

SEB Enskilda Nordic Seminar
Copenhagen, 7 January, 2010

DUNI 60
YEARS
WWW.DUNI.COM

www.duni.com



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

Contents

- Year-to-date Q3 Highlights
- Market overview
- Business areas
 - Professional
 - Retail
 - Tissue
- Financials
- Summary




2009 YTD Q3 Highlights

- Net sales increased with 3.7% to SEK 3,063 m
- Underlying operating profit¹ amounted to SEK 269 m (269)
- Underlying operating margin¹ amounted to 8.8% (9.1%)
- Strong cash flow and net debt reduction to SEK 870 m
- Stable profit margin in Professional
 - Volume trend stabilizing and less negative in Q3
 - Cost savings and lower input material improving margins in Q3
- Volumes holding up well in Retail
 - Considerable improvement in UK
 - Volume trend improving and cost reduction positively impacting operating profit in Q3
- Sales in Tissue significantly improving in Q3 versus previous quarters following higher shipments to the hygiene sector



¹ Excluding market valuation of derivatives SEK 48 m (-9) and restructuring costs -2 m (0)
Excluding translation effect: net sales SEK 2843 m, underlying operating profit SEK 223 m with underlying operating profit 7.8%

Duni – the European Market Leader for Table Top Solutions

Duni*			
Table Top		Tissue 13%	
Professional 68%	Retail 19%		
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

September accumulated 2009

- Sales: SEK 3.1 billion (+3.7%)
- EBIT: SEK 269 million (269) ²
- EBIT margin: 8.8% (9.1%) ²

¹ Excluding restructuring costs SEK -41 m (0) and market valuation of derivatives SEK -48 m (-1)

² Excluding restructuring costs SEK -2 m (0) and market valuation of derivatives SEK 48 m (-9)

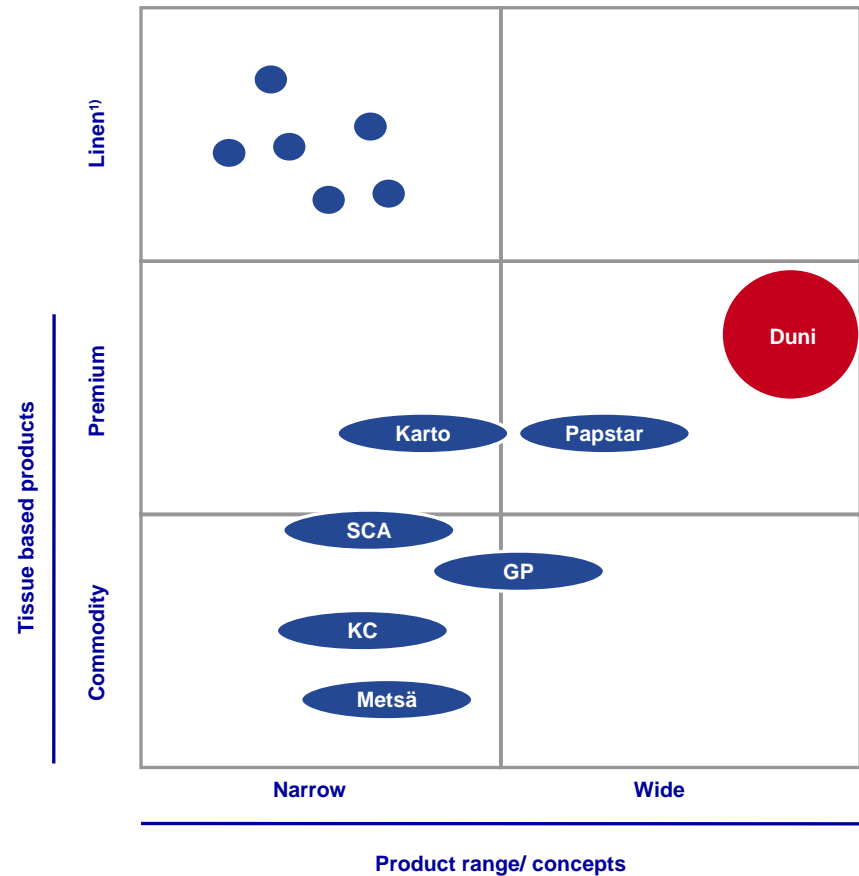
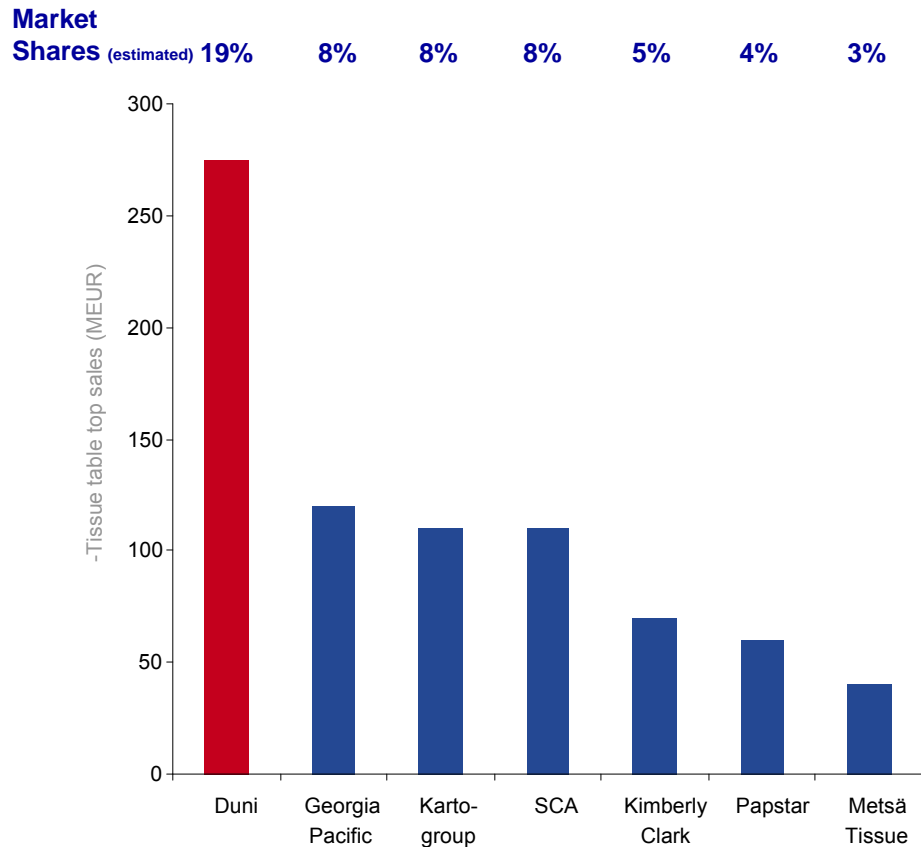
* Sales' split 2008



