

Q4 2008 Presentation

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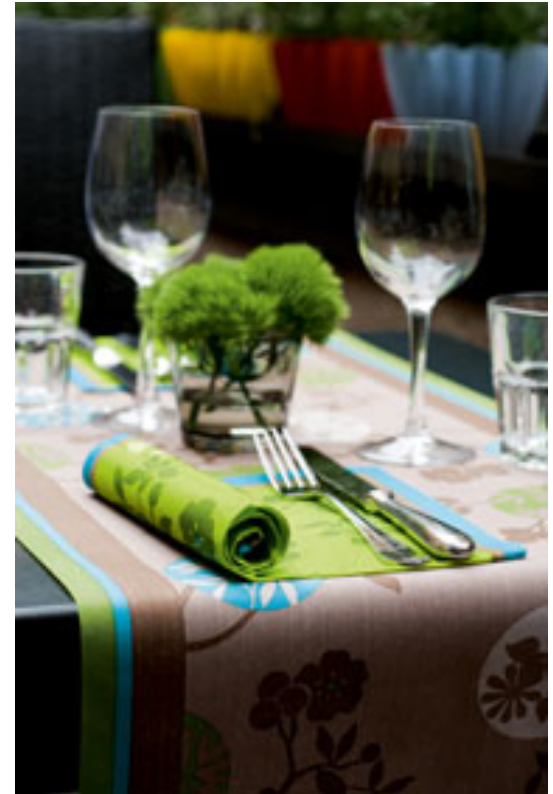


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2008 Q4 Highlights

- Net sales increased with 1.9% to SEK 1145 m
- Underlying operating profit¹ amounted to SEK 145 m (148)
- Underlying operating margin¹ amounted to 12.7% (13.2%)
- Stable volumes and improved operating profit in Professional
 - Recession impacting sales in Eastern Europe
 - Growth in Duni FoodSolutions continues
- Weaker sales development in Retail
 - Mainly UK and Nordics
 - Slight improvement of underlying profit margin
- Lower Tissue sales with subsequent production stops impacting operating result
- Restructuring program initiated
 - Charge of SEK 41 m with annual savings impact of some SEK 50 m



¹ Excluding restructuring cost SEK -41 (0) m and market valuation of derivatives SEK -39 (-3) m
Excluding translation effect: net sales SEK 1087 SEK, underlying operating profit SEK 133m with underlying operating profit 12.2%

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

Oct – Dec 2008

- Sales: SEK 1.1 billion (+1.9%)
- EBIT: SEK 145 million (148) ²
- EBIT margin: 12.7% (13.2%) ²

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

² Excluding restructuring costs SEK -41 (0) m and market valuation of derivatives SEK -39 (-3) m



