



Duni Presentation
ABG Sundal Collier
May 10, 2010



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- Professional
- Retail
- Tissue

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2010 Q1 Highlights

Net sales declined by 4.7% to SEK 960 m (1,007)

Underlying operating income¹ amounted to SEK 77 m (73)

Underlying operating margin¹ amounted to 8.1% (7.2%)

Unprecedented sharp increase in raw material

Increased operating income in Professional

- Growth in most markets, at fixed exchange rates
- Healthy product mix supported by new product launches

Sales in Retail declined but operating profit continue to improve

- More favorable customer and product mix
- Challenges in some regions

Sales in Tissue improved, but operating profit declined related to increasing raw material and energy prices as well as phase in of new products

¹ Excluding market valuation of derivatives SEK -4 m (-2) and restructuring costs of SEK 0 m (0).
Excluding translation effect: net sales SEK 1,018 m, underlying operating income SEK 90 m with underlying operating income 8.8%.

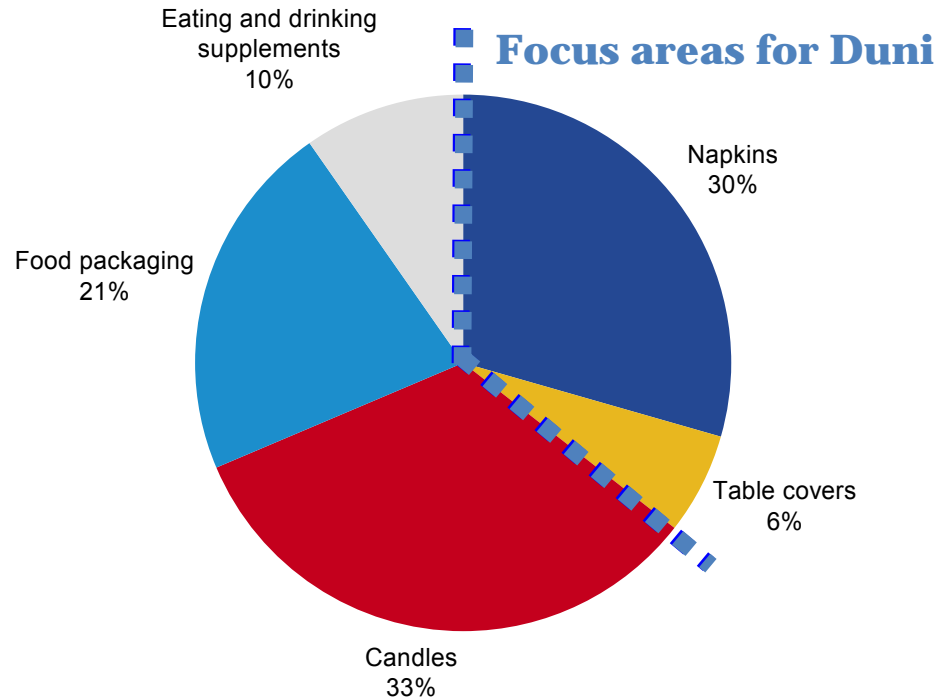


Duni in Brief

| | Professional | Retail | Tissue | Group full year 2009 |
|--------------------------|---|--|---|----------------------|
| (MSEK) |  |  |  | |
| Sales | 2 885 | 792 | 543 | 4 220 |
| <i>Sales share</i> | 68% | 19% | 13% | 100% |
| EBIT (underlying) | 402 | 18 | 16 | 436 |
| <i>EBIT share</i> | 92% | 4% | 4% | 100% |
| EBIT Margin | 13.9% | 2.2% | 3.0% | 10.3% |

