Year-end report 2007

20 FEBRUARY 2008

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“Duni enhances atmosphere and brings convenience to any eating and drinking occasion by providing inspiring and innovative products and concepts”

Contents

2007 Highlights

The sale of the flight catering business, deSter, was completed in March

Continued high growth within Professional

- Double digit growth in Southern and Eastern Europe
- Sales within the take-away segment developed favorably
- Expansion in new regions together with big clients

Retail turnaround on track – break-even result

- Strengthening of Duni's brand in stores
- Nordic region turning the corner

Further productivity gains

Price increases successfully implemented – mainly in Professional

Q4 Highlights

Duni was listed on OMX Nordic Exchange 14th November

Slower growth, but underlying momentum remains intact

- Phasing
- Retail UK
- New approach to seasonal returns

Strong margin improvement

Duni – the European market leader for table top solutions

Duni

Table Top

Professional
67%

Retail
20%

Tissue
13%

Manufactured

Napkins | Plates | Table coverings

Traded

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

Key financials

Full year 2007

- Sales: SEK 4.0 billion (+5.9%)
- EBIT: SEK 394 million (277)
- EBIT margin: 9.9% (8.7%) [1]

Q4 2007

- Sales: SEK 1.1 billion (+1.2%)
- EBIT: 12.9% (10.6%) [1]