Market Outlook

HORECA market 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

Higher uncertainty

- GDP forecasts revised downwards
- More countries entering recession

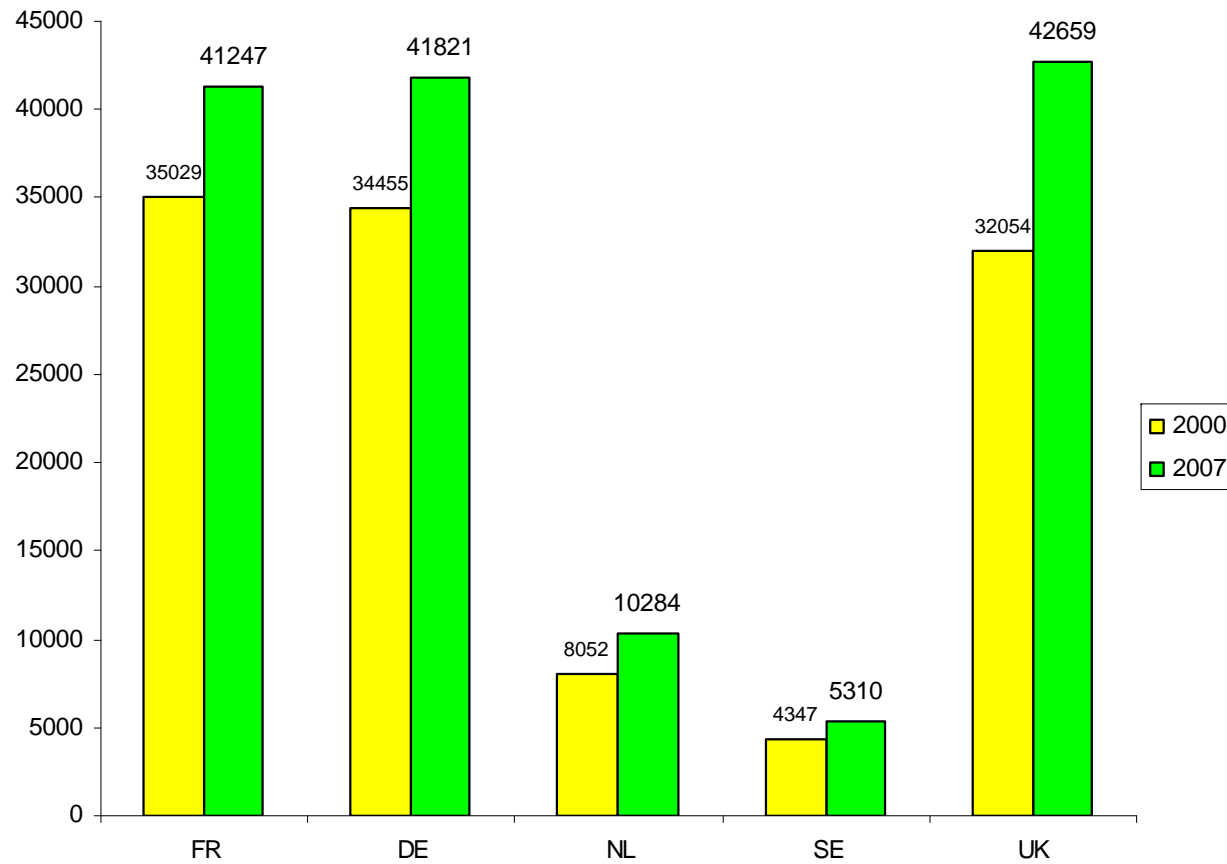
Downward trend of raw material prices and costs of certain traded goods

