Q3 2009 Presentation

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2009 Q3 Highlights

- Net sales increased with 4.9% to SEK 1,021 m
- Underlying operating profit[1] amounted to SEK 113 m (102)
- Underlying operating margin[1] amounted to 11.0% (10.5%)
- Strong cash flow and net debt reduction to SEK 870 m
- Increased operating profit in Professional
  - Volume trend less negative than H1
  - Cost savings and lower input material protecting margins
- Stable sales in Retail and improved operating profit
  - Volume trend improving and cost reduction positively impacting operating profit
- Sales in Tissue significantly improving versus previous quarter following higher shipments to the hygiene sector

[1] Excluding market valuation of derivatives SEK 25 m (-18) and restructuring costs -1 m (0)
Excluding translation effect: net sales SEK 971 m, underlying operating profit SEK 100 m with underlying operating profit 10.3%

Duni – the European Market Leader for Table Top Solutions

Duni*

Table Top

Professional 68%

Retail 19%

Tissue 13%

Manufactured

Napkins | Plates | Table coverings

Traded

Candles | Eating & Drinking (glasses, cups, plates, cutlery) | Meal service

Key financials

Full year 2008

- Sales: SEK 4.1 billion (+2.9%)
- EBIT: SEK 414 million (395) [1]
- EBIT margin: 10.1% (9.9%) [1]

Q3 2009

- Sales: SEK 1.0 billion (+4.9%)
- EBIT: SEK 113 million (102) [2]
- EBIT margin: 11.0% (10.5%) [2]

[1] Excluding restructuring costs SEK -41 m (0) and market valuation of derivatives SEK -48 m (-1)
[2] Excluding restructuring costs SEK -1 m (0) and market valuation of derivatives SEK 25 m (-18)
* Sales' split 2008

Market Outlook

HORECA market long term growing in line or slightly above GDP

- Positive eating out trend
- Continued strong growth in take-away sector

Retail growth in line with GDP

- Private label over-represented in our category
- Discount stores and private label more in focus in a weaker economy

Stabilized, but continued weak macro economic environment

- Recession in several important Duni markets
- In core markets HORECA declines with 4-7% in H1 (German HORECA -4.4% by end July)

Raw material prices and costs of certain traded goods still at levels lower than last year, though price trend is upwards since a couple of months for key materials