[1] Excluding non-recurring items

2008 Market Outlook

HORECA market growing in line or slightly above GDP

- Continued strong growth in take-away sector

Retail growth in line with GDP

- Private label stagnating

Raw material prices and costs of certain traded goods continue to increase

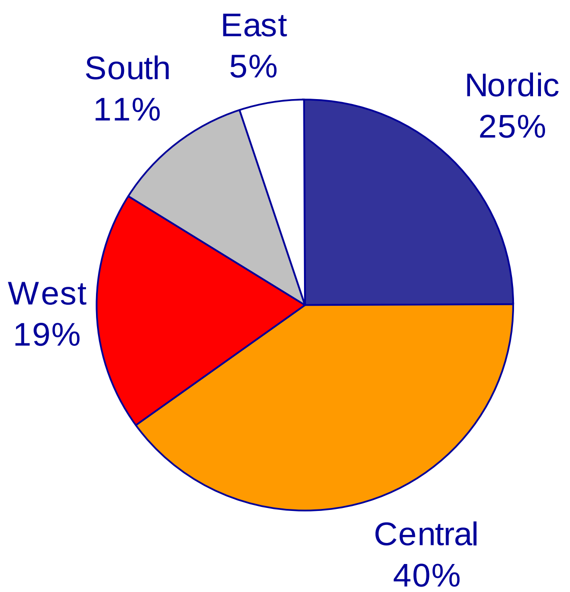
- Pulp
- Energy

Changing eating habits

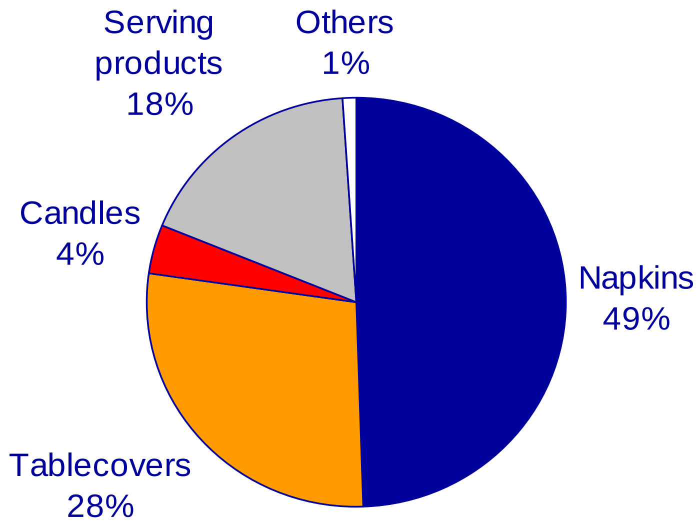
Duni Professional

Professional - Overview

Geographical split – sales 2007

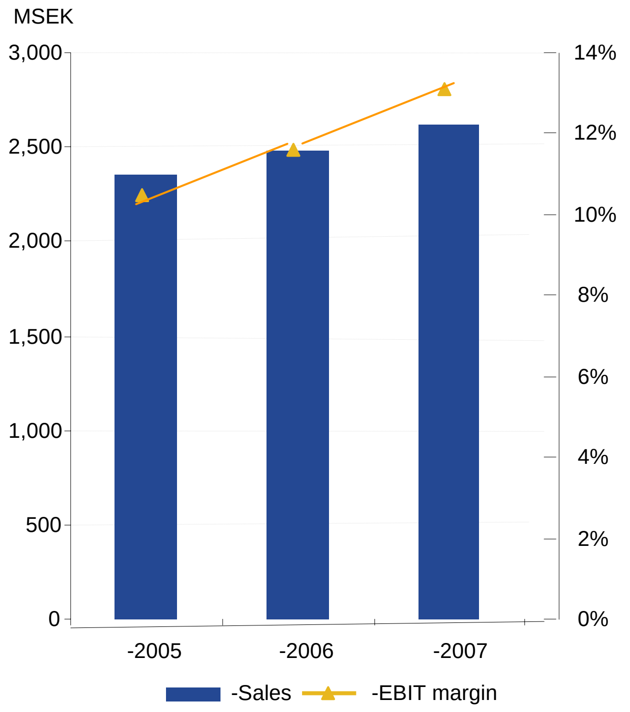


Product mix – 2007



Professional – strong financials and track record

Sales and EBIT [1]



Continued stable sales growth

- **4% annual growth since 2000**

Solid EBIT margin, further improving

1) Excluding non-recurring costs

Professional - Key Activities 2008

Price increases implemented

New Products driving growth

- New premium range: Elegance, DuniSilk+, Duniletto
- Eating & Drinking: Biodegradable range, Shatterproof
- Duni FoodSolutions: New sealing machine, New salad box

Commercial Excellence

- Implement Duni route-to-market after restructuring in Spain
- Support to Business Partners: Shelf ready packaging, EDI, Web
- Trading capital focus

Capitalize on growth opportunities

- Extend sales force with double digit growth in South and East
- Duni FoodSolutions

Evaluate acquisition possibilities

Duni

Elegance

- A new innovation developed in 2007 – a Duni worldwide patent.
- Feels like linen – an elegant shimmer and linen embossing
- Made from ecofriendly „no chlorine“ bleached cellulose and is 100% recycable.
- 11 color alternatives.

Duniletto™

- A cutlery bag + premium XL sized napkin in one!
- A premium Sacchetto alternative
- Offers variety in a growing product sub-category (=premium)
- Easy to use + dispose
- Creates a premium table athmosphere

Growing East through established customer relationships

	Poland	Serbia/ Montenegro	Croatia	Slovenia	Czech Republic	Hungary	Macedonia	Russia	Belarus	Ukraine	Slovakia	Romania	Bulgaria
Accor	●				●	○		●			●	○	○
Best Western	●	●	○	○	○	●	●				○	○	○
InterContinental Hotels & Resorts	●			○	●	●	●	●			○		○
Marriott	●				●	●		○				○	
Radisson	●		○		●	●		●		○	●	○	○
	●		○			●		○		○	●		○
Kempinski Hoteliers since 1897						●		●					○
Hilton	●		●		●	●		●				○	○