- Energy
- Transport
- Pulp (USD/SEK)
- Plastic



Changing eating habits

Value 2000-2007 (million €)¹⁾, Commercial Food Service*

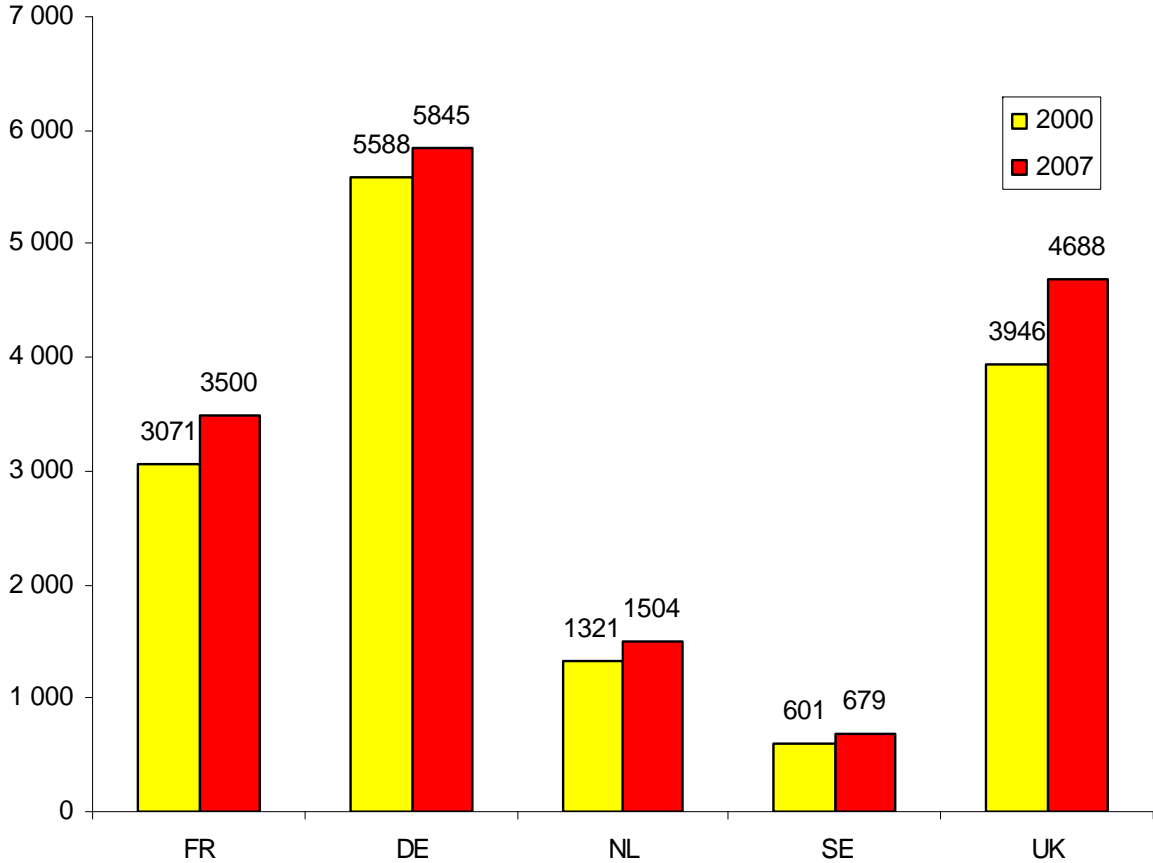


CAG (Annual Average Rate of Change)	2.36%	2.81%	3.56%	2.90%	4.17%
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¹⁾ Foodservice Annual Count and Expenditures Tracking 2008

* Hotels & Gambling, Restaurants/Bars/Cafés, QSR & Coffee Stores, Leisure Total

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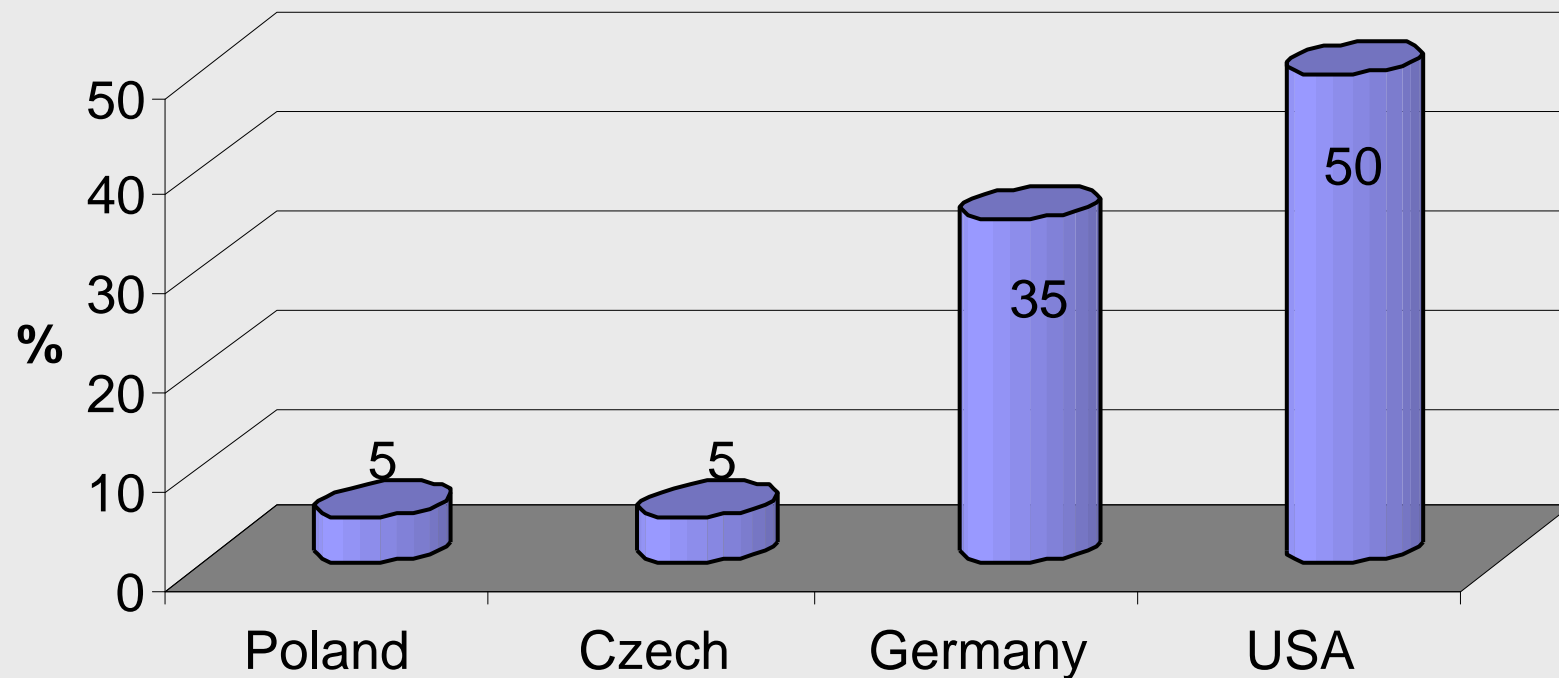
¹⁾ Foodservice Annual Count and Expenditures Tracking 2008
 * Hotels & Gambling, Restaurants/Bars/Cafés, QSR & Coffee Stores, Leisure Total