Changing eating habits

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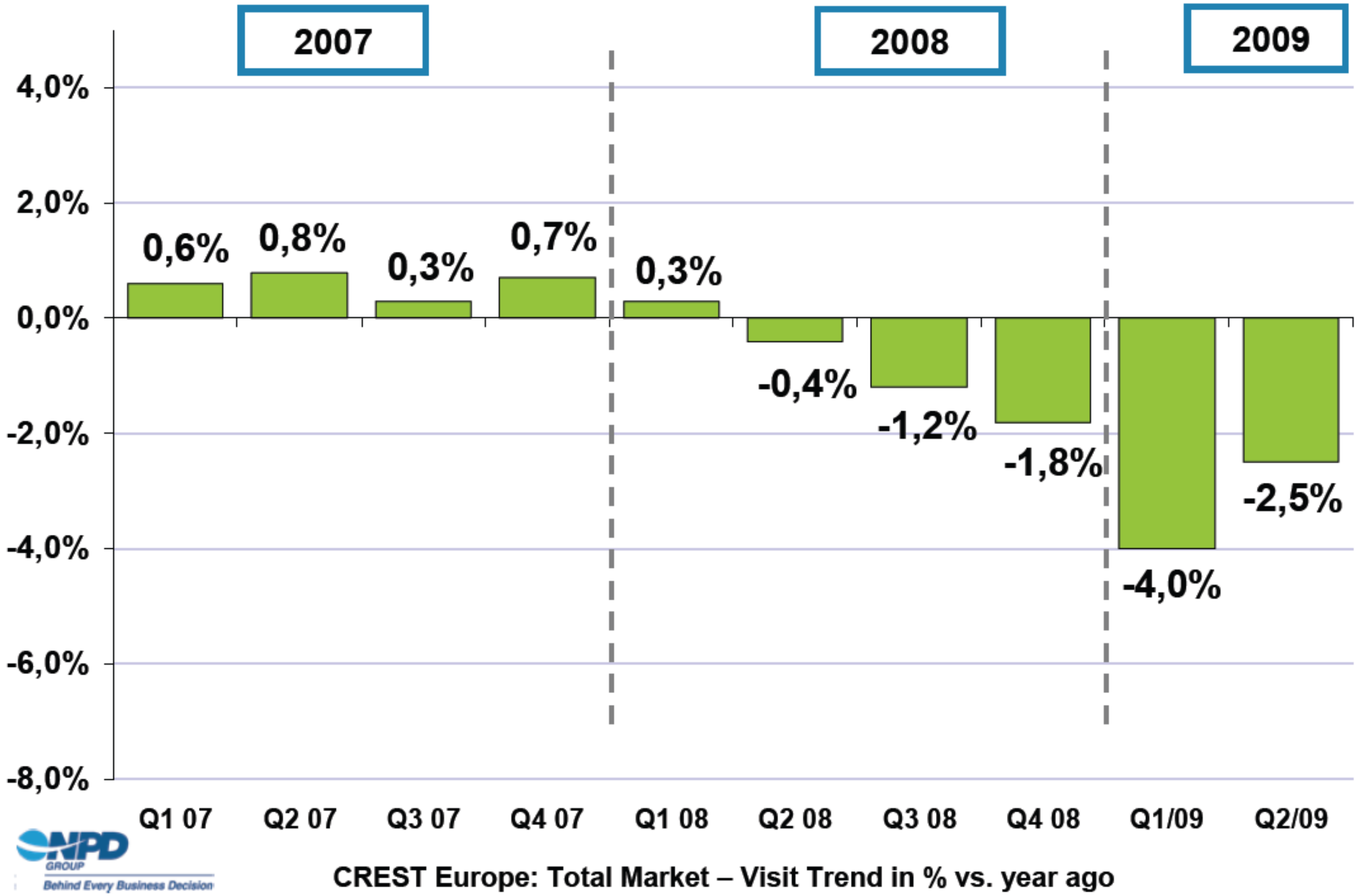
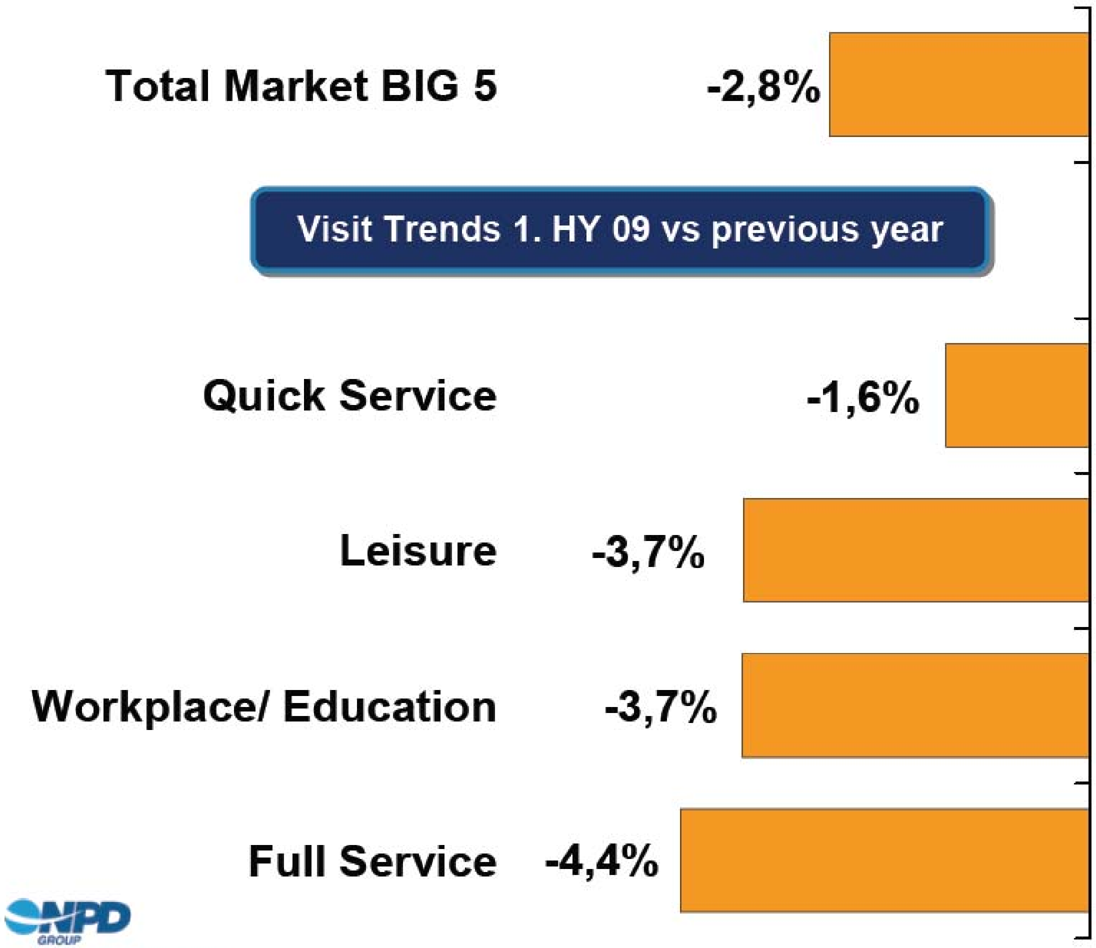
Traffic has been the victim of the Credit Crunch



