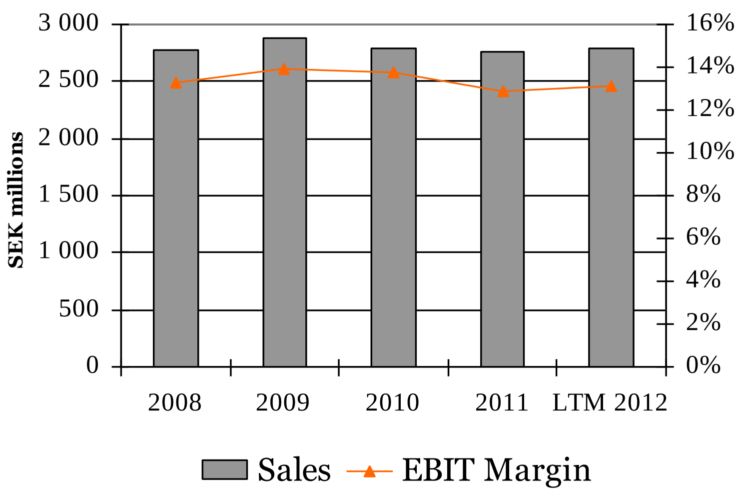
- +5.2% in volume in Feb and +6.2% in value.


Business Areas
PLANTS
Duni

Professional

– Stable sales development

Sales and EBIT [1)]



Geographical split – sales Q1 2012

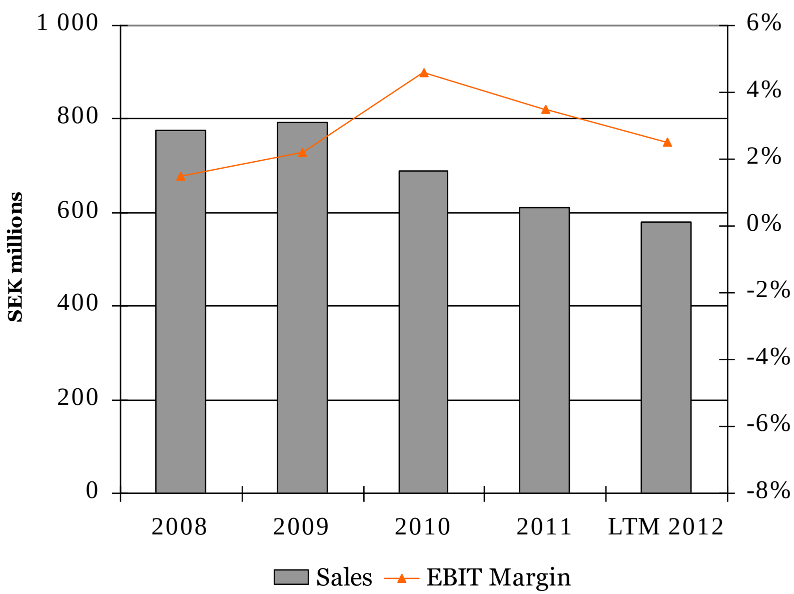
Net sales Professional	Q1 2012	Q1 2011	Growth	Growth at fixed exchange rates
Nordic	140	142	-1.4%	-1.4%
Central Europe	377	359	5.0%	4.2%
South & East Europe	99	96	3.1%	4.2%
Rest of the World	10	7	42.9%	42.9%
TOTAL	**626**	**605**	**3.6%**	**3.4%**

- Stability with modest growth in all Regions.
- Gross margin continues to strengthen in comparison to previous year and main contributor to result improvement.
- Evolin rolled out step by step in all major markets.

1) Excluding non-recurring costs and market valuation of derivatives

Consumer (formerly Retail)
– Weak quarter due to poor volumes

Sales and EBIT [1)]



Geographical split - sales Q1 2012

Net sales Consumer	Q1 2012	Q1 2011	Growth	Growth at fixed exchange rates
Nordic	15	19	-21.1%	-21.1%
Central Europe	108	132	-18.2%	-18.2%
South & East Europe	4	8	-50.0%	-50.0%
Rest of the World	0	0	100.0%	100.0%
TOTAL	**127**	**159**	**-20.1%**	**-20.4%**

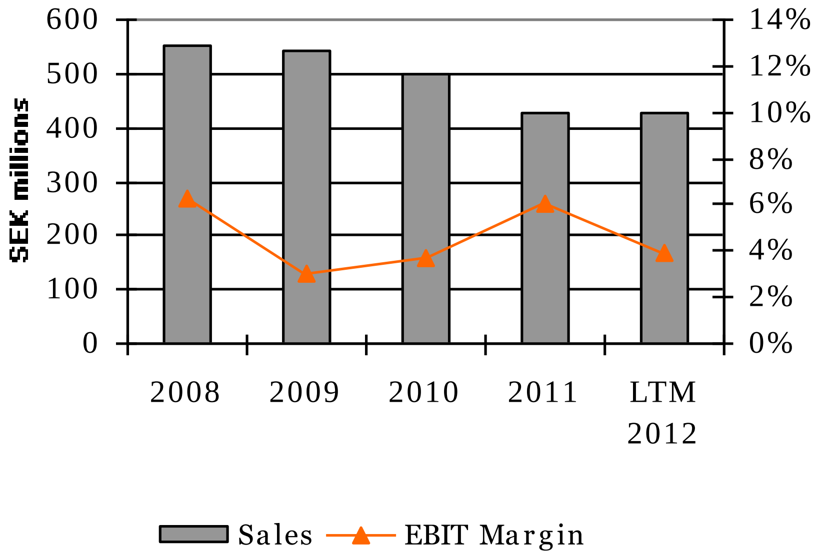
- Easter seasonal sales have decreased in importance compare to past years. Moreover Duni had less success in gaining promotions.
- Albeit the loss of a major private label customer influencing the quarter negatively, several new contracts were secured.