European Market Leader in Table Top

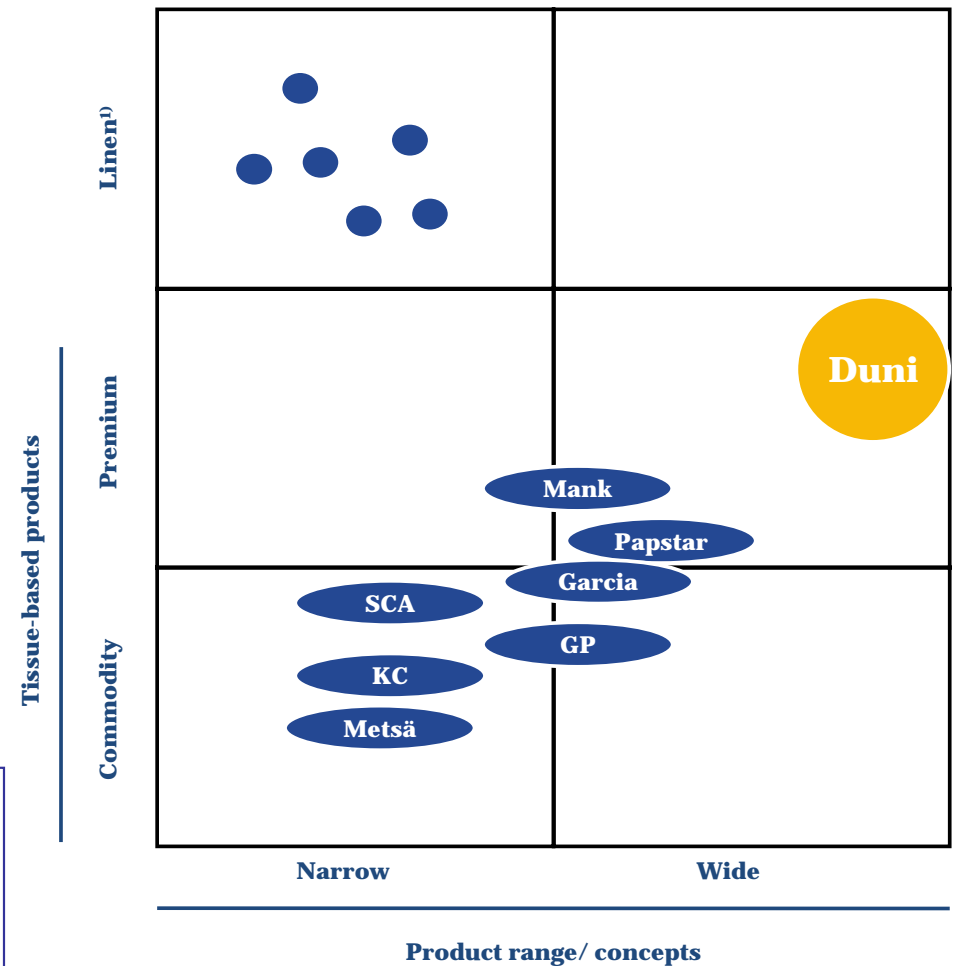
European Disposable Table Top Market



- Addressable market of EUR 4 bn
- ~2/3 of market is in the professional customer segment
- Market leader with 20 % share (tissue products)

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Premium Positioning



Strong Market Position

| <i>Market (by Size in Value)</i> | <i>Premium Share of Market</i> | <i>Duni Position</i> |
|--------------------------------------|--|----------------------|
| 1) Southern Europe | 1/3 | 3 |
| 2) Central Europe | 2/3 | 1 |
| 3) The UK | 1/3 | 2 |
| 4) Northern Europe | 2/3 | 1 |
| 5) Benelux | 2/3 | 1 |
| 6) Eastern Europe | 1/3 | 3 |



Market Outlook

HORECA market long term growing in line or slightly above GDP

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

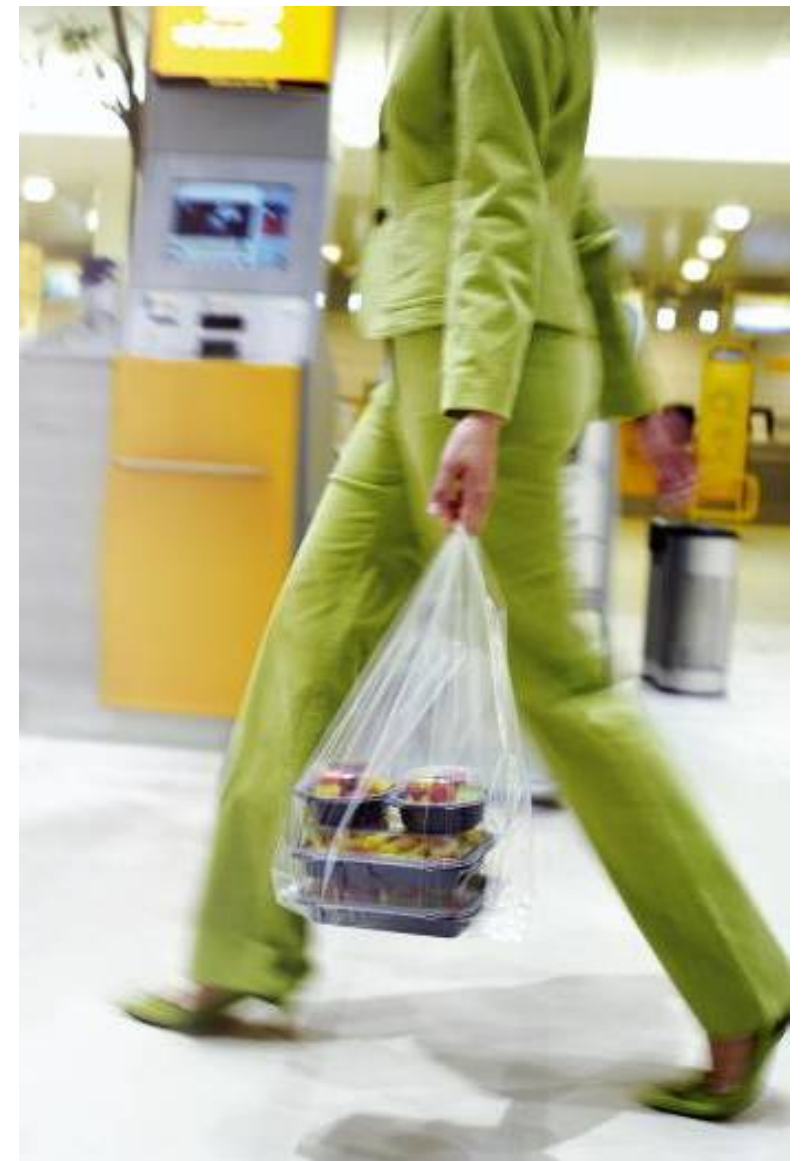
Retail growth in line with GDP

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

Stabilized, with signs of slow recovery

- European countries coming out of recession but demand remains low

Trend for raw material prices and costs of certain traded goods is sharply upwards since several months increasing pressure on margins