Customers are expanding East and Duni is growing with its customers

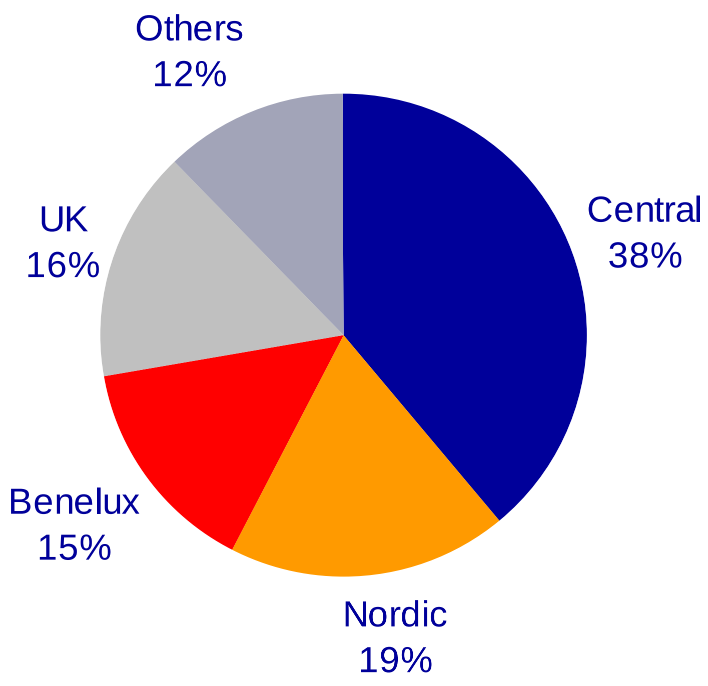
● Current Duni customer ○ Potential customer

