Duni

Press release

Interim report for Duni AB (publ) 1 January – 31 December 2008

(compared with the same period of the previous year).

18 February 2009

Continued improvement in the underlying profitability.

1 January – 31 December 2008

- Net sales increased by 2.9% to SEK 4,099 m (3,985).
- Operating income[1] increased by 4.8% to SEK 414 m (395).
- Operating margin[1] increased from 9.9% to 10.1%.
- The core business, Professional, continued to demonstrate solid growth.
- Income after financial items amounted to SEK 251 m (196).
- Income after tax for the continuing operations amounted to SEK 191 m (99).
- Earnings per share for the continuing operations amounted, after dilution, to SEK 4.06 (2.09).
- The Board proposes a dividend of SEK 1.80 (1.80) per share.

1 October – 31 December 2008

- Net sales increased by 1.9% to SEK 1,145 m (1,124).
- Operating income[2] is in line with the preceding year, SEK 145 m (148).
- Income after tax for the continuing operations amounted to SEK 36 m (58).
- Earnings per share for the continuing operations amounted, after dilution, to SEK 0.76 (1.23).

[1] *Before restructuring costs of SEK 41 m (0) and before an unrealized valuation effect of derivatives of SEK -48 m (-1) due to the non-application of hedge accounting.*
[2] *Before restructuring costs of SEK 41 m (0) and before an unrealized valuation effect of derivatives of SEK -39 m (-3) due to the non-application of hedge accounting.*

CEO's comments

"In light of the severe slowdown in the economy which have been noted, Duni's sales and income have developed well during the fourth quarter. This is particularly positive taking into account the fact that the fourth quarter is traditionally Duni's strongest which historically has accounted for approximately 35 % of operating income.

Duni's reported net sales during the fourth quarter have been positively affected by the weaker Swedish krona. The currency effect during the quarter amounts to approximately 5% of net sales. The decline in sales measured in fixed exchange rates is approximately 3% and is attributable to the Retail and Tissue business areas, while Professional kept up well and, in total, reached the same sales as last year.
Within Professional, the German market has enjoyed a continued healthy development, as have several other important markets in central Europe. At the same time, the weakened economy has continued to

influence the total demand on Duni's products. A lower activity level during the quarter has also been noted in eastern Europe.

Duni today has a lean operating platform thanks to the fact that, in recent years, we have rationalized the Group's production structure and created uniform and centralized support functions for cost-efficient business support. Under current business conditions, further rationalization measures have been initiated, among other things continued optimization of the Group's production resources. These planned and partially implemented measures resulted in restructuring costs totalling SEK 41 m, which affected the fourth quarter. The full impact of these measures is expected by the end of the first half of 2009, with annual savings of about SEK 50 m.

For the full year of 2008 we note a somewhat improved operating margin and an operating income before non-recurring items of SEK 414 m. Adjusted for the weaker Swedish krona this means an unchanged operating income compared with SEK 395 m last year. The result increased during the first half of the year but also reached a satisfactory level during the volatile autumn months. The Group also delivered a strong cash flow for the year.

It appears that the general economic situation will weaken further and we expect 2009 to be a tough year. In light of this trend we have taken measures at an early stage and stand prepared to take further action if the market development so requires. Historically, Duni has proven to be slightly less sensitive to the business cycle than the Horeca sector as a whole," says Fredrik von Oelreich, CEO, Duni.

Net sales increased by 2.9%

Net sales demonstrated growth of SEK 114 m to SEK 4,099 m (3,985) during the period 1 January – 31 December 2008, compared with the same period of last year. This entails an increase of 2.9%. The downturn in the economy has led to somewhat lower growth which mainly has influenced business areas Retail and Tissue.

With unchanged exchange rates from the preceding year, the net sales would have been SEK 84 m lower for the year.

Net sales for the period 1 October – 31 December 2008 increased by SEK 21 m to SEK 1,145 m (1,124). This entailed an increase of 1.9%. With unchanged exchange rates from the preceding year, the net sales would have been SEK 58 m lower.