Changing eating habits

Horeca Sales, Germany



ZAHLENSPIEGEL IV/2009

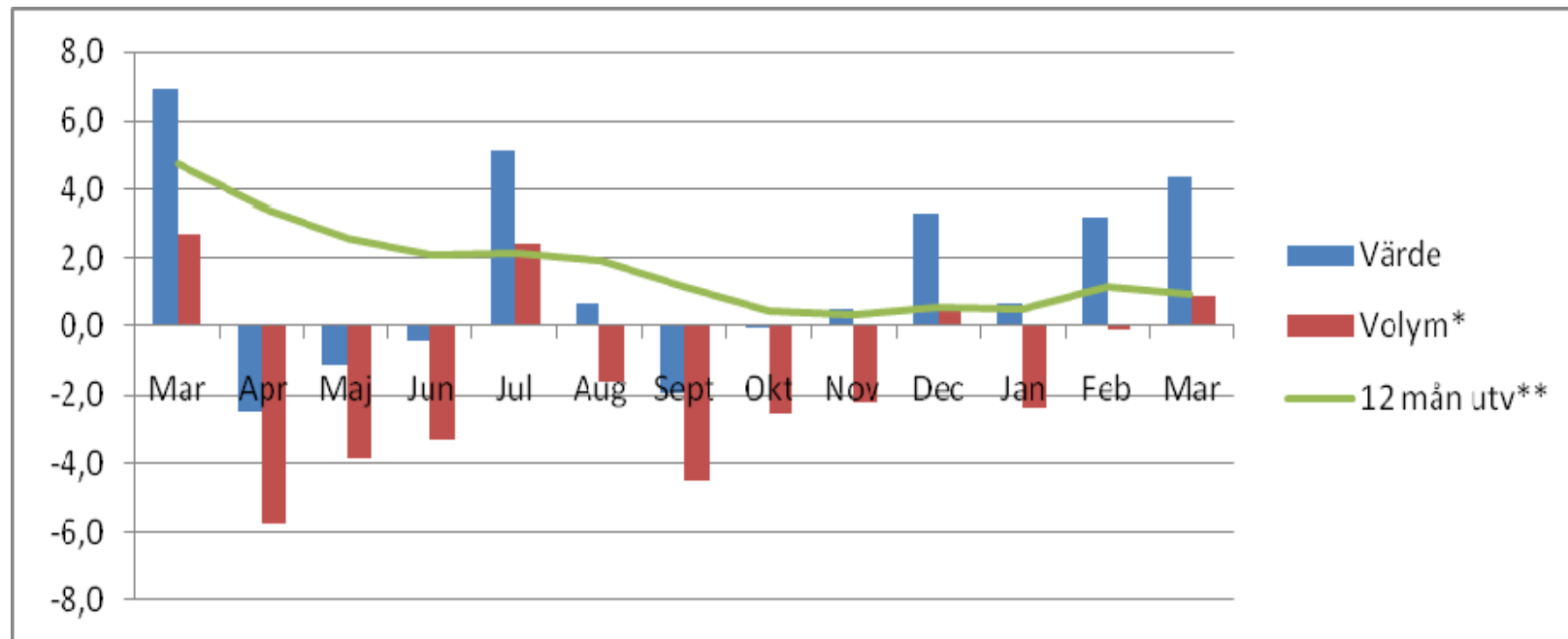
DEUTSCHER HOTEL- UND GASTSTÄTTENVERBAND (DEHOGA BUNDESVERBAND)

Umsatzentwicklung im Gastgewerbe viertes Quartal und Gesamtjahr 2009 (Veränderungen gegenüber Vorjahreszeitraum)

| Betriebsart | 4. Quartal 2009 | | Januar bis Dezember 2009 | | |
|---|-----------------|--------------|--------------------------|--------------|----------------------|
| | nominal | real | nominal | real | in Mrd. € (netto) |
| Hotellerie (Hotels, Hotels garnis, Gasthöfe, Pensionen) | -4,7% | -6,3% | -6,0% | -8,1% | 15,6 |
| Beherbergungsgewerbe insgesamt | -4,5% | -6,2% | -5,5% | -7,6% | 17,6 |
| Speisengeprägte Gastronomie | -3,9% | -5,4% | -2,5% | -4,3% | 24,6 |
| Getränkegeprägte Gastronomie | -5,9% | -7,6% | -6,3% | -8,1% | 6,5 |
| Gaststättengewerbe insgesamt | -4,2% | -5,8% | -3,1% | -4,9% | 31,1 |
| Pachtkantinen | -3,9% | -5,5% | -4,4% | -6,3% | 1,8 |
| Caterer | -4,3% | -5,9% | -3,1% | -4,9% | 2,4 |
| Pachtkantinen und Caterer insgesamt | -3,9% | -5,5% | -4,3% | -6,2% | 4,2 |
| Gastgewerbe insgesamt | -4,3% | -5,9% | -4,1% | -6,1% | 52,9 |

Restaurant Sales Jan-Feb 2010: -1,4%

Restaurant Sales, Sweden (March 2009-March 2010)