Duni in Metro Germany

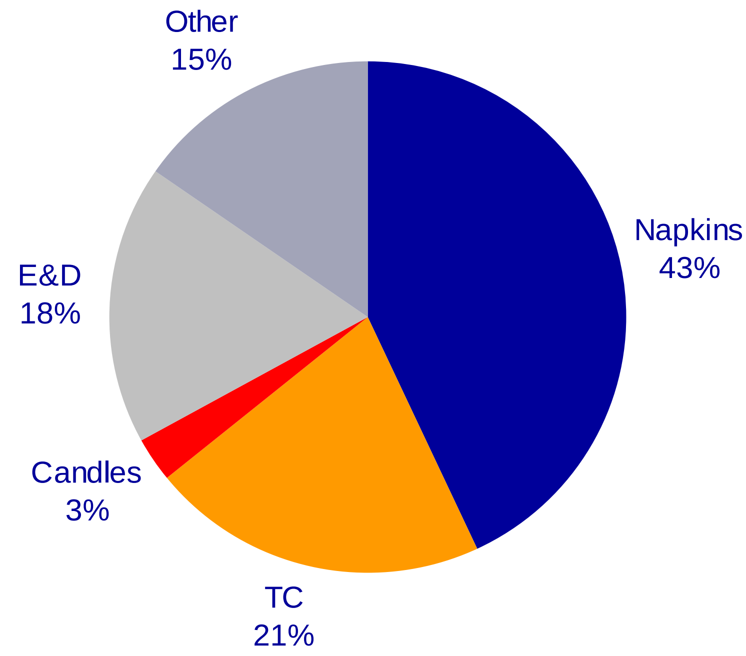
Duni Retail

Retail - Overview

Geographical split – sales 2007

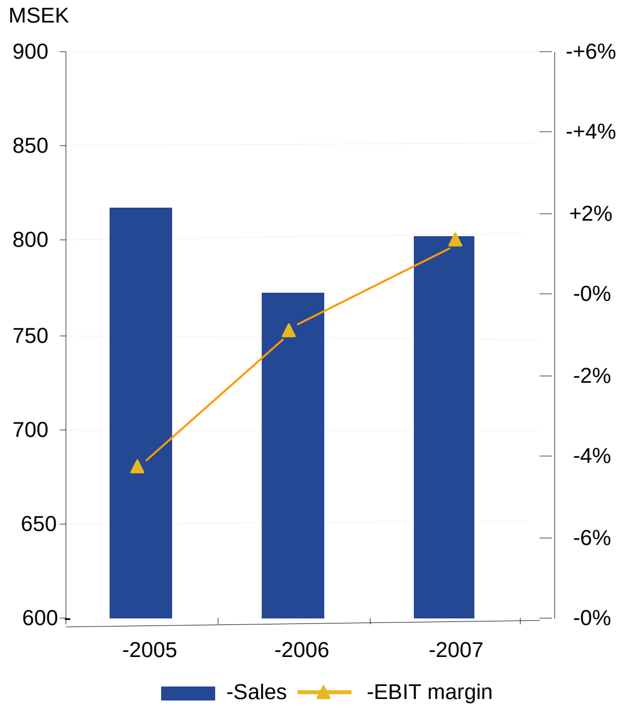


Product mix – 2007



Retail – turnaround

Sales and EBIT [1]