1) Excluding non-recurring costs and market valuation of derivatives

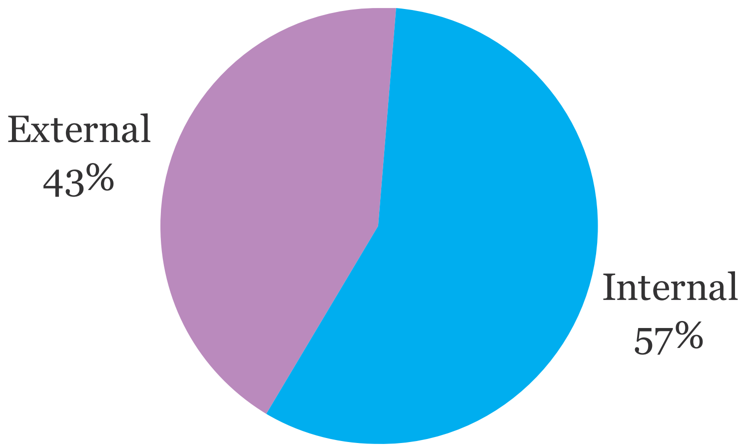
Tissue

– Low utilization degree in the quarter

Sales and EBIT



Sales mix Q1 2012



- Low utilization in the quarter, due to inventory reduction, main reason for lower result.
- Underlying performance remains stable.


Financials
Duni

Inventory reduction influencing Gross Margin

SEKm	Q1 2012	Q1 2011	Q1 LTM 2012	FY 2011
Net sales	856	867	3 796	3 807
Gross profit	227	227	1 031	1 031
Gross margin	26.5 %	26.2 %	27.2%	27.1%
Selling expenses	-122	-118	-445	-441
Administrative expenses	-42	-42	-173	-172
R&D expenses	-8	-6	-31	-30
Other operating net	2	1	3	0
Operating income (reported)	**57**	**61**	**384**	**388**
Non-recurring items[1)]	-3	-7	-12	-16
Operating income (underlying)	**60**	**67**	**397**	**404**
Operating margin (underlying)	7.0 %	7.8 %	10.4 %	10.6 %
Financial net	-7	-6	-31	-30
Taxes	-13	-15	-97	-98
Net income	37	41	257	261
Earnings per share	0.78	0.86	5.47	5.54

1) Restructuring costs and market valuation of derivatives

Improved profitability in Professional; weak performance in Consumer & Tissue

SEKm		Q1 2012	Q1 2011	Q1 LTM 2012	FY 2011
Professional	Net sales	626	604	2 788	2 766
	Operating income[1)]	61	53	366	357
	Operating margin	9.8%	8.7%	13.1%	12.9%
Consumer	Net sales	127	159	580	612
	Operating income[1)]	-1	6	14	21
	Operating margin	-0.9%	3.5%	2.5%	3.4%
Tissue	Net sales	104	104	427	428
	Operating income[1)]	0	9	17	25
	Operating margin	0.2%	8.7%	3.9%	5.9%
Duni	**Net sales**	**856**	**867**	**3 796**	**3 807**
	Operating income[1)]	**60**	**67**	**397**	**404**
	Operating margin	**7.0%**	**7.8%**	**10.4**	**10.6%**

1) Excluding non-recurring cost and market valuation of derivates

Seasonally strong cash flow

SEKm	Q1 2012	Q1 2011	Q1 LTM 2012	FY 2011
EBITDA[1)]	**88**	**95**	**504**	**511**
Capital expenditure	**-39**	**-38**	**-378**	**-377**
Change in; Inventory	-16	-56	3	-37
Accounts receivable	75	26	13	-36
Accounts payable	-15	-69	46	-8
Other operating working capital	-57	-2	-32	23
Change in working capital	**-13**	**-101**	**30**	**-58**
Operating cash flow	**36**	**-44**	**156**	**76**

1) Excluding non-recurring costs and market valuation of derivatives

Net debt reduction in Quarter 1

SEKm	Q1 2012	Q1 2011	FY 2011
Goodwill	1 199	1 199	1 199
Tangible and intangible fixed assets	898	639	888
Net financial assets[1)]	215	255	210
Inventories	485	491	470
Accounts receivable	584	600	663
Accounts payable	-287	-242	-302
Other operating assets and liabilities[3)]	-239	-266	-300
Net assets	**2 855**	**2 676**	**2 827**
Net debt	732	647	745
Equity	2 124	2 029	2 082
Equity and net debt	**2 855**	**2 676**	**2 827**
ROCE[2)]	15%	18%	17%
ROCE[2)] w/o Goodwill	28%	35%	29%
Net debt / Equity	34%	32%	36%
Net debt / EBITDA[2)]	1.5	1.2	1.5

1) Deferred tax assets and liabilities + Income tax receivables and payables
2) Excluding non-recurring costs and market valuation of derivatives
3) Including restructuring provision and derivatives


Strategic challenge
Duni

Financial Targets

Target	Strategy	Q1 LTM 2012
Sales growth > 5%	• Organic growth of 5% over a business cycle • Consider acquisitions to reach new markets or to strengthen current market positions	0% (at fixed exchange rates)
EBIT margin > 10%	• Top line growth – premium focus • Improvements in manufacturing, sourcing and logistics	10.4%
Dividend payout ratio 40+%	• Target at least 40% of net profit	3.50 SEK per share (proposal)

Exploring Different Growth Paths

	Core geography	*New geography*
New Horeca concepts	Concept expansion	
Table top	Market Penetration	Platform expansion

→ Supported by new organizational structure