Source: SCB

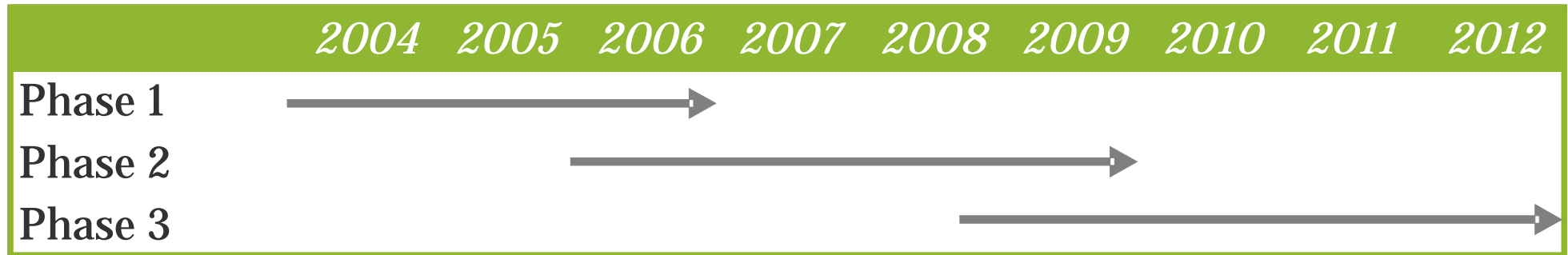
Russians Spend Less than a Tenth of the Western Europeans into Foodservice



Total Away from Home Spend per Capita - 2008



Increased Focus on Growth



Phase 1: *"Restructuring"*

- Establishing efficient operating platforms
- Focus on cost and efficiency rather than growth

Phase 2: *"Consolidation & Growth"*

- Consolidate lean operating model
- Profitable growth
- Accelerate new product development

Phase 3: *"Platform Extension & Enhancement"*

- Establish platforms in new geographies
- Position Duni for growth within growing market segments

Exploring different Growth Paths



New Horeca concepts



Table top

Core geography *New geography*

Concept expansion

Market Penetration

Platform expansion

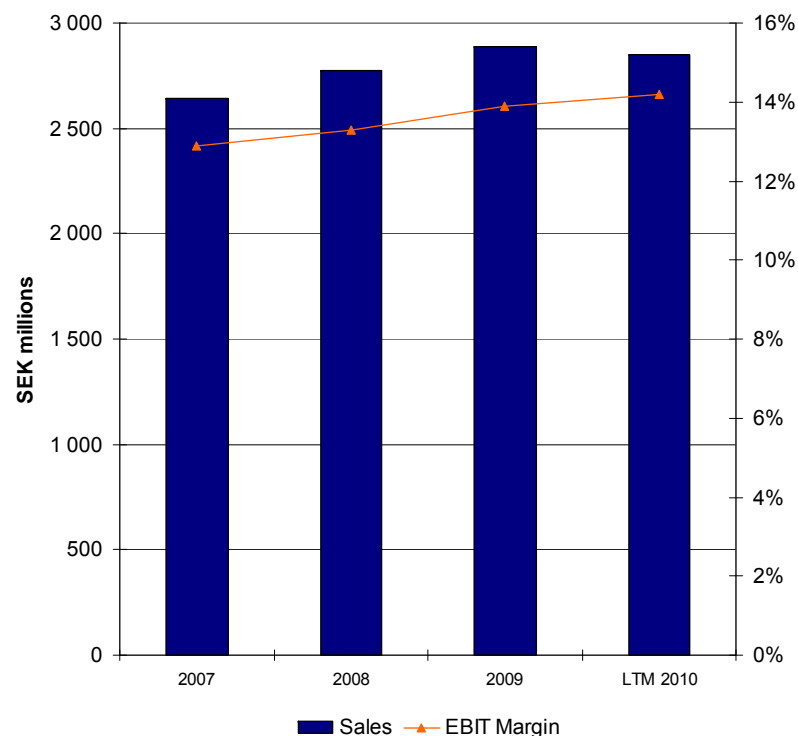


Business Areas



Professional – Solid Development

Sales and EBIT¹



Geographical split – sales Q1 2010²

| <i>Net Sales - Professional</i> | Q1 2010 | Q1 2009 | Growth |
|---------------------------------|------------|------------|--------------|
| Nordic region | 146 | 144 | 1,4% |
| Central Europe | 382 | 418 | -8,6% |
| Southern & Eastern Europe | 99 | 101 | -2,0% |
| Rest of the World | 7 | 6 | 16,7% |
| Total | 634 | 669 | -5,2% |

- Continued improvement in operating margin
- Growth in all regions at fixed exchange rates