The European Market Leader – Above 2x Relative Market Share

#1 in European Table Top

Premium positioning



1) The linen market is characterized by a large number of small and regional players
 Source: Company reports and management estimates



Market Outlook

HORECA market long term growing in line or slightly above GDP

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

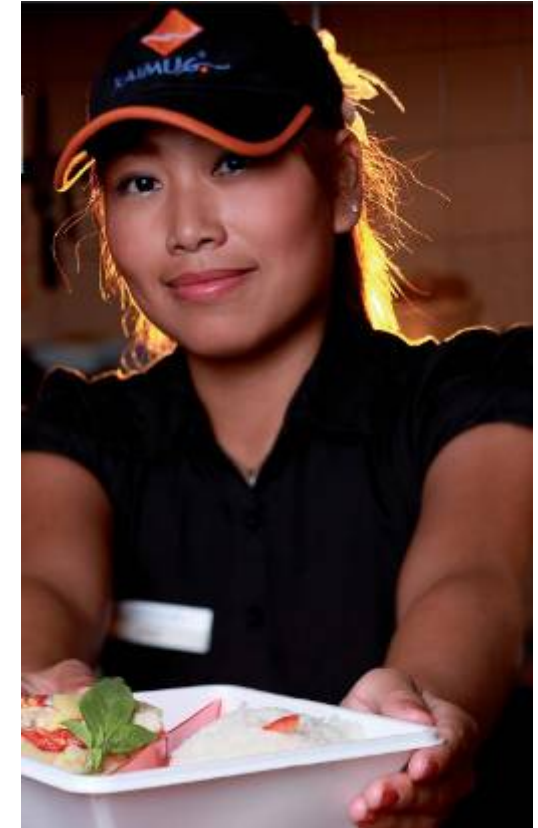