Improved profit

Operating income (EBIT) before non-recurring items increased by 4.8% to SEK 414 m (395) for the period 1 January – 31 December 2008. The gross margin is 26.8% (26.0%). In addition to price increases and a more profitable product mix, the margin benefited from an advantageous business area mix, with Professional accounting for an increasing share of sales.

With unchanged exchange rates from the preceding year, operating income would have been SEK 19 m lower for the year. Which implies an operating income in line with last year.

The reported income after financial items was SEK 251 m (196) and income after tax amounted to SEK 191 m (99).

Operating income (EBIT) before non-recurring items declined somewhat to SEK 145 m (148) for the period 1 October – 31 December 2008. Exchange rate changes affected operating income positively by SEK 12 m.

Reported income after financial items for the quarter was SEK 39 m (100) and income after tax was SEK 36 m (58).

Non-recurring items

Bridge non-recurring items (SEK m)	2008	2007	2008 Q4	2007 Q4
Reported operating income	**326**	**394**	**66**	**145**
Unrealized value changes, derivative instruments	-48	-1	-38	-3
Restructuring costs	-41	0	-41	0
Underlying operating income	**414**	**395**	**145**	**148**

The reported income includes two non-recurring items.

A restructuring cost of SEK 41 m (0) relates to rationalization measures, which will affect a bit over one hundred employees whereof slightly less than half are white-colour employees. These measures relate, primarily, to production optimization between the German and Polish conversion plants. Duni estimates that these restructuring costs will lead to annual savings of approximately SEK 50 m. These will have a gradual effect in 2009, with the full impact during the second half of the year.

Other operating costs include a non-realized valuation effect of electricity and currency derivatives of SEK 39 m (3) for the period 1 October – 31 December.

Excluding both the effect of restructuring costs and non-realized valuation effects of derivatives, operating income would have amounted to SEK 145 m (148). For further information, see Note 6.

Business area reporting

Duni's operations are divided into three business areas.

The Professional business area (sales to hotels, restaurants and catering companies) accounted for 68% of Duni's net sales during the period 1 January – 31 December 2008.

The Retail business area, primarily focused on sales to the retail trade, accounted for 19% of net sales during the period.

The Tissue business area (production of soft paper for table-top products and hygiene articles) accounted for 13% of sales to external customers during the period.

The Professional and Retail business areas have, to a large extent, a common product range. Design and packaging solutions are, however, adapted to suit different sales channels. Production and support functions are shared to a large degree by the business areas. Duni has chosen to report the results for the business areas on an EBIT-level, after allocation of common costs, excluding non-recurring items, over the respective business areas.

Professional business area

Net sales increased by 4.9% to SEK 2,771 m (2,641) for the period 1 January – 31 December. With unchanged exchange rates from the preceding year, the net sales for the year would have been SEK 66 m lower.

Professional thereby accounted for the Group's entire growth. This, combined with an improved product mix and Duni's success in offsetting increased raw materials costs by means of price increases, led to an improved operating margin. An increased share of net sales of premium products has been achieved through a successful product range development which includes a number of new products and concepts launched during the year.

Operating income increased to SEK 368 m (342). The operating margin was 13.3% (12.9%). Net sales for the period 1 October – 31 December increased by 4.4% to SEK 753 m (721). Operating income increased to SEK 122 m (113), with an operating margin of 16.2% (15.5%). See also Note 5.

Retail business area

Net sales declined by SEK 23 m to SEK 777 m (800) for the period 1 January – 31 December 2008. With unchanged exchange rates from the preceding year, net sales for the year would have been SEK 17 m lower. Operating income increased to SEK 11 m (5). The operating margin was 1.5% (0.6%).

Within Retail, the trend of weaker sales compared with the corresponding period of last year is continuing. However, thanks to a strengthened gross margin, profitability improved somewhat. In the Nordic region, Duni has lost some of the listings at several major customers, but as regards both the quarter and the full year the Nordic region's result clearly improved thanks to a focus on more profitable customers and improved mix combined with necessary price increases. The German market has developed well during the year and Duni's new category setup has been successful.