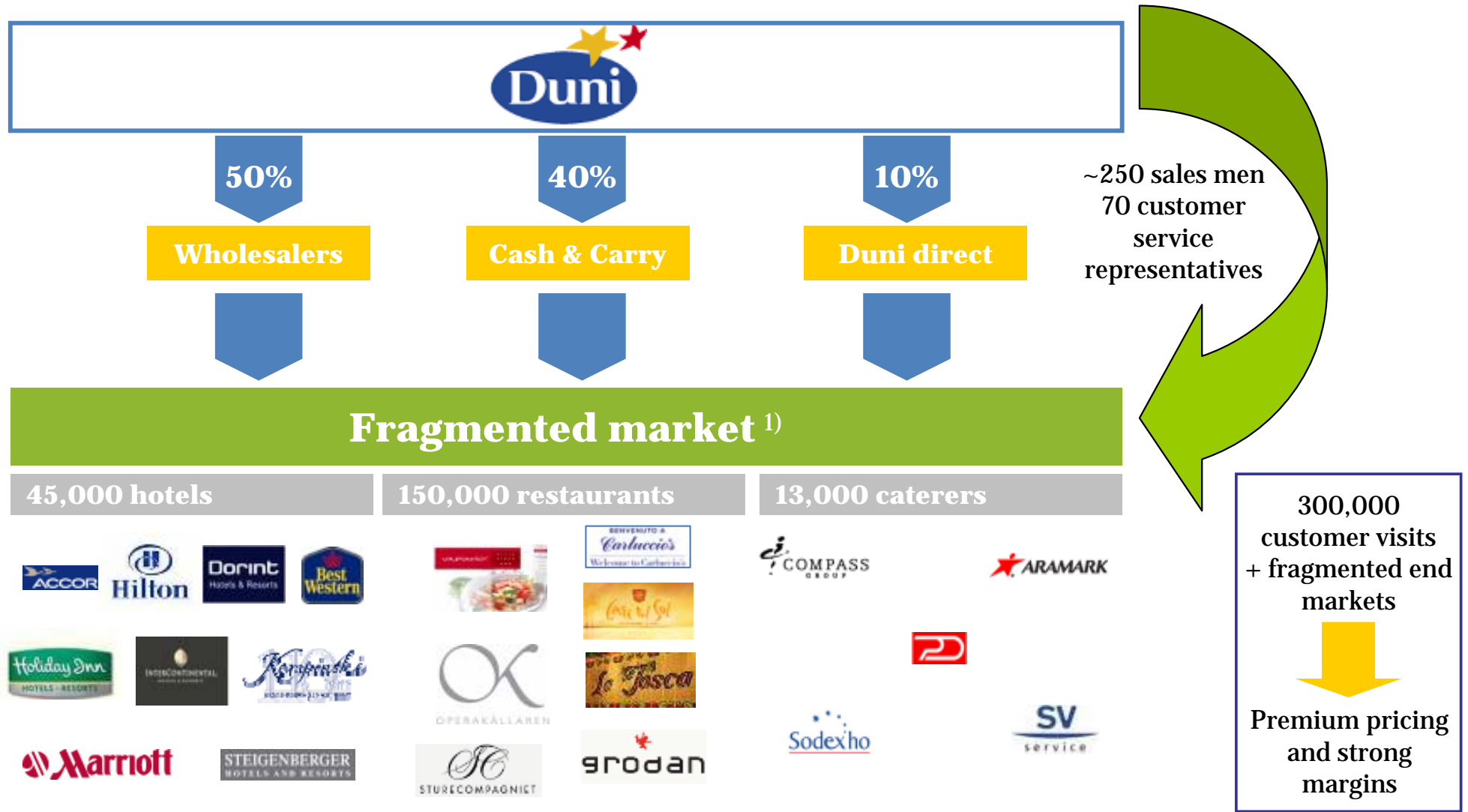
- 1) Excluding non-recurring costs and market valuation of derivatives
- 2) Negative translation effect on sales in Q1 2010 with SEK 45 m

Key Success Factors

- #1 brand – premium focus
- Unique sales model
- Concept selling
- Product development