CREST Europe: Total Market – Visit Trend in % vs. year ago

Full Service Restaurants lost faster than the total market while Quick Service concepts were more stable



NPD GROUP
Behind Every Business Decision

Duni

Consumer Reaction in tough times...

Trading Down:

- ★ Switching to less expensive Restaurants
- ★ Skipping Add-Ons
- ★ Using Promotions and Price Deals

NPD GROUP
Behind Every Business Decision

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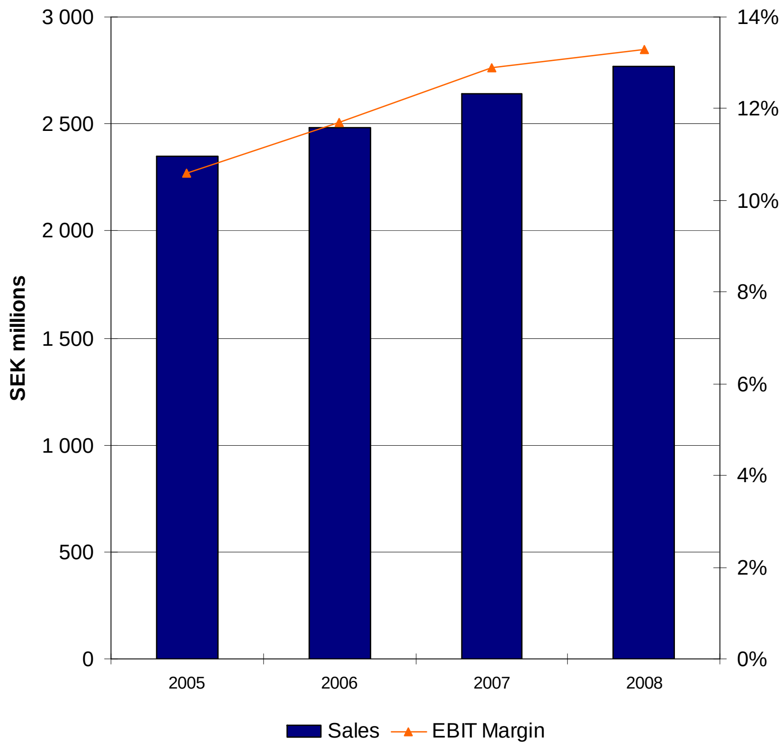
Business Areas

Professional

Sales and EBIT [1]



Geographical split – sales Q3 2009[2]

Net Sales - Professional	Q3 2009	Q3 2008	Growth
Nordic region	153	159	-3.3%
Central Europe	432	403	7.2%
Southern & Eastern Europe	119	119	0.0%
Rest of the World	5	4	31.9%
Total	*708*	*684*	3.6%