Eating Out Trend

Food spending outside home

(as a percentage of whole food budget)



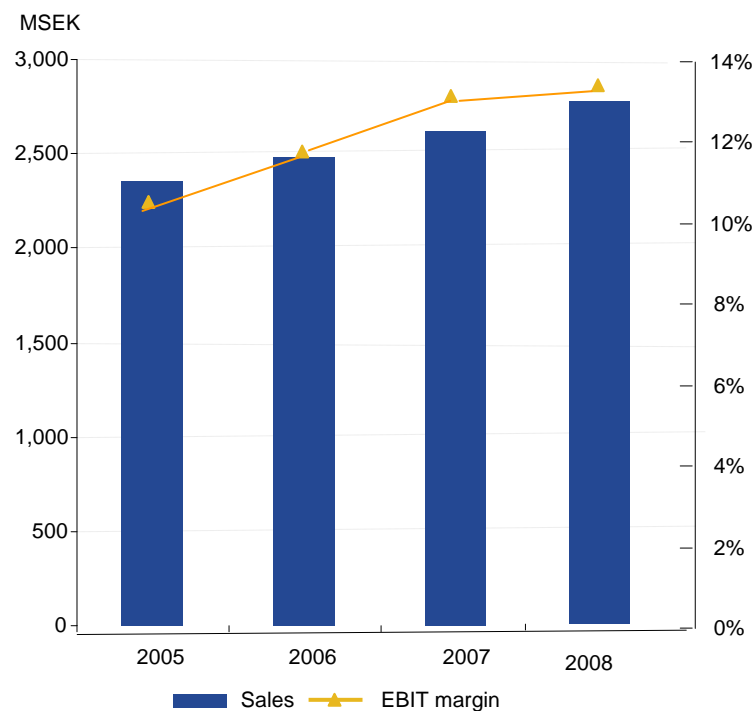


Business Areas



Professional – Stable Development

Sales and EBIT ¹



Geographical split – sales Q4 2008²

<i>Net Sales - Professional</i>	<u>Q4 2008</u>	<u>Q4 2007</u>	<u>Growth</u>
Nordic region	178	197	-9,5%
Central Europe	444	406	9,5%
Southern & Eastern Europe	124	113	9,1%
Rest of the World	7	5	49,8%
<i>Total</i>	<i>753</i>	<i>721</i>	<i>4,5%</i>