Duni's Unique Direct Approach to End-customers



New Premium Products

Sensia®



Elegance®
Lily



New Concepts



Duni Amuse-bouche®



Duni ecoecho®

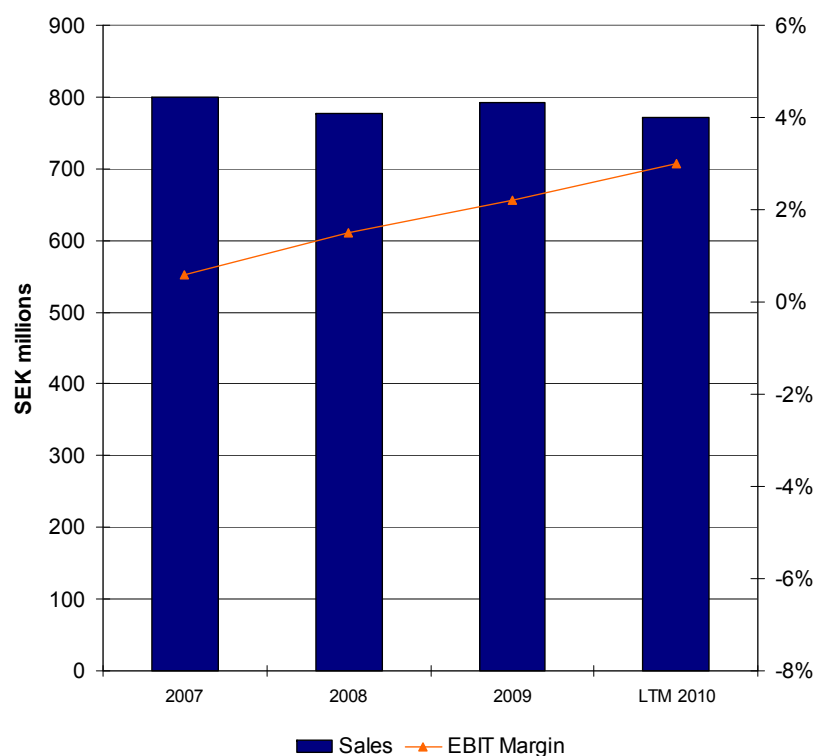


Customized Solutions



Retail – Improved Profitability

Sales and EBIT¹



Geographical split – sales Q1 2010²

| <i>Net Sales - Retail</i> | Q1 2010 | Q1 2009 | Growth |
|---------------------------|----------------|----------------|---------------|
| Nordic region | 26 | 27 | -3,7% |
| Central Europe | 150 | 175 | -14,3% |
| Southern & Eastern Europe | 9 | 3 | 200,0% |
| Rest of the World | 0 | 0 | 0,0% |
| <i>Total</i> | <i>185</i> | <i>205</i> | <i>-9,8%</i> |

- Advantageous product mix resulted in strong margin
- Loss of some, mainly low-end, customer contracts

- 1) Excluding non-recurring costs and market valuation of derivatives
- 2) Negative translation effect on sales in Q1 2010 with SEK 13 m

Retail towards Sustainable Profitability

Duni opportunity

- Brands are being re-introduced in retail stores
- Non-food category is a key growth driver for retailers
- Table top is a high margin category
- Leverage on Duni's brand recognition
- Private label development stagnating in Sweden: 17,1% value and 23,8% volume (Source:GfK 2007)

Duni Focus Areas

- Customer profitability: Play in the right field
- Assortment optimization and sales solutions
- Sales and merchandising coverage: cost to serve
- Category captain

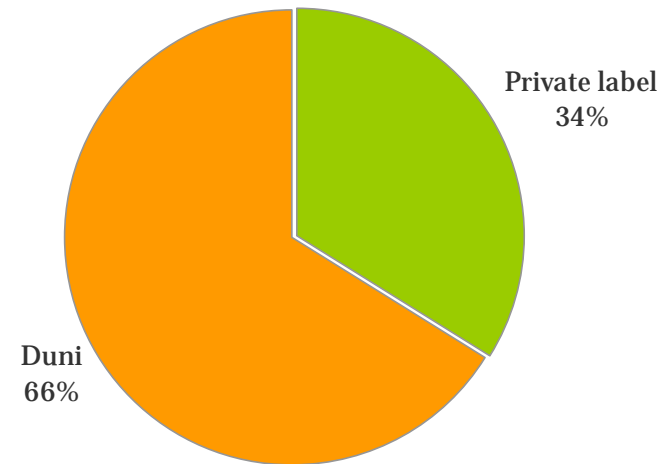


Duni – the Leading Brand

Duni branded market share, napkins (value share, Nielsen, 2009)

- Germany, 12.4 % (54.0 % private label)
- Sweden 15.7 % (50.9 % private label)
- The Netherlands, 25.1 % (30.6 % private label)