Improved though still negative volume trend

Continued strong profitability development

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

2) Translation effect on sales in Q3 is SEK 45 m

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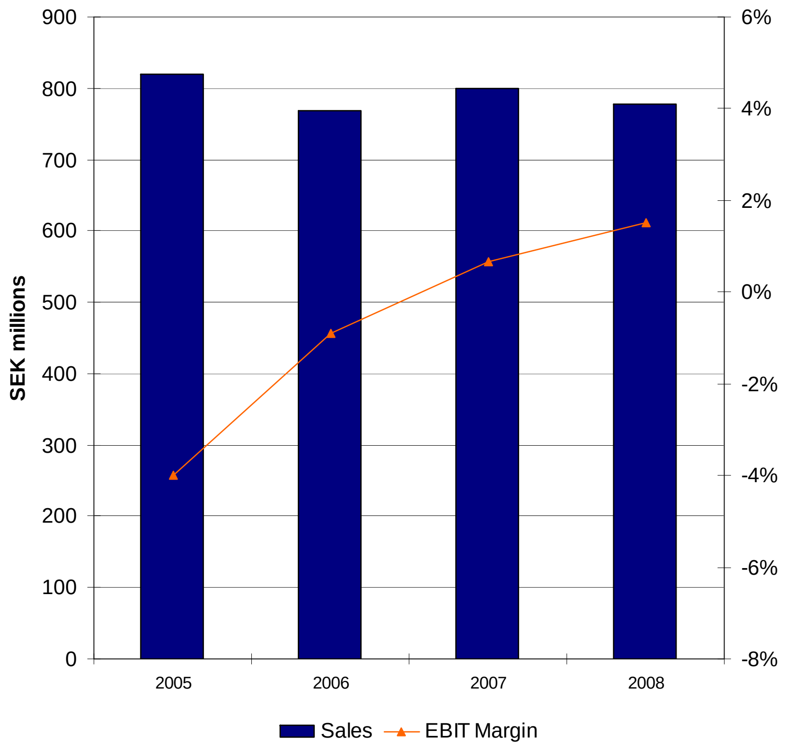
Retail

Sales and EBIT [1]



Geographical split – sales Q3 2009[2]

Net Sales - Retail	**Q3 2009**	**Q3 2008**	**Growth**
Nordic region	22	30	-27.2%
Central Europe	132	124	5.8%
Southern & Eastern Europe	6	4	83.7%
Rest of the World	1	0	0.0%
Total	*161*	*158*	1.8%

Close to stable volume development

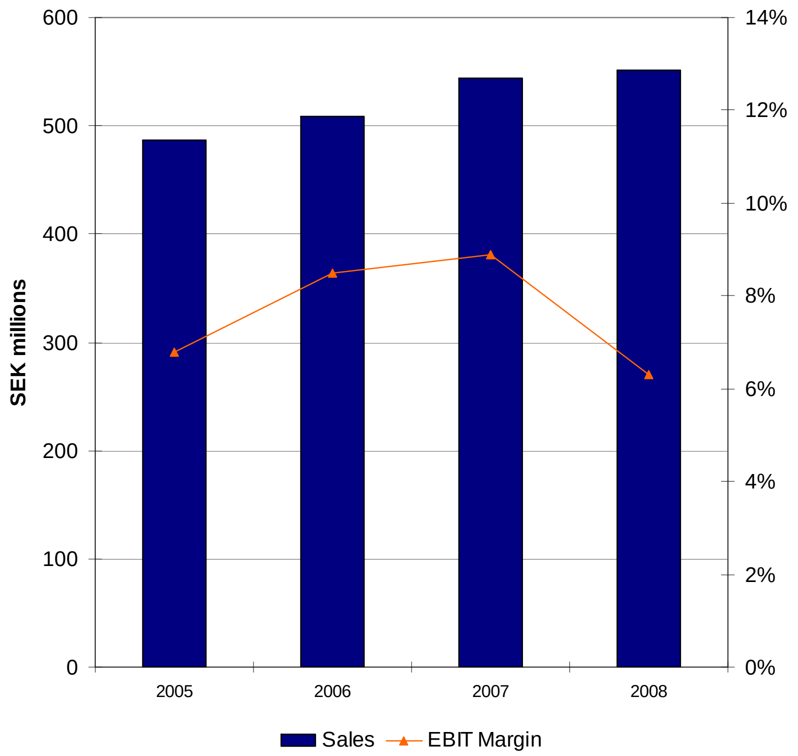
Slightly improved profitability

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

2) Translation effect on sales in Q3 is SEK 5 m

Tissue

Sales and EBIT [1]