Retail growth in line with GDP

- 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

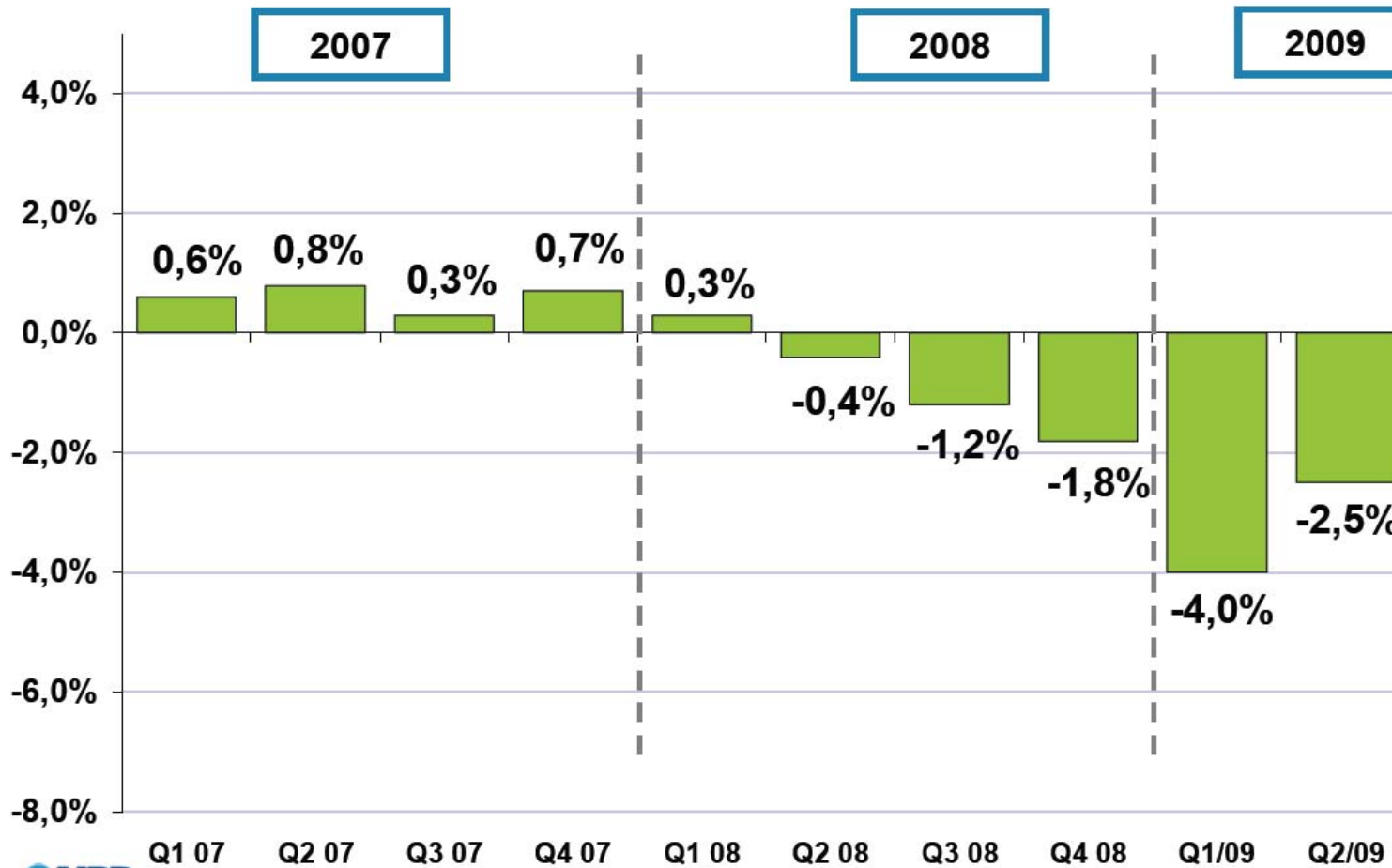
- Recession in several important Duni markets
- In core markets HORECA declines with 4-7% in H1 (German HORECA -4.2% by end August)

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

Traffic has been the victim of the Credit Crunch



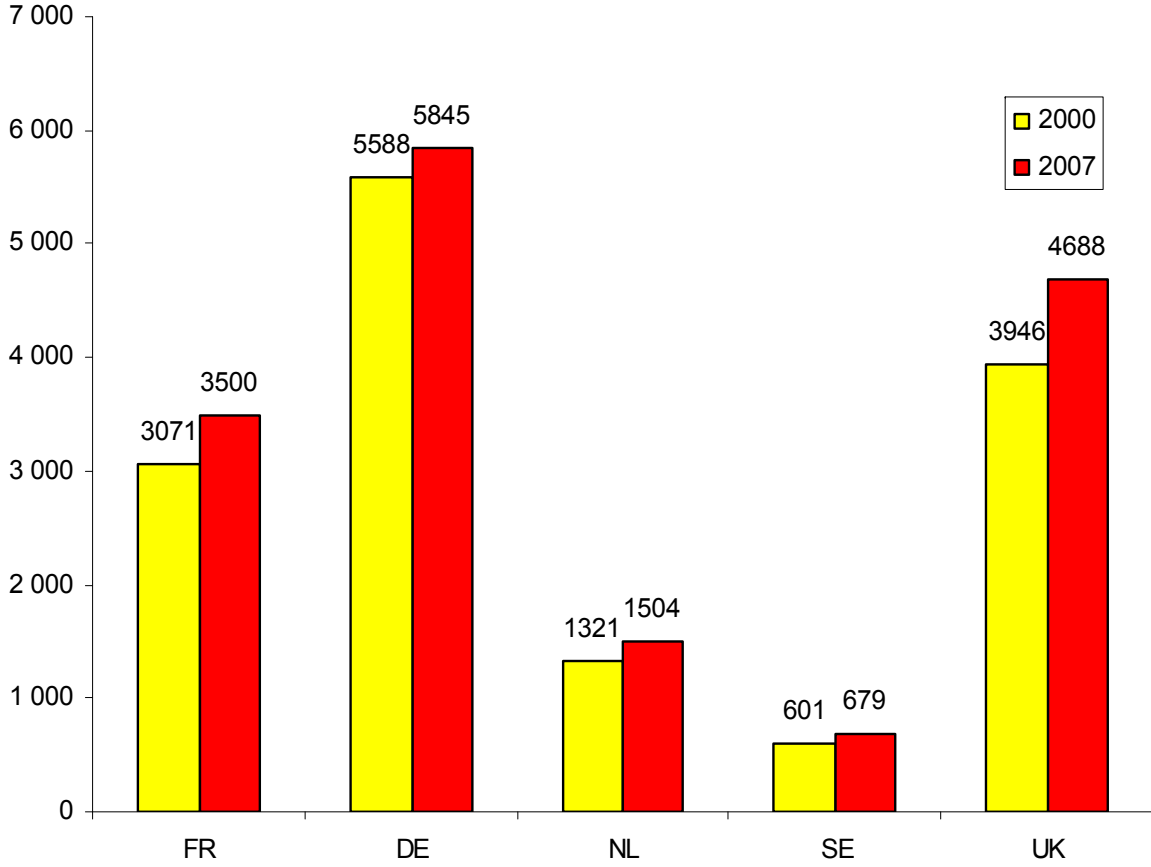
HoReCa Development Germany Jan – Aug 2009