Share Duni branded vs. private label



In-store Solutions

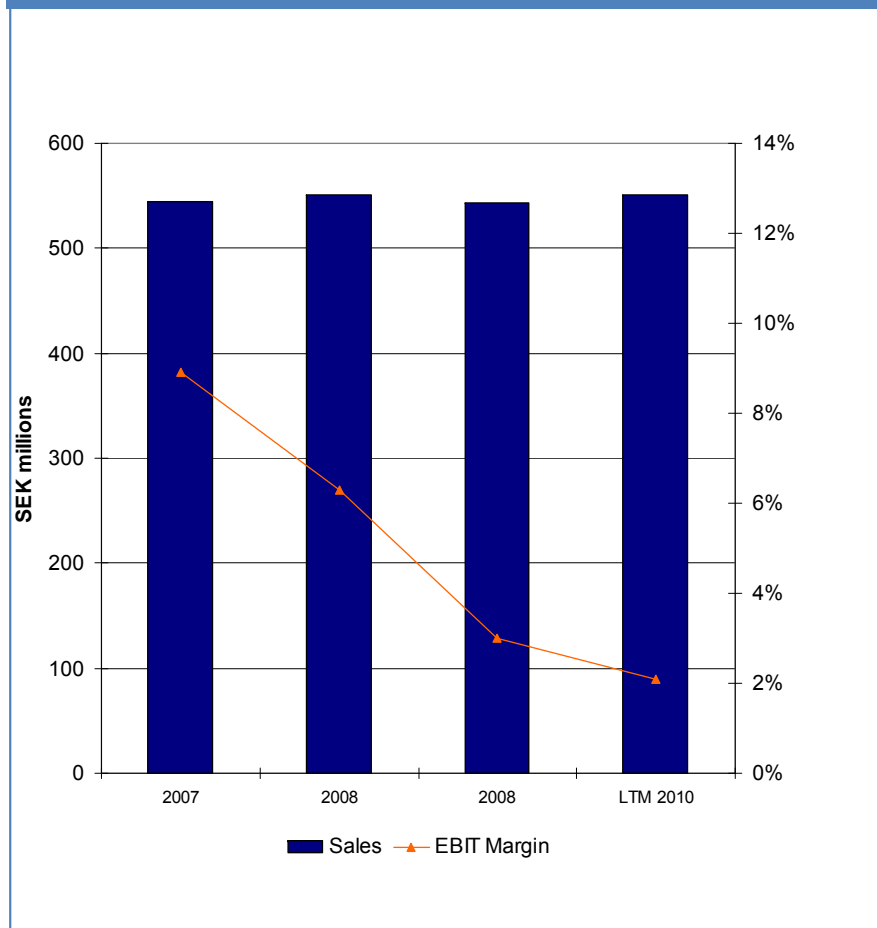


Sales Concepts

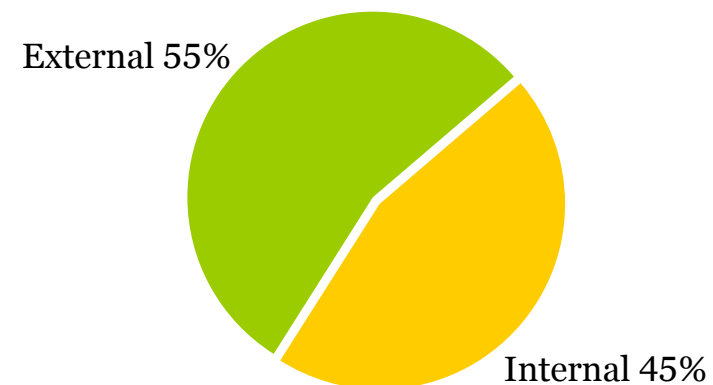


Tissue – Volumes Stabilizing

Sales and EBIT¹



Sales mix Q1 2010



- Recovery in volume compared to a weak first quarter last year
- Lower profitability in hygiene segment

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



Financials

Income Statement

| SEK m | 2006 | 2007 | 2008 | 2009 | Q1 2010 | Q1 2009 |
|---|------------|------------|---------------------|------------|-----------|-----------|
| Net sales | 3 762 | 3 985 | 4 099 | 4 220 | 960 | 1 007 |
| Gross profit | 950 | 1 037 | 1 079 | 1 166 | 248 | 252 |
| Gross margin | 25.3% | 26.0% | 26.3% ²⁾ | 27.6% | 25.8% | 25.0% |
| Selling expenses | -459 | -446 | -465 | -482 | -121 | -126 |
| Administrative expenses | -219 | -208 | -198 | -184 | -45 | -45 |
| R & D expenses | -6 | -13 | -23 | -29 | -6 | -6 |
| Other operating net | 11 | 24 | -67 | 17 | -2 | -5 |
| Operating income (reported) | 277 | 394 | 326 | 488 | 74 | 70 |
| Non-recurring items ¹⁾ | -50 | -1 | -89 | 52 | -4 | -2 |
| Operating income (underlying) | 328 | 395 | 414 | 436 | 77 | 73 |
| Operating margin (underlying) | 8.7% | 9.9% | 10.1% | 10.3% | 8.1% | 7.2% |
| Financial net | | | -75 | -43 | -8 | -20 |
| Taxes | | | -60 | -108 | -15 | -13 |
| Net income, continuing operations | | | 191 | 336 | 51 | 37 |
| Earnings per share, continuing operations | | | 4.06 | 7.15 | 1.09 | 0.79 |

1) Restructuring costs and market valuation of derivatives

2) Excluding restructuring costs, 26.8%

Improved Profitability

| SEK m | | 2006 | 2007 | 2008 | 2009 | Q1 2010 | Q1 2009 |
|---------------------|--------------------------------|-------|-------|-------|-------|---------|---------|
| Professional | Net sales | 2 485 | 2 641 | 2 771 | 2 885 | 634 | 669 |
| | Operating income ¹⁾ | 291 | 342 | 368 | 402 | 69 | 65 |
| | Operating margin | 11.7% | 12.9% | 13.3% | 13.9% | 10.8% | 9.7% |
| Retail | Net sales | 768 | 800 | 777 | 792 | 185 | 205 |
| | Operating income ¹⁾ | -7 | 5 | 11 | 18 | 8 | 3 |
| | Operating margin | -0.9% | 0.6% | 1.5% | 2.2% | 4.3% | 1.3% |
| Tissue | Net sales | 509 | 544 | 551 | 543 | 141 | 134 |
| | Operating income ¹⁾ | 43 | 48 | 35 | 16 | 1 | 5 |
| | Operating margin | 8.5% | 8.9% | 6.3% | 3.0% | 0.4% | 3.8% |
| Duni | Net sales | 3 762 | 3 985 | 4 099 | 4 220 | 960 | 1 007 |
| | Operating income ¹⁾ | 328 | 395 | 414 | 436 | 77 | 73 |
| | Operating margin | 8.7% | 9.9% | 10.1% | 10.3% | 8.1% | 7.2% |

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

Simplified Cash Flow Profile

| Simplified Cash Flow Profile | | | | | | |
|----------------------------------|--------------------|--------------------|--------------------|------------|-------------|------------|
| SEK m | 2006 ²⁾ | 2007 ²⁾ | 2008 | 2009 | Q1 2010 | Q1 2009 |
| EBITDA ¹⁾ | 409 | 485 | 511 | 539 | 104 | 98 |
| Capital expenditures | -130 | -132 | -139 | -121 | -45 | -23 |
| Change in; | | | | | | |
| Inventory | 26 | -24 | -3 | 146 | -42 | 13 |
| Accounts Receivable | 8 | 14 | -114 ³⁾ | 58 | -23 | 4 |
| Accounts Payable | -66 | 30 | 15 | 3 | -49 | -81 |
| Other operating working capital | -74 | -48 | 27 | 56 | -26 | -13 |
| Change in working capital | -106 | -28 | -75 | 263 | -140 | -77 |
| Operating Cash flow | 173 | 322 | 297 | 681 | -81 | -2 |