Net sales for the period 1 October – 31 December were SEK 261 m (268). Operating income increased from SEK 20 m to SEK 21 m and the operating margin was 8.1% (7.5%). See also Note 5.

Tissue business area

Net sales increased by 1.3% to SEK 551 m (544) for the period 1 January - 31 December 2008.

Operating income declined to SEK 35 m (49). The operating margin was 6.3% (9.0%). It is primarily higher energy prices which explain the lower result compared to last year.

Net sales for the period 1 October – 31 December were SEK 131 m (135). The operating income was SEK 2 m (13) and the operating margin was 1.3% (9.6%). In the quarter, sales of high-quality soft paper, so-called airlaid, have developed weaker than expected. As a consequence, we have been forced to adapt production, which is the main reason for the weaker result for the business area during the quarter. Sales of standard soft paper have increased, but these products account for only a small portion of external deliveries. Volumes of airlaid-material for hygiene products are expected to improve gradually commencing at the end of the first quarter 2009.

Cash flow
The Group's operating cash flow for the period 1 January – 31 December was SEK 274 m (263). The operating capital has increased, among other things, due to a weaker Swedish krona. Inventories increased during the year by SEK 42 m to SEK 542 m (500) where only a small part is due to increased tied up capital. Accounts receivable increased by SEK 185 m to SEK 731 m (546), primarily due to the termination of factoring agreements in Germany. The cash flow development has been positively affected by lower interest expenses.

Cash flow including investing activities amounted to SEK 135 m (1,335). The same period of last year included a cash flow of SEK 1,209 m from the sale of the deSter business area. Duni's net investments for the continuing operations amounted to SEK 139 m (132). Depreciation and write-downs for the period amounted to SEK 97 m (90).

The Group's interest-bearing net debt as per 31 December is SEK 1,100 m, compared with SEK 1,087 m as per 31 December 2007. See Note 2. This marginal increase includes terminated factoring agreements on the German market of SEK 135 m and an advance payment of SEK 42 m to the German tax authorities to avoid further interest.

Financial net
The financial net for the period 1 October – 31 December was SEK -27 m (-45). External interest expenses are lower than last year thanks to lower indebtedness and improved financing terms. The financial net for the period includes a negative non-realized value change from market valuations of derivative instruments, as well as translation of cash balances in foreign currency.

A refinancing was carried out in connection with the IPO and thus the fourth quarter of last year included a write-down of SEK 21 m due to early settlement of loans.

Taxes
The total reported tax cost for the period 1 January – 31 December was SEK 60 m (97). In January 2008, company income tax in Germany was lowered, which contributed to a lower tax rate for Duni. The difference as regards the tax burden between the years is also due to adjustments regarding preceding periods.

During the year, deferred tax asset relating to loss carry-forwards were reduced by SEK 45 m of which SEK 24 m represents utilized tax losses and SEK 21 m represents a write-down of deferred tax asset because of lower tax rate in Sweden, from 28% to 26.3%, as per 1 January 2009. Reported tax in the period has therefore been affected with a non-recurring cost of SEK 20 m.

Duni has received a final assessment regarding the previously commented German tax audit. The remaining amount to be paid to the German tax authorities is approximately SEK 14 m, which will be paid during the spring 2009. Duni Germany has now adjusted the provision and was able to dissolve SEK 11 m to the period's reported tax. In addition, Duni Germany has recorded a deferred tax asset based on established temporary differences of SEK 9 m. In total, the reported tax has therewith been positively affected by SEK 20 m in the period.

Earnings per share
Earnings per share for the year for the continuing operations before and after dilution were SEK 4.06 (SEK 2.11 before dilution and SEK 2.09 after dilution).

Personnel
On 31 December 2008, there were 1,952 employees (2,001). 875 of the employees were engaged in production. Duni's production plants are located in Bramsche in Germany, Poznan in Poland and Bengtsfors in Sweden.