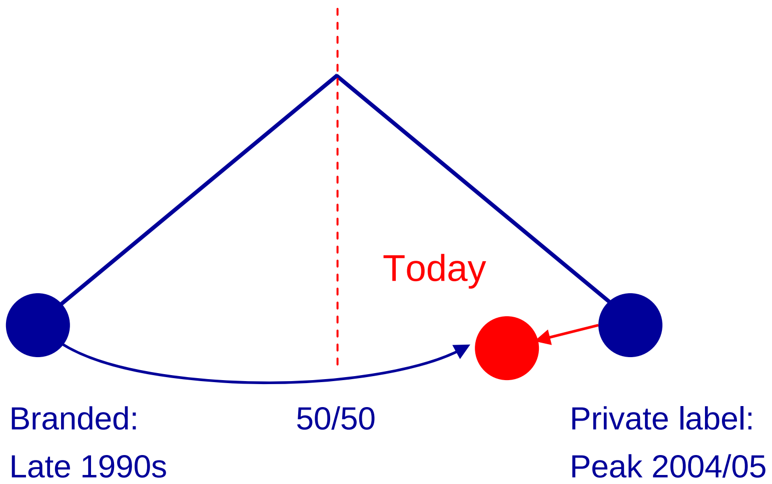
1) Excluding non-recurring costs

Retail back on growth path

Break-even reached

Retail – key success factors

The Brand / private label pendulum



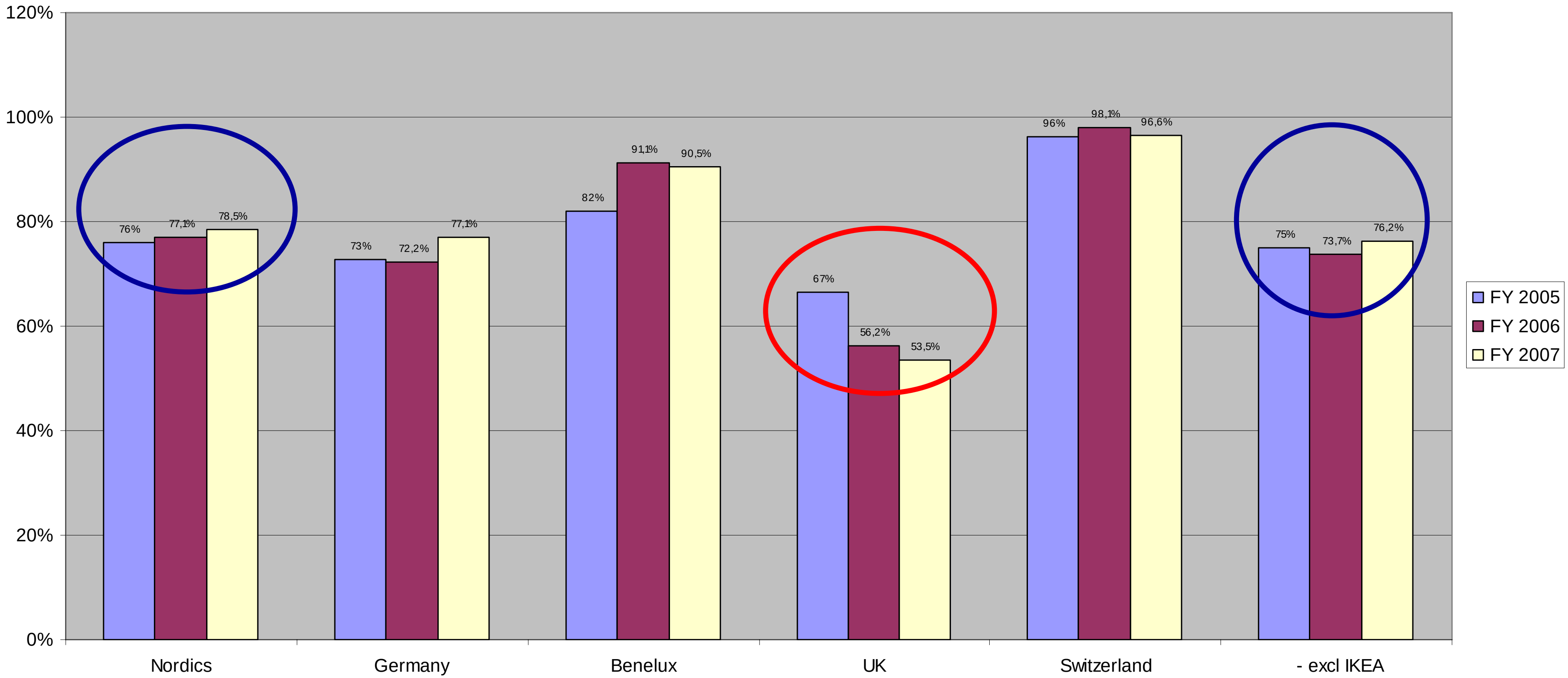
Duni opportunity

- 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: 17,1% value and 23,8% volume (Source:GfK 2007)

Retailers moving from private label to branded gives opportunity for Duni
Cost savings made combined with sales growth shall lead to profitability

Duni

Branded sales % of net sales



68% Branded – 32% Private Label

Retail - Key Activities 2008

Price increases implemented

Commercial Excellence

- Nordic momentum: ICA, Coop SE, Norgesgruppen, Axfood
- Extend Category Management in Germany. Real & Markhauf
- UK business regain: Restructuring, Brand & Premium focus
- Centralized marketing including assortment management

New Products driving growth

- New premium range (Elegance, DuniSilk+, Dunilin 32 cm)
- Eating & Drinking: Biodegradable range

Capitalize on expansion possibilities

- New markets/customers
- DuniWell relaunch
- Kids concepts

Category Management

Example from ICA Kvantum that buys directly from Duni, using our concept. Sales in these stores increased dramatically last year.