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

²⁾ Excluding discontinued operations

³⁾ Cancellation of factoring contracts amounting approximately to SEK 135 m

Solid Financial Position

| SEK m | 2007 | 2008 | 2009 | Q1 2010 | Q1 2009 |
|--|--------------|--------------|--------------|--------------|--------------|
| Goodwill | 1 199 | 1 199 | 1 199 | 1 199 | 1 199 |
| Tangible & Intangible Fixed Assets | 462 | 539 | 540 | 545 | 528 |
| Net Financial Assets ¹⁾ | 339 | 366 | 327 | 300 | 369 |
| Inventories | 500 | 542 | 382 | 413 | 528 |
| Accounts Receivable | 546 | 731 | 640 | 630 | 726 |
| Accounts Payable | -305 | -358 | -344 | -281 | -274 |
| Other operating assets and liabilities ³⁾ | -238 | -375 | -324 | -285 | -353 |
| Net Assets | 2 503 | 2 644 | 2 420 | 2 521 | 2 724 |
| Net Debt | 1 087 | 1 100 | 631 | 676 | 1 161 |
| Equity | 1 416 | 1 544 | 1 789 | 1 844 | 1 563 |
| Equity & Net Debt | 2 503 | 2 644 | 2 420 | 2 521 | 2 724 |
| ROCE ²⁾ | 19% | 18% | 21% | 16% | 17% |
| ROCE ²⁾ w/o Goodwill | 44% | 39% | 49% | 27% | 35% |
| Net Debt/Equity | 77% | 71% | 35% | 37% | 74% |
| Net Debt/EBITDA ²⁾ | 2,2 | 2,2 | 1,2 | 1,2 | 2,3 |

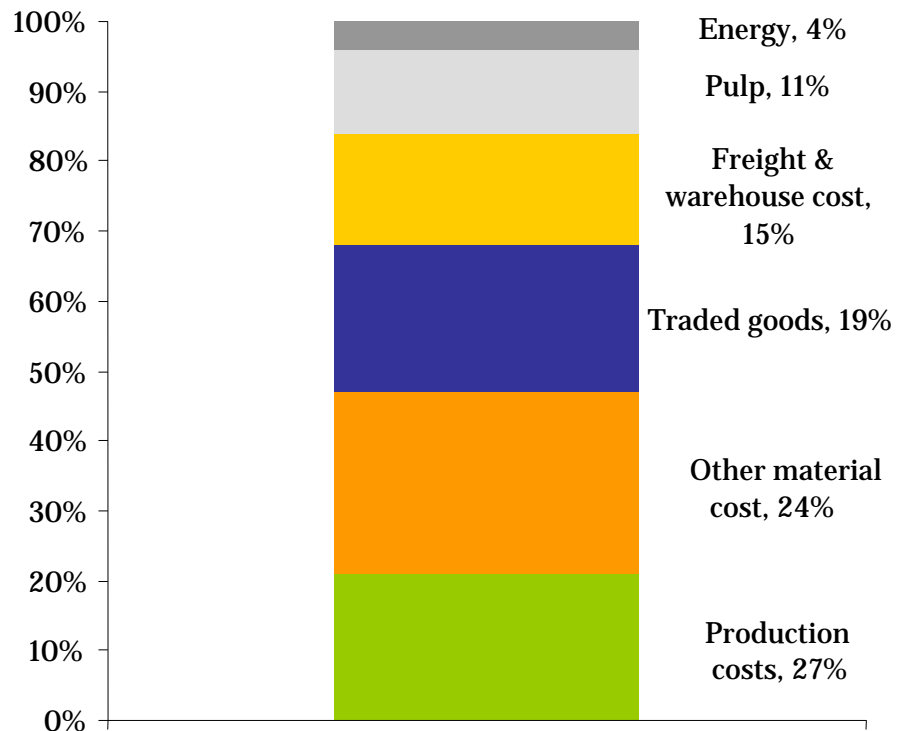
¹⁾ Deferred tax assets and liabilities + Income tax receivables and payables

²⁾ Excluding non-recurring costs and market valuation of derivatives

³⁾ Including restructuring provision and derivatives

Some Sensitivity to Major Input Materials

COGS breakdown (approximate)



Sensitivity analysis

| | Δ | <u>EBIT impact</u> |
|-----------|----------|--------------------|
| • Energy | 1% | SEK 1 million |
| • Pulp | 1% | SEK 4 million |
| • Freight | 1% | SEK 2 million |
| • Price | 1% | SEK 40 million |

- Unique business model in Professional enables price leadership to mitigate swings in cost base

Financial Targets

**2010-03
LTM**

Sales growth > 5%

- Organic growth of 5% over a business cycle
- Consider acquisitions to reach new markets or to strengthen current market positions

0.9%

EBIT margin > 10%

- Top-line growth – premium focus
- Improvements in manufacturing, sourcing and logistics

10.6%

Dividend payout
ratio 40+%

- Board target at least 40% of net profit

2.50 kr
per share