Acquisitions
No acquisitions were carried out during the period.

New establishment
No new establishments were carried out during the period.

Risk factors for Duni
A number of risk factors may affect Duni's operations in terms of both operational and financial risks. Operational risks are normally handled by each operating unit and financial risks by the treasury department.

Operational risks
Duni is currently exposed to risks which are directly connected to the ongoing business operations. Managing the impact of fluctuations

in the prices of raw materials constitutes an important factor for maintaining profitability. The development of attractive collections, in particular the Christmas collection, is fundamental for Duni achieving strong sales and earnings growth. A weakened economy in Europe could lead to fewer restaurant visits, less retail consumption and increased price competition, which may affect volumes and gross margins.

Financial risks
The financial risks are primarily risks directly related to exchange rates, interest rates and credit risks. Risk management within Duni is regulated by a finance policy approved by the Duni Board of Directors. The risks for the Group are in all essential respects also related to the parent company. Duni's management of financial risks is described in greater detail in the Annual Report as per 31 December 2007.

With regard to Duni's long-term financing, it has since last year been secured in an agreement valid through to 2012.

Contingent liabilities have increased from SEK 11 m to SEK 42 m since the 31 December 2007. The increase is largely due to security pledged for Polish overdraft facilities.

Transactions with related parties
"Related parties" means Duni Holding AB. During the first quarter of 2008, Duni AB paid a debt to Duni Holding AB of SEK 5.9 m.

Interim reports

Quarter I	24 April 2009
Quarter II	29 July 2009
Quarter III	28 October 2009
Quarter IV	17 February 2010

Proposed dividend
The Board proposes a dividend of SEK 1.80 per share, or SEK 85 m. The Board believes that the proposed dividend provides scope for the Group to perform its obligations and implement planned investments. 11 May 2009 is proposed as the record date for the right to receive dividends.

2009 Annual General Meeting
The Annual General Meeting of Duni AB (publ) will be held at 3.00pm on Wednesday 6 May 2009 at Skånes Dansteater, Östra Varvsgatan 13 A in Malmö. For further information, reference is made to Duni's website. The annual report will be available to the shareholders not later than two weeks prior to the Annual General Meeting. Shareholders who wish to submit proposals to Duni's Nomination Committee or have a matter addressed at the Annual General Meeting may do so by e-mail to valberedning@duni.com or bolagsstamma@duni.com or by letter to: Duni AB, Att: Valberedningen or Bolagsstämma, P O Box 237, SE-201 22 Malmö, not later than 18 March 2009.

Composition of the Nomination Committee
The Nomination Committee is a shareholder committee which is responsible for nominating the persons to be proposed at the Annual General Meeting for election to Duni's board. The Nomination Committee submits proposals regarding the chairman of the board and other directors. It also produces proposals regarding board fees, including the allocation between the chairman and other directors, and any compensation for committee work.
Duni's Nomination Committee pending the 2009 Annual General Meeting comprises four members: Peter Nilsson, chairman of Duni AB, and chairman of the Nomination Committee; Rune Andersson, Mellby Gård Investerings AB; Bernhard Horn, Polaris Capital Management, LLC and Göran Espelund, Lannebo Fonder.

The parent company
Net sales amounted to SEK 1,244 m (1,277) for the period 1 January – 31 December 2008. Income after financial items was SEK 181 m (-230). The external interest costs are lower than last year thanks to a lower indebtedness and improved financing terms.

The net debt amounts to SEK 1,104 m, of which a net claim of SEK 609 m relates to subsidiaries. Other receivables have increased due to increased lending to subsidiaries. Net investments amounted to SEK 16 m (23).

Group structure and reporting
During 2006 and at the beginning of 2007, Duni completed the work of concentrating its operations to its core business, in principle corresponding to the former Duni Europe. The American businesses, Duni Corporation and Duni Supply Corporation, were sold in August 2006 and the sale of the flight catering business was completed in March 2007, when Duni AB sold the shares in deSter Holdings B.V. In order to facilitate a relevant comparison between the years, only the new Group structure is reported

in full and designated in this report as "continuing operations".