Wirtschaftsbereich	August 2009 gegenüber August 2008		Januar bis August 2009 gegenüber Januar bis August 2008	
	nominal	real	nominal	real
Gastgewerbe insgesamt	-3,2	-5,3	-4,2	-6,4
davon:				
Beherbergung	-3,6	-6,2	-6,0	-8,4
Gastronomie	-3,0	-4,8	-3,2	-5,2
darunter:				
Caterer und sonstige Verpflegungsdienstleistungen	-2,9	-4,9	-4,0	-6,1

¹⁾ Berechnet aus den Ursprungswerten (ohne Kalender- und Saisonbereinigung).

Source: www.destatis.de

Number of Meals 2000-2007 (million)¹⁾, Commercial Food Service*



CAG (Annual Average Rate of Change)	1.89%	0.64%	1.87%	1.77%	2.49%
---	-------	-------	-------	-------	-------

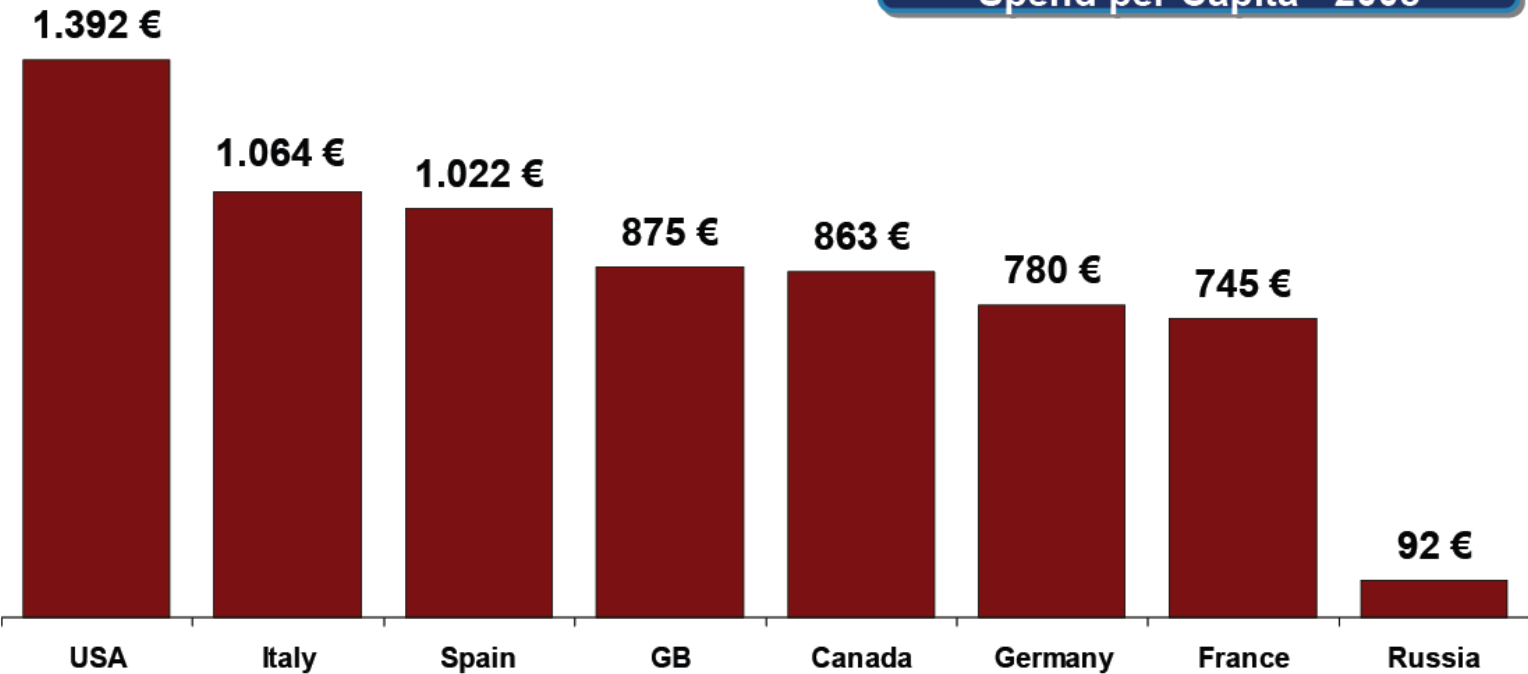
¹⁾ Foodservice Annual Count and Expenditures Tracking 2008
 * Hotels & Gambling, Restaurants/Bars/Cafés, QSR & Coffee Stores, Leisure Total