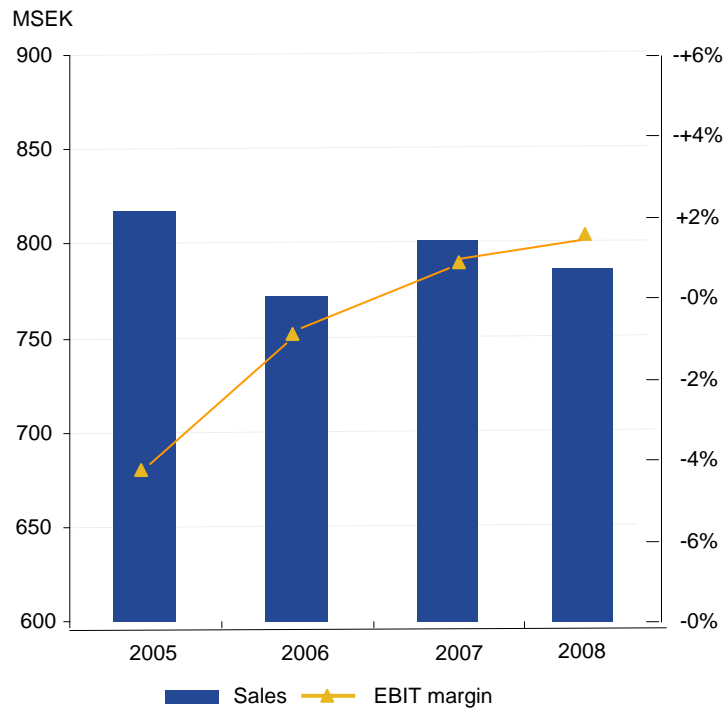
Stable volumes in a softer market

Solid EBIT margin

- 1) Excluding non-recurring costs and market valuation of derivatives
- 2) Translation effect in Q4 is SEK 47 M

Retail – Turnaround

Sales and EBIT ¹



Geographical split – sales Q4 2008²

<i>Net Sales - Retail</i>	Q4 2008	Q4 2007	Growth
Nordic region	44	54	-18,7%
Central Europe	209	209	-0,2%
Southern & Eastern Europe	9	5	67,4%
Rest of the World	0	0	0,0%
<i>Total</i>	<i>261</i>	<i>268</i>	<i>-2,4%</i>