Accounting principles

This interim report has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The parent company's financial statements are prepared in accordance with RFR 2.1, Reporting for Legal Entities, and the Swedish Annual Accounts Act. The accounting principles applied are those described in the annual report as per 31 December 2007.

Information in the report

The information is such as Duni is obliged to publish pursuant to the Securities Markets Act. The information will be disclosed to the media for publication at 8:00am on 18 February.

The interim report will be presented at 10:00am CET on 18 February via a telephone conference which can also be followed via the Internet. To participate in the telephone conference, please call +46 (0)8 5052 0110. To follow the presentation via the Internet, please visit this link: http://events.webeventservices.com/duni/2009/02/18/

This report has been presented in both a Swedish and an English version. In the event of any discrepancy between the two, the Swedish version shall apply.

Malmö, 17 February 2009

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Consolidated Income Statements

SEK m	Note 1	12 months January-December 2008	12 months January – December 2007	3 months October – December 2008	3 months October - December 2007
Net Sales		**4 099**	**3 985**	**1 145**	**1 124**
Cost of goods sold		-3 020	-2 948	-848	-808
Gross profit		**1 079**	**1 037**	**297**	**316**
Selling expenses		-465	-446	-119	-114
Administrative expenses		-198	-208	-51	-62
Research and development expenses		-23	-13	-6	-3
Other operating incomes*		57	57	14	11
Other operating expenses*		-124	-33	-69	-3
Operating income (Note 6)		**326**	**394**	**66**	**145**
Financial income		8	37	3	15
Financial expenses, etc.		-83	-235	-30	-60
Net financial items		**-75**	**-198**	**-27**	**-45**
Income after financial items		**251**	**196**	**39**	**100**
Income tax		-60	-97	-3	-42
Net income, continuing operations		**191**	**99**	**36**	**58**
Net income, discontinued operations (Note 3)		6	472	6	15
Net Income		**197**	**571**	**42**	**73**
Income attributable to:					
Equity holders of the Parent Company		197	571	42	73
Minority interests		-	-	-	-

	12 months **January - December 2008**	3 months **January - December 2007**	3 months **October – December 2008**	3 months **October - December 2007**
Earnings per share, continuing operations, SEK				
Before dilution	4.06	2.11	0.76	1.23
After dilution	4.06	2.09	0.76	1.23
Average number of shares before dilution (´000)	46 999	46 999	46 999	46 999
Average number of shares after dilution (´000)	46.999	47 333	46 999	46 999
Earnings per share, discontinued operations, SEK				
Before dilution	0.13	10.04	0.13	0.32
After dilution	0.13	9.97	0.13	0.32
Average number of shares before dilution (´000)	46 999	46 999	46 999	46 999
Average number of shares after dilution (´000)	46 999	47 333	46 999	46 999
Earnings per share, attributable to equity holders of the Parent Company, SEK				
Before dilution	4.19	12.15	0.89	1.55
After dilution	4.19	12.06	0.89	1.55
Average number of shares before dilution (´000)	46 999	46 999	46 999	46 999
Average number of shares after dilution (´000)	46 999	47 333	46 999	46 999

* Other operating income and expenses include valuation of derivative instruments in accordance with IAS 39.