Russians spend less than a tenth of the Western Europeans into Foodservice



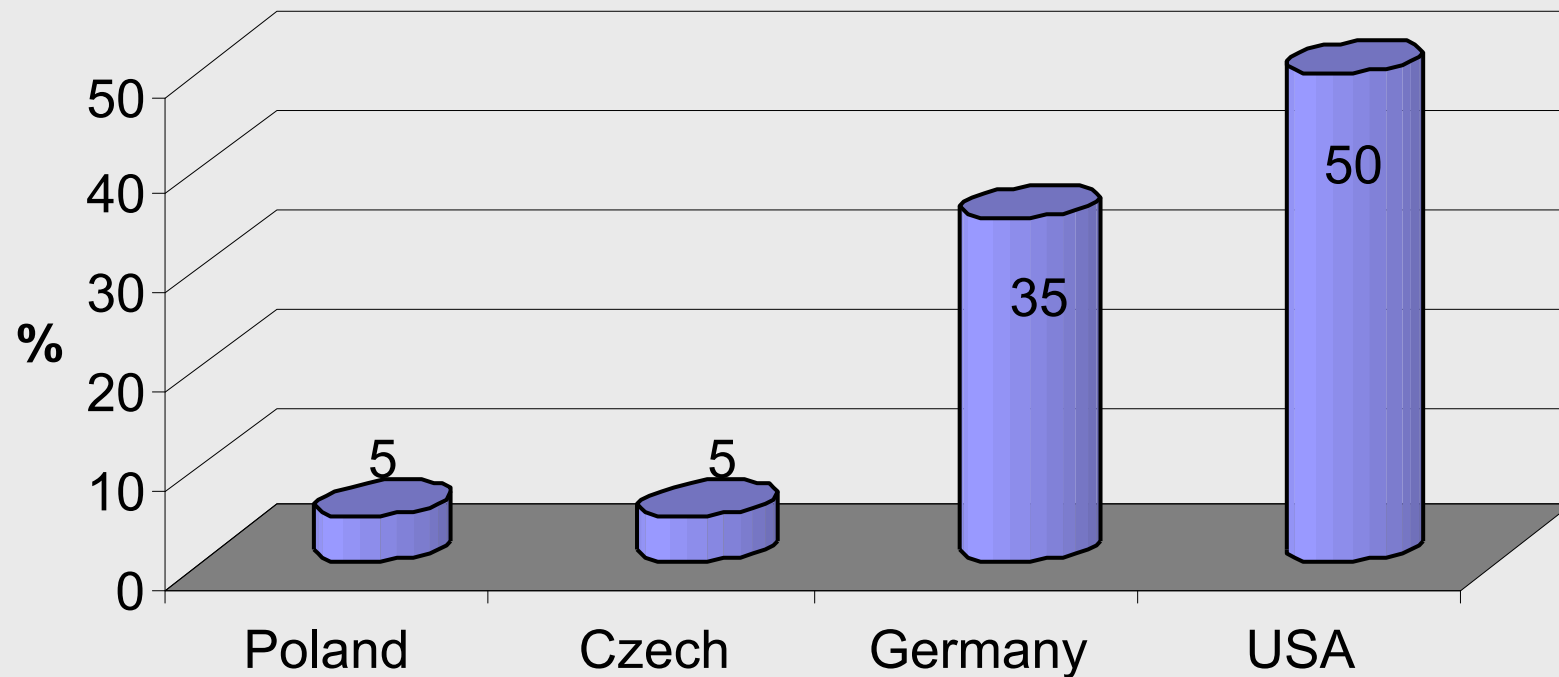
Total Away from Home Spend per Capita - 2008



Eating Out Trend

Food spending outside home

(as a percentage of whole food budget)