Improved profitability prioritized over sales growth

Duni brand & premium in focus

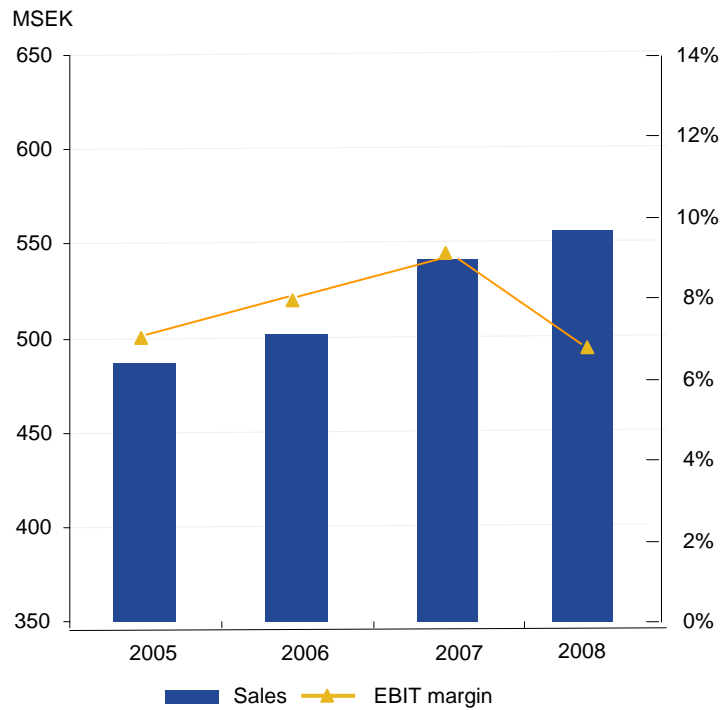
Tougher market conditions

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

2) Translation effect in Q4 is SEK 11 M

Tissue

Sales and EBIT ¹



Sales mix Q4 2008



Tissue In-house creates competitive advantage

2008 impacted by energy costs and lower volumes in second half

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

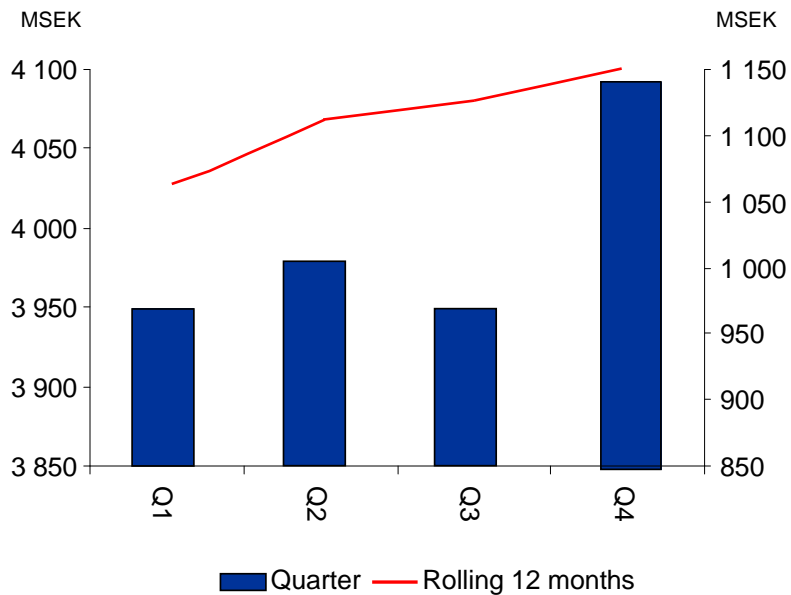


Financials



Stable Development in Professional

LTM Sales



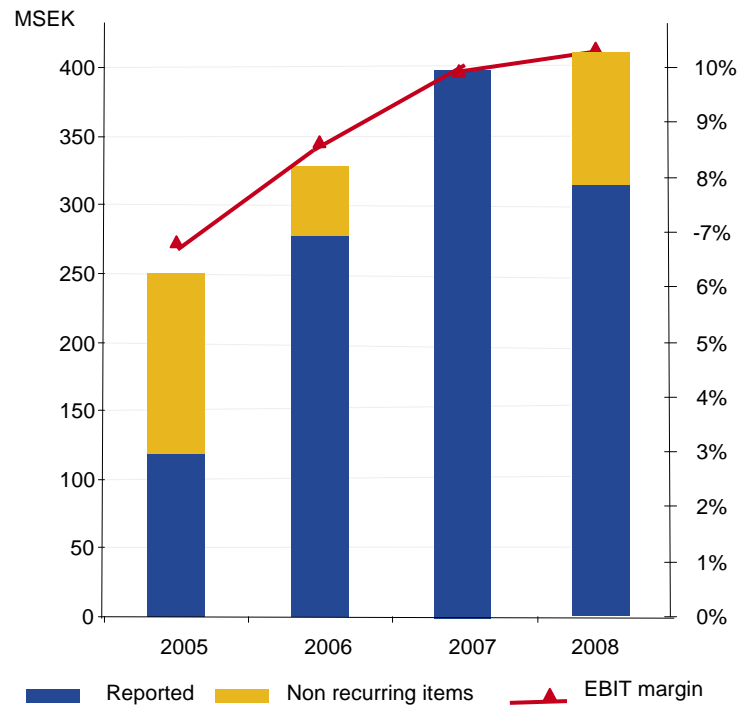
Sales growth

	2006	2007	2007 Q4	2008 Q4	2008
Professional	5.7%	6.3%	2.6%	4.4%	4.9%
Retail	-6.2%	4.2%	-5.0%	-2.6%	-2.9%
Tissue	4.5%	6.9%	7.9%	-4.4%	1.3%
Total	2.9%	5.9%	1.2%	1.9%	2.9%