Consolidated Quarterly Income Statements in brief

SEK m	2008				2007			
Quarter	**Oct-Dec**	**Jul-Sep**	**Apr-Jun**	**Jan-Mar**	**Oct-Dec**	**Jul-Sep**	**Apr-Jun**	**Jan-Mar**
Net Sales	1 145	973	1 012	969	1 124	966	971	923
Cost of goods sold	-848	-715	-752	-705	-808	-716	-737	-686
Gross profit	297	258	260	264	316	250	234	237
Selling expenses	-119	-104	-118	-125	-114	-105	-112	-115
Administrative expenses	-51	-47	-54	-46	-62	-49	-47	-51
Research and development expenses	-6	-5	-7	-5	-3	-3	-4	-2
Other operating incomes*	14	7	18	18	11	18	14	12
Other operating expenses*	-69	-26	-9	-20	-3	-14	-12	-3
Operating income (Note 6)	66	83	90	86	145	97	73	78
Financial income	3	2	1	1	6	3	5	14
Financial expenses etc.	-30	-14	-18	-20	-51	-35	-18	-121
Net financial items	-27	-12	-17	-19	-45	-32	-13	-107
Income after financial items	39	72	73	67	100	65	60	-29
Income tax	-3	-19	-16	-22	-42	-27	-26	-2
Net income, continuing operations	36	53	57	45	58	38	34	-31
Net income, discontinued operations (Note 3)	6	-	-	-	15	-	-	457
Net Income	42	53	57	45	73	38	34	426

* Other operating income and expenses include valuation of derivative instruments in accordance with IAS 39.

Consolidated Balance Sheets in brief

SEK m	31 December 2008	31 December 2007
ASSETS		
Goodwill	1 199	1 199
Other intangible fixed assets	25	29
Tangible fixed assets	514	433
Financial fixed assets	369	398
Total fixed assets	**2 107**	**2 059**
Inventories	542	500
Accounts receivable	731	546
Other operating receivables	182	207
Cash and cash equivalents	249	202
Total current assets	**1 704**	**1 455**
TOTAL ASSETS	**3 811**	**3 514**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	**1 544**	**1 416**
Long-term loans	1 151	1 092
Other long-term liabilities	229	219
Total long-term liabilities	**1 380**	**1 311**
Accounts payable	358	305
Other short-term liabilities	529	482
Total short-term liabilities	**887**	**787**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3 811**	**3 514**

Change in the Group's shareholders' equity

SEK m	Attributable to equity holders of the parent company					Minority interest	Total Equity
	Share capital	Other injected capital	Reserves	Loss carried forward incl. net income for the period	TOTAL		
Closing balance 31 Dec 2006	**59**	**1 681**	**28**	**-934**	**834**	**4**	**838**
Exchange rate differences	-	-	6	-	6	-	6
Divested business	-	-	-	-	-	-4	-4
Total transactions reported directly against shareholders' equity	**0**	**0**	**6**	**0**	**6**	**-4**	**2**
Net income for the year	-	-	-	460	460	-	460
Total recognized income and expense	**0**	**0**	**6**	**460**	**466**	**-4**	**462**
Closing balance 30 June 2007	**59**	**1 681**	**34**	**-474**	**1 300**	**0**	**1 300**
Exchange rate differences	-	-	5	-	5	-	5
Total transactions reported directly against shareholders' equity	**0**	**0**	**5**	**0**	**5**	**0**	**5**
Net income for the year	-	-	-	111	111	-	111
Total recognized income and expense	**0**	**0**	**5**	**111**	**116**	**0**	**116**
Closing balance 31 December 2007	**59**	**1 681**	**39**	**-363**	**1 416**	**0**	**1 416**
Exchange rate differences	-	-	16	-	16	-	16
Total transactions reported directly against shareholders' equity	**0**	**0**	**16**	**0**	**16**	**0**	**16**
Net income for the year	-	-	-	197	197	-	197
Total recognized income and expense	**0**	**0**	**16**	**197**	**213**	**0**	**213**
Dividend paid to shareholders	-	-	-	-85	-85	-	-85
Closing balance 31 December 2008	**59**	**1 681**	**55**	**-251**	**1 544**	**0**	**1 544**