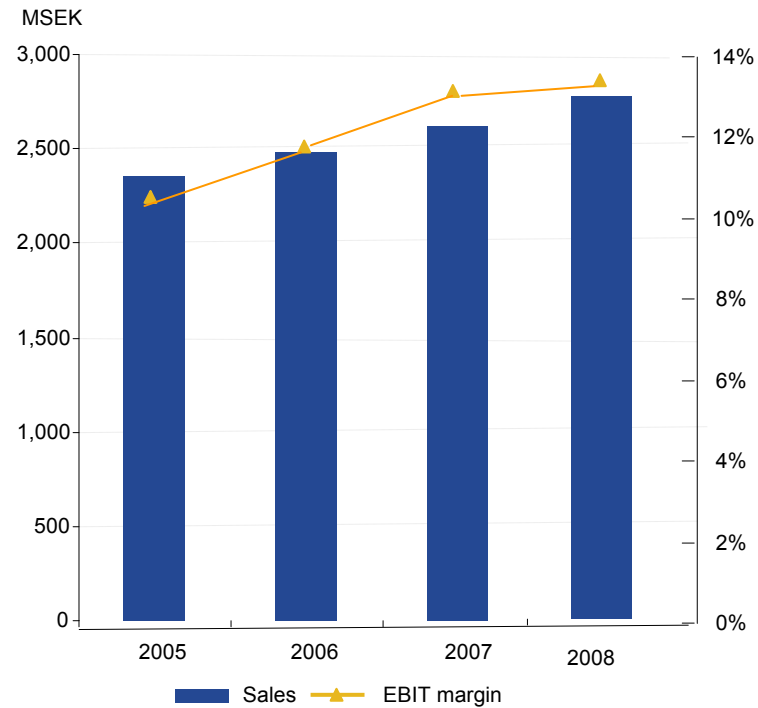
DUNI 60
YEARS
WWW.DUNI.COM

Business Areas

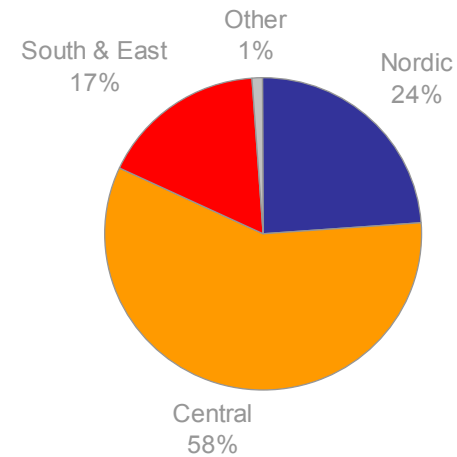


Professional – Stable Development

Sales and EBIT ¹



Geographical split – sales 2008



Stable sales growth over time

- Some 4% annual growth since 2000

Solid EBIT margin, further improving

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

Duni's Unique Direct approach to End-customers



1) Estimated number of customers using Duni's products





Growing with key customers - Metro Germany

New Premium Products

Sensia®



Elegance®
Lily



Duni Amuse-bouche®

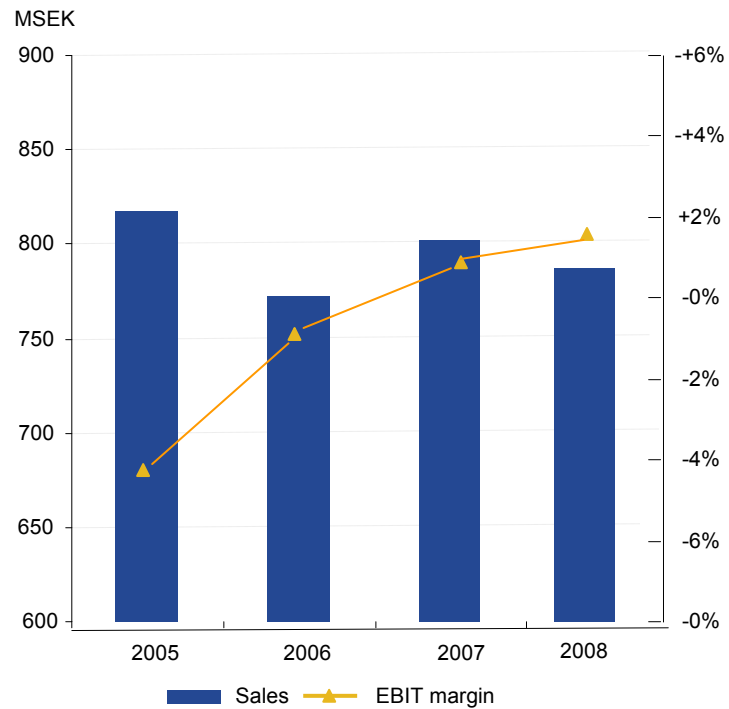


Duni Duetto®

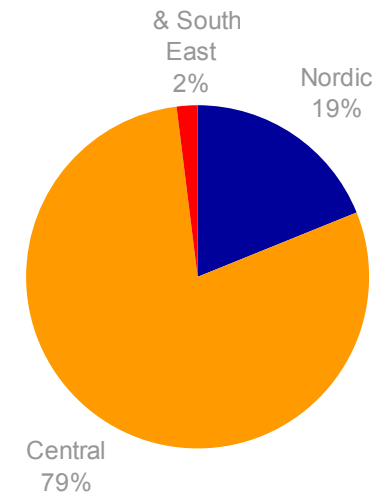


Retail – Turnaround

Sales and EBIT ¹



Geographical split – sales 2008



Improved profitability prioritized over sales growth

Duni brand & premium in focus

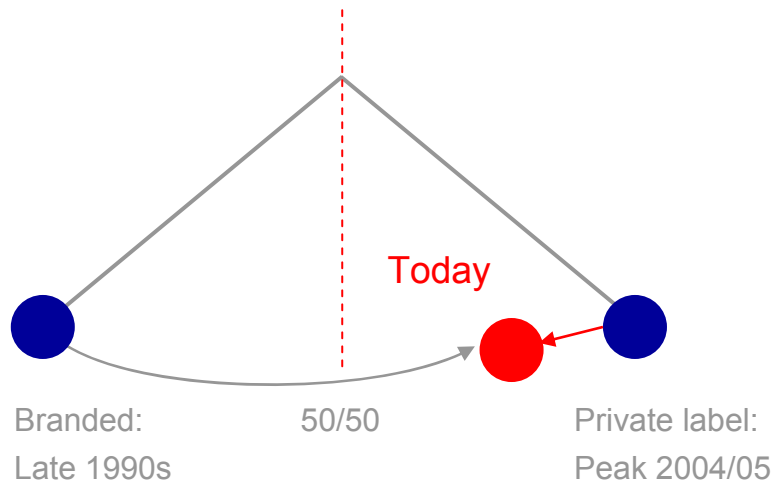
Tougher market conditions

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



Retail – Changing Market Trends

The Brand / private label pendulum



Duni opportunity

- Brands are being re-introduced in retail stores
- Non-food category is a key growth driver for retailers
- Table top of particular importance
- Leverage on Duni's brand recognition
- Private label development stagnating in Sweden: 17.3% value share 2008
(Source: Nielsen 2009)