- Professional in maintaining volumes in key quarter
- Weak sales in Retail; stepping out of private label contracts and tougher market conditions
- Transition towards new generation of products and weaker sales than anticipated in Tissue

Healthy Underlying Margin Development

Operating profit (MSEK)



Operating margin

	2006 ¹	2007 ²	2007 Q4 ²	2008 Q4 ²	2008 ²
Professional	11.7%	12.9%	15.7%	16.2%	13.3%
Retail	-0.9%	0.6%	7.6%	8.1%	1.5%
Tissue	8.5%	8.9%	9.9%	1.3%	6.3%
Non-recurring/derivatives	-1.3%	0.0%	-0.2%	-7.0%	-2.2%
Total ^{1 2}	8.7%	9.9%	13.1%	12.7%	10.1%

- Total margin in Q4 2008 impacted by market valuation of derivatives -39 MSEK (-3) and restructuring costs -41 (0)
- Increased underlying profit in Professional and Retail.
- Tissue impacted by production stops & higher energy costs

¹ Excluding non-recurring items (restructuring costs)

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



Income Statement

	2005	2006	2007	2008
Net sales	3,656	3,762	3,985	4,099
Cost of goods sold	-2,829	-2,812	-2,948	-3,020
Gross profit	827	950	1,037	1,079
<i>Gross margin</i>	22.6%	25.3%	26.0%	26.3%
Selling expenses	-510	-459	-446	-465
Administrative expenses	-185	-219	-208	-198
Research and development expenses	0	-6	-13	-23
Other operating income	20	44	57	57
Other operating expenses	-33	-33	-33	-124
Reported operating profit	119	277	394	326
<i>Operating margin</i>	3.3%	7.4%	9.9%	8,0%
Non-recurring items ¹	131	50	1	89
Operating profit (excl. non recurring items)	250	327	395	414
<i>Operating margin (excl. non recurring items)</i>	6.8%	8.7%	9.9%	10,1%

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

Balance Sheet

(SEK in millions)	31/12/2008		31/12/2008
Intangible assets	1,224	Shareholders' equity	1,544
Tangible assets	514	Interest bearing debt	1,151
Financial fixed assets	369	Pension liabilities	201
Inventory	542	Other long term liabilities	28
Accounts receivable	731	Accounts payable	358
Other current receivables	182	Other current liabilities	529
Cash & cash equivalents	249		
Total assets	3,811	Total equity and liabilities	3,811

ROCE 14%

ROCE (w/o goodwill) 30%

Net debt 1,100

Net debt / equity 71%

Net debt / EBITDA¹ 2.2x

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

Simplified Cash Flow Profile

(SEK million)	2006	2007	2007 Q4	2008 Q4	2008
Operating profit ¹⁾	327	395	148	145	414
Depreciation	82	90	22	23	97
<i>Change in trading capital²⁾</i>	-106	-28	105	142	-75
Inventory	26	-24	70	106	-3
Accounts receivable	8	14	130	18	-114 ³⁾
Accounts payable	-66	30	-4	50	15
Other operating working capital	-74	-48	-91	-32	27
Capex	-130	-132	-55	-57	-139
<i>Operating cash flow</i>	173	322	220	253	297

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

2) Continuing businesses excluding disposals.

3) Cancellation of factoring contracts amounting to 135 MSEK

Financial Targets

2008

Sales growth > 5%

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

2.9%

-

EBIT margin > 10%

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

10.1%

Dividend payout ratio 40+%

- Board target at least 40% of net profit

1.80 kr/share
(proposal 2009)