Duni Tissue

Tissue – Manufacturer and complementary business area

Sales mix 2007

Product lines

PRODUCT LINE TISSUE

Tissue Mill

Napkin Tissue 1-4 ply; Colored & White
43,000 MT

16-18% European market share of premium napkin tissue

PRODUCT LINE AIRLAID

Dals Långed

Skåpafors

Table Top, Fem Care & Wipes
30,000 MT

Close to 20% European market share of Airlaid

Tissue in-house provides a competitive advantage

Tissue - Key Activities 2008

Cost Reduction

- Increased efficiency
- Reduce energy consumption/ton
- Procurement initiatives

Increase output supported with limited investments

Sales Growth

Tissue

- Package solutions with airlaid, new customers

Airlaid

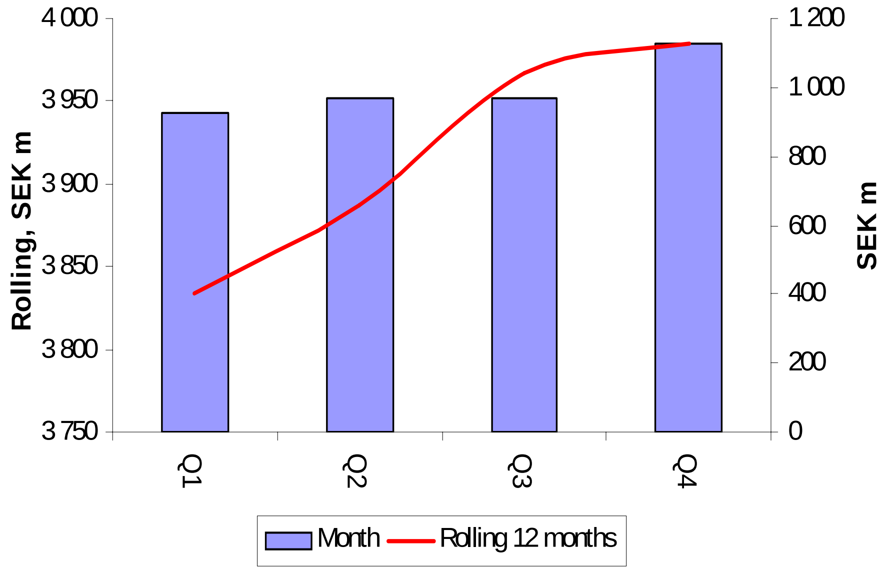
- Extend customer base
- Increase prices

R & D and Innovations

Duni Financial Review

Momentum in top-line growth

LTM Sales



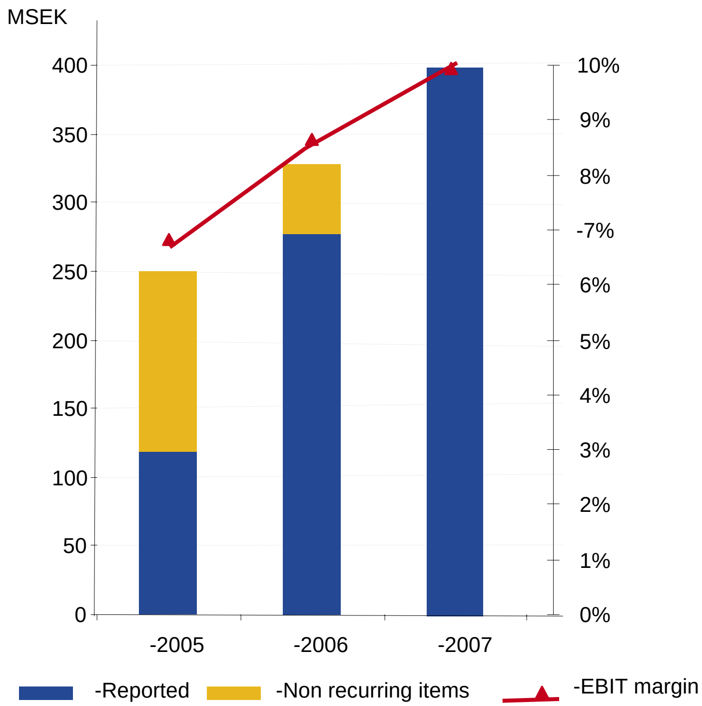
Sales growth

	2006	2007	H2 2007	Q4 2007
Professional	5.7%	6.3%	6.6%	2.6%
Retail	-6.2%	4.2%	-0.5%	-5.0%
Tissue	4.5%	6.9%	4.2%	7.9%
Total	2.9%	5.9%	4.7%	1.3%

Strong full year growth in all business areas
Slow down of sales momentum in fourth quarter, mainly due to phasing and Retail UK

Margin Expansion

Operating profit (MSEK)



Operating margin

	2006	2007	Q4 2006	Q4 2007
Professional	11.7%	12.9%	13.4%	15.5%
Retail	-0.9%	0.6%	4.5%	7.5%
Tissue	8.5%	8.9%	8.2%	9.6%
Non-recurring items (effect)	-1.3%	0.0%	-1.5%	0.0%
Total	8.7%[1]	9.9%	10.6%[1]	12.9%

Improving profitability in all business areas
EBIT margin improvement in 2007 is driven by top line and continued operational improvements