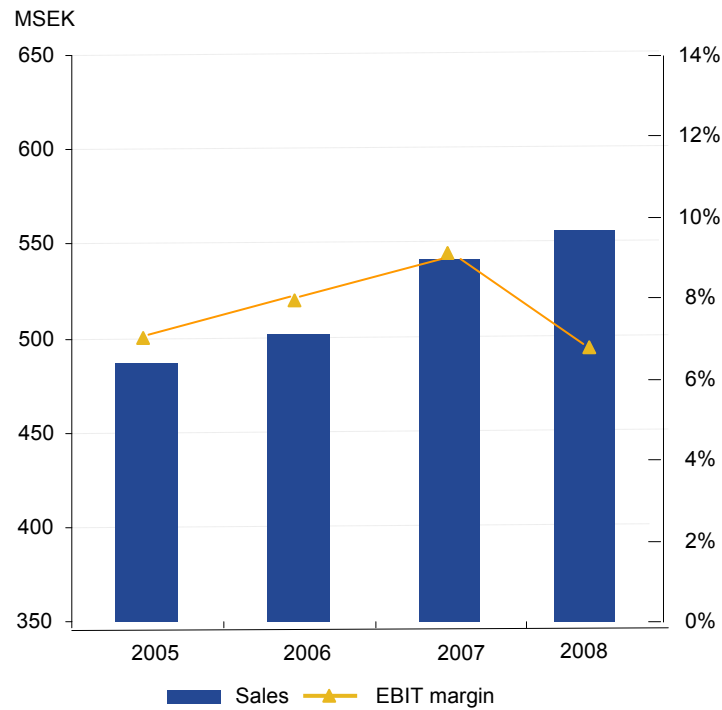
- Retailers moving from private label to branded and premium gives opportunity for Duni

Category Management



Tissue

Sales and EBIT ¹



Sales mix 2008



Tissue In-house creates competitive advantage

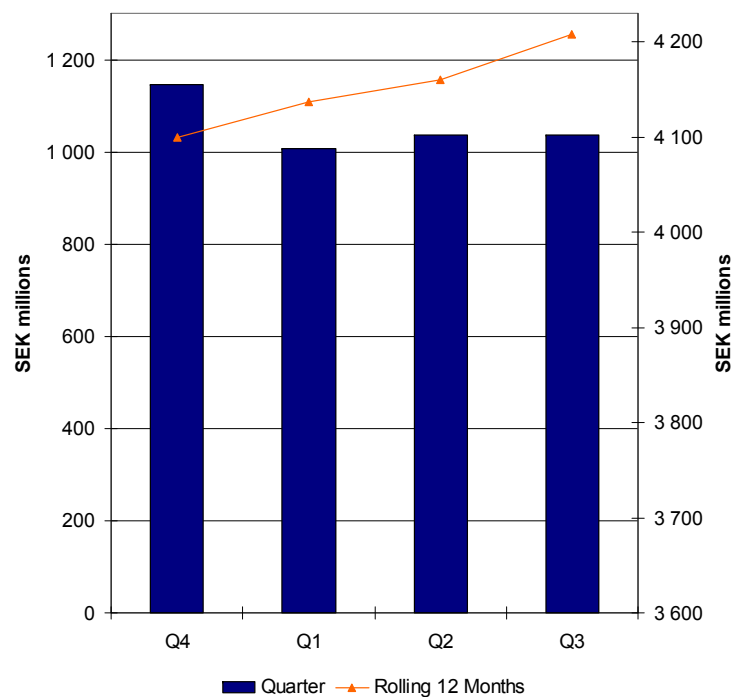
2008 impacted by energy costs and lower volumes