Sales mix Q3 2009

Significantly improved volumes in hygiene

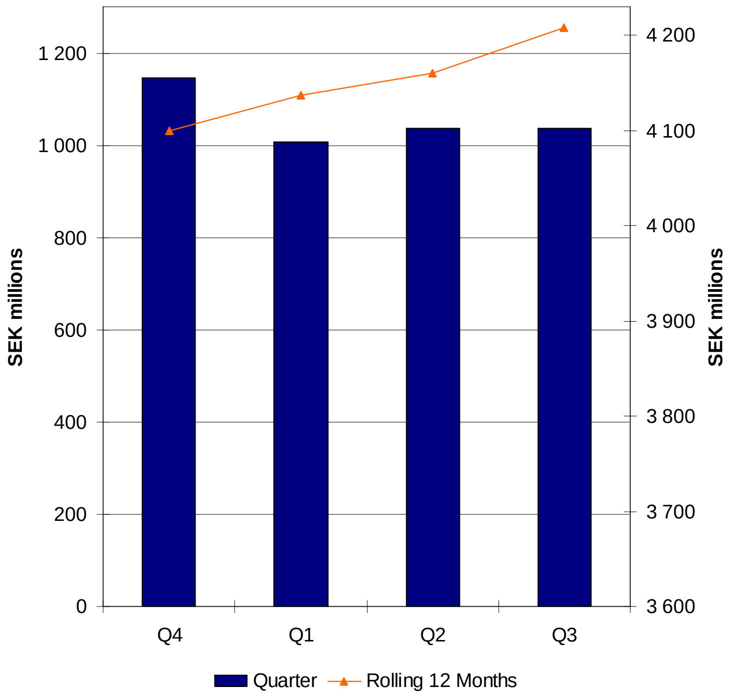
Less favorable product mix

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

Financials

Sales development stabilized

LTM Sales



Sales growth

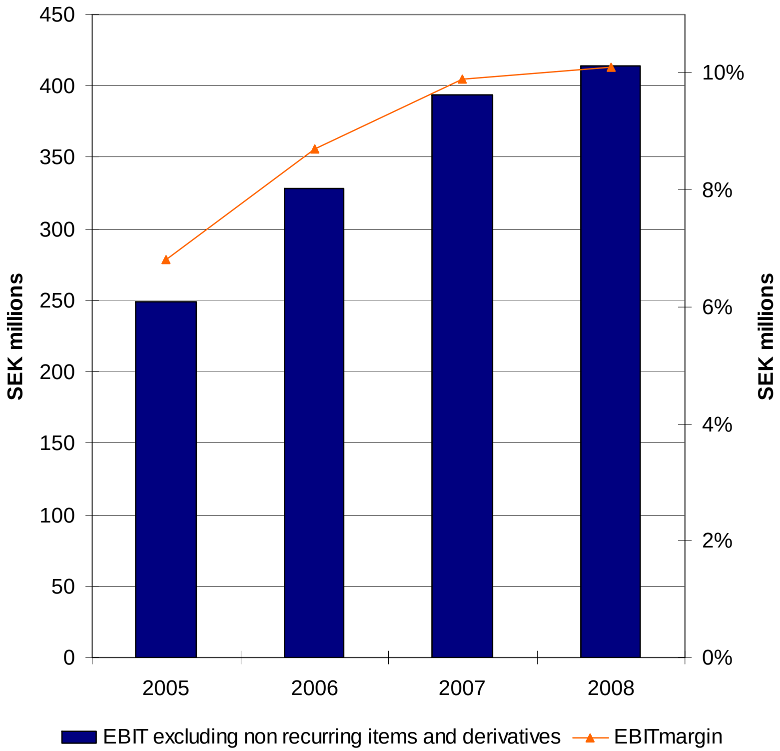
	2006	2007	2008	2008 Q3	2009 Q3
Professional	**5.7%**	**6.3%**	**4.9%**	**3.8%**	**3.5%**
Retail	**-6.2%**	**4.2%**	**-2.9%**	**-8.5%**	**1.8%**
Tissue	**4.5%**	**6.9%**	**1.3%**	**-2.6%**	**15.9%**
Total	**2.9%**	**5.9%**	**2.9%**	**0.7%**	**4.9%**