[1] **Excluding non-recurring items**

Income Statement

	2005	2006	2007
Net sales	3,656	3,762	3,985
Cost of goods sold	-2,829	-2,812	-2,948
Gross profit	827	950	1,037
Gross margin	*22.6%*	*25.3%*	*26.0%*
Selling expenses	-510	-459	-446
Adminstrative expenses	-185	-219	-208
Research and development expenses	0	-6	-13
Other operating income	20	44	57
Other operating expenses	-33	-33	-33
Reported operating profit	**119**	**277**	**394**
Operating margin	*3.3%*	*7.4%*	*9.9%*
Non-recurring items	131	50	0
Operating profit (excl. non recurring items)	**250**	**327**	**394**
Operating margin (excl. non recurring items)	*6.8%*	*8.7%*	*9.9%*

Balance Sheet

(SEK in millions)	31/12/2007		31/12/2007
Intangible assets	1,228	Shareholders' equity	1,416
Tangible assets	433	Interest bearing debt	1,092
Financial fixed assets	398	Pension liabilities	200
Inventory	500	Other long term liabilities	19
Accounts receivable	546	Accounts payable	305
Other current receivables	207	Other current liabilities	482
Cash & cash equivalents	202		
Total assets	**3,514**	**Total equity and liabilities**	**3,514**

ROCE	*19%*	*Net debt*	*1,085*
ROCE (w/o goodwill)	*42%*	*Net debt / equity*	*77%*
		Net debt / EBITDA	*2.2x*

Simplified cash flow profile

(SEK million)	2005	2006	2007	Q4 2007
Operating profit	119	277	393	145
Depreciation	82	82	89	24
Change in operating working capital[1)]	***17***	***-32***	***20***	***167***
Inventory	-21	26	-24	61
Accounts receivable	-61	8	14	98
Accounts payable	98	-66	30	8
Capex	-73	-130	-132	-55
Operating cash flow	***145***	***197***	***370***	***281***

1) Continuing businesses excluding disposals.

Financial targets

		Full year 2007
Sales growth > 5%	• Organic growth of 5% over a business cycle	**5.9%**
	• Consider acquisitions to reach new markets or to strengthen current market positions	**-**
EBIT margin > 10%	• Top-line growth • Improvements in manufacturing and sourcing	**9.9%**
Dividend payout ratio 40+%	• Board target at least 40% of net profit	**1,80 kr/share** ***(proposal)***

Duni – investment opportunity

Focused – centered on the European professional segment, which has always been profitable

Unique business model – based on strong sales force that enables growth and premium pricing

Return driven – strong cash flow, organic growth and add-on opportunities create the potential for long-term shareholder returns

A strong and attractive company and investment case!

Back-up slides

Duni - Tabletop and foodservice concepts for professional customers at…

- Restaurants
- Hotels
- Cafés
- Bars and pubs
- Catering
- Events

….and their end-users

Duni - Food Solutions concepts for professional customers at…

Take-out restaurants

Grocery stores

- in Deli-counters
- for HMR

Catering

Central kitchens who pre-pack food

- Primarily DuniForm, the food distribution system which includes machinery as well as plastic containers for food

….and their end-users

Duni - Tabletop and foodservice concepts for private households through retailers…

…when having

- friends for dinner
- family meal
- children's party
- picnic
- or barbecue…

… or simply want to add style and being convenient

A selection of our customers

ASDA
part of the WAL*MART family
Carrefour
ah
king
NEDERLAND
TESCO
Every little helps
Ahold
EDEKA
Tingstad
Pizza Hut
METRO Cash & Carry
Papperskedjan
www.papperskedjan.se
REWE
servera
Duni

Senior management team with relevant experience

President
Fredrik von Oelreich

CFO
Johan Malmqvist

Corporate Development
Mats Lindroth

Marketing
Oyvind Forland

Supply Chain & IS
Lars-Erik Ewertz

Sales Professional Nordic, West & South
Leen Amersfoort

Sales Professional Central & East
Manfred Meuser

Sales Retail
Ketil Årdal

Converting & Logistics
Ulfert Rott

Rexcell Tissue & Airlaid AB
Patrik Söderstjerna

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