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

Financial highlights

Sales development stabilized

LTM Sales



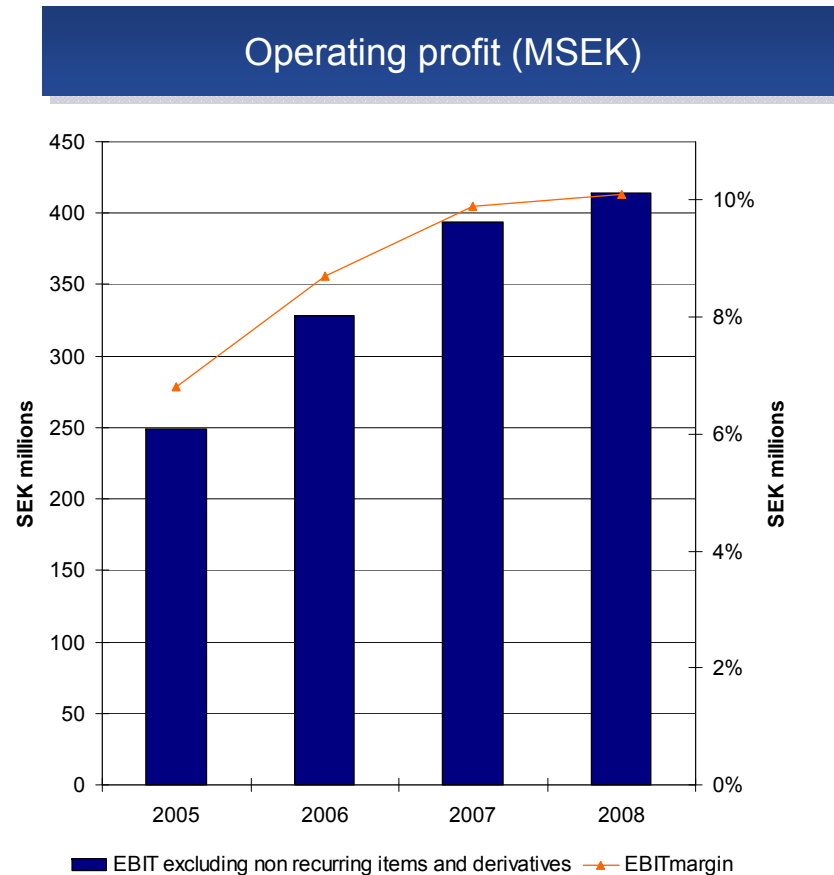
Sales growth

	2006	2007	2008	2008 Sep Acc	2009 Sep Acc
Professional	5.7%	6.3%	4.9%	5.1%	5.0%
Retail	-6.2%	4.2%	-2.9%	-3.1%	3.7%
Tissue	4.5%	6.9%	1.3%	3.2%	-2.9%
Total	2.9%	5.9%	2.9%	3.3%	3.7%

Volume development in all segments improved vs. H1

Considerable translation effect of weak SEK

Stable profit margin in Professional



Operating margin

	2006 ¹	2007 ²	2008 ²	2008 Sep Acc ²	2009 Sep Acc ²
Professional	11.7%	12.9%	13.3%	12.2%	12.5%
Retail	-0.9%	0.6%	1.5%	-1.9%	-1.5%
Tissue	8.5%	8.9%	6.3%	7.9%	2.9%
Non-recurring/derivatives	-1.3%	0.0%	-2.2%	-0.3%	1.5%
Total ^{1 2}	8.7%	9.9%	10.1%	9.1%	8.8%

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

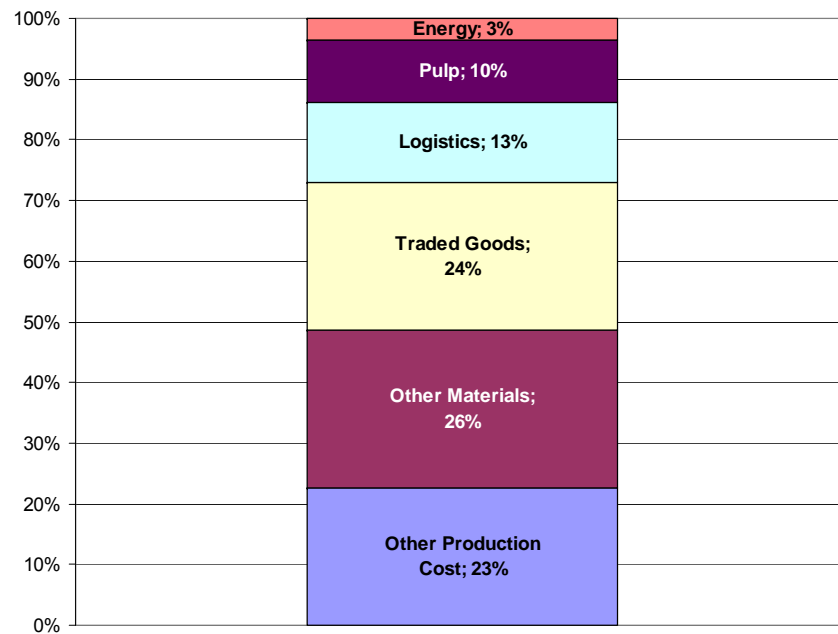
Income Statement

	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
<i>Gross margin</i>	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
<i>Operating margin</i>	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
<i>Operating margin (excl. non recurring items)</i>	8.7%	9.9%	10.1%	9.8%
Financial net			-75	-63
Taxes			-60	-77
Net profit			191	241
EPS			4,06	5,13



Limited Sensitivity to Major Input Materials

COGS breakdown (approximate)



Sensitivity analysis

	Δ	<u>EBIT impact</u>
• Energy	1%	SEK 1 million
• Pulp	1%	SEK 3 million
• Freight	1%	SEK 2 million
• Price	1%	SEK 40 million

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

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%

*ROCE*¹ (w/o goodwill) 42%

Net debt 870

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 Sep Acc	2009 Sep Acc
Operating profit ¹⁾	327	395	414	269	269
Depreciation	82	90	97	73	76
<i>Change in trading capital²⁾</i>	-106	-28	-75	-218	132
Inventory	26	-24	-3	-109	76
Accounts receivable	8	14	-114 ³⁾	-132 ³⁾	20
Accounts payable	-66	30	15	-35	-49
Other operating working capital	-74	-48	27	58	85
Capital expenditures	-130	-132	-139	-83	-81
<i>Operating cash flow</i>	173	322	297	42	396

- 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
- Consider acquisitions to reach new markets or to strengthen current market positions

3.7%

-

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