Volume development in all segments improved vs. H1

Considerable translation effect of weak SEK

Positive trend in Professional

Operating profit (MSEK)



Operating margin

	2006[1]	2007[2]	2008[2]	2008 Q3[2]	2009 Q3[2]
Professional	11.7%	12.9%	13.3%	13.8%	14.7%
Retail	-0.9%	0.6%	1.5%	-2.5%	-0.3%
Tissue	8.5%	8.9%	6.3%	8.8%	5.8%
Non-recurring/ derivatives	-1.3%	0.0%	-2.2%	-1.8%	2.4%
Total [1 2]	8.7%	9.9%	10.1%	10.5%	11.0%

Operating margin negatively impacted by lower volumes, however compensated by; translation effect, lower cost of goods and cost savings – negative mix effects in Tissue

[1] Excluding non-recurring items (restructuring costs)

[2] Excluding non-recurring items (restructuring costs) and market valuation of derivatives

Income Statement

	2006	2007	2008	Last 12-months
Net sales	3,762	3,985	4,099	4,208
Cost of goods sold	-2,812	-2,948	-3,020	-3,102
Gross profit	950	1,037	1,079	1,106
Gross margin	*25.3%*	*26.0%*	*26.3%*	*26.4%*
Selling expenses	-459	-446	-465	-473
Administrative expenses	-219	-208	-198	-192
Research and development expenses	-6	-13	-23	-25
Other operating income	44	57	57	112
Other operating expenses	-33	-33	-124	-147
Reported operating profit	**277**	**394**	**326**	**381**
Operating margin	*7.4%*	*9.9%*	*8.0%*	*9.1%*
Non-recurring items[1]	50	1	89	33
Operating profit (excl. non recurring items)	**327**	**395**	**414**	**414**
Operating margin (excl. non recurring items)	*8.7%*	9.9%	10.1%	9.8%

1) Non-recurring items is the sum of restructuring costs and market valuation of derivatives

Balance Sheet

(SEK in millions)	30/09/2009		30/09/2009
Intangible assets	1,231	Shareholders' equity	1,658
Tangible assets	490	Interest bearing debt	840
Financial fixed assets	348	Pension liabilities	197
Inventory	448	Other long term liabilities	28
Accounts receivable	670	Accounts payable	285
Other current receivables	154	Other current liabilities	486
Cash & cash equivalents	153		
Total assets	**3,494**	**Total equity and liabilities**	**3,494**

ROCE[1]	*19%*	*Net debt*	*870*
ROCE[1] (w/o goodwill)	*42%*	*Net debt / equity*	*53%*
		Net debt / EBITDA[1]	*1.7x*

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

Simplified Cash Flow Profile

(SEK million)	2006	2007	2008	2008 Q3	2009 Q3
Operating profit [1]	327	395	414	102	113
Depreciation	82	90	97	23	26
Change in trading capital[2]	***-106***	***-28***	***-75***	***-166***	***72***
Inventory	26	-24	-3	-54	-15
Accounts receivable	8	14	-114[3]	-129[3]	14
Accounts payable	-66	30	15	-34	31
Other operating working capital	-74	-48	27	52	42
Capital expenditures	-130	-132	-139	-18	-27
Operating cash flow	***173***	***322***	***297***	***-58***	***183***

1) Excluding non-recurring costs and market valuation of derivatives
2) Continuing businesses excluding disposals.
3) Cancellation of factoring contracts amounting to SEK 135 m in Q3 2008

Financial Targets

		2009-09
Sales growth > 5%	• Organic growth of 5% over a business cycle	3.7%
	• Consider acquisitions to reach new markets or to strengthen current market positions	-
EBIT margin > 10%	• Top-line growth – premium focus • Improvements in manufacturing, sourcing and logistics	9.8% (LTM)
Dividend payout ratio 40+%	• Board target at least 40% of net profit	1.80 kr/share

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