Consolidated Cash Flow Statement

SEK m	1 January – 31 December 2008	1 January – 31 December [1] 2007
Current operation		
Operating income, continuing operations	326	393
Operating income, discontinued operations	6	480
Adjustment for items not included in cash flow etc	159	-374
Paid interest and tax	-142	-214
Change in working capital	-75	-22
Cash flow from operations	**274**	**263**
Investments		
Acquisition of fixed assets	-145	-146
Sales of fixed assets	6	1
Divested business	-	1 209
Change in interest-bearing receivables	0	8
Cash flow from investments	**-139**	**1 072**
Financing		
Taken up loans[2]	302	2 475
Amortization of debt[2]	-300	-3 773
Dividend paid	-85	-
Change in borrowing	-13	-22
Cash flow from financing	**-96**	**-1 320**
Cash flow from the period	38	15
Liquid funds, opening balance	202	184
Exchange difference, cash and cash equivalents	9	3
Cash and cash equivalents, closing balance	**249**	**202**

1) The cash flow is a mix of continuing and discontinued operations. For further details see Note 4, Clarification of operational cash flow for the continuing operations, 1 January – 31 December 2007.
2) Loans and amortizations, within the credit facility, are reported gross for duration above 3 months according to IAS 7.

Key ratios in brief

	1 January – 31 December 2008	1 January – 31 December 2007
Net Sales, SEK m	4 099	3 985
Gross Profit, SEK m	1 079	1 037
EBIT, SEK m	326	394
EBITDA, SEK m	422	484
Number of Employees	1 952	2 001
Sales growth, %	2.9%	5.9%
Gross margin, %	26.3%	26.0%
EBIT margin, %	8.0%	9.9%
EBITDA margin, %	10.3%	12.1%
Return on capital employed	14.3%	18.7%
Net debt/equity ratio	71.2%	76.8%

Parent Company Income Statements in brief

SEK m	Note 1	12 months **January - December** **2008**	12 months **January - December** **2007**	3 months **October - December** **2008**	3 months **October - December** **2007**
Net Sales		**1 244**	**1 277**	**333**	**373**
Cost of goods sold		-1 104	-1 171	-294	-340
Gross profit		**140**	**106**	**39**	**33**
Selling expenses		-121	-118	-26	-28
Administrative expenses		-149	-145	-43	-44
Research and development expenses		-12	-2	-3	-
Other operating incomes		224	189	66	87
Other operating expenses		-225	-177	-94	-37
Operating income		**-143**	**-147**	**-60**	**11**
Revenue from participations in Group companies		351	77	62	-
Other interest revenue and similar income		84	47	40	2
Interest expenses and similar expenses		-111	-207	-59	-38
Net financial items		**324**	**-83**	**43**	**-36**
Income after financial items		**181**	**-230**	**-17**	**-25**
Appropriations		-	-	-	-
Taxes on income for the period		3	42	0	-7
Net income for the period		**184**	**-188**	**-18**	**-32**

Parent Company Balance Sheets in Brief

SEK m	31 December 2008	31 December 2007
ASSETS		
Goodwill	799	899
Other intangible fixed assets	25	28
Total intangible fixed assets	**824**	**927**
Tangible fixed assets	69	71
Financial fixed assets	1 071	1 100
Total fixed assets	**1 964**	**2 098**
Inventories	106	133
Accounts receivable	126	129
Other operating receivables	823	466
Cash and bank	153	116
Total current assets	**1 208**	**844**
TOTAL ASSETS	**3 172**	**2 942**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Total restricted shareholders' equity	83	83
Total unrestricted shareholders' equity	1 398	1 221
Shareholders' equity[1)]	**1 481**	**1 304**
Provisions	**116**	**113**
Long-term financial liabilities	1 275	1 307
Total long-term liabilities	**1 275**	**1 307**
Accounts payable	71	64
Other short-term liabilities	229	154
Total short-term liabilities	**300**	**218**
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	**3 172**	**2 942**

[1)] Shareholders' equity also includes Group contributions from RexCell Tissue & Airlaid AB, which is included in the same tax subject.

Duni's share

As per 31 December 2008 the share capital amounted to SEK 58,749 t divided into 46,999,032 shares, each with a quotient value of SEK 1.25.

Shareholders

Duni is listed on OMX Nordic Exchange Stockholm under the ticker name "DUNI". Duni's main shareholders are Mellby Gård Investerings AB (29.99%), Polaris Capital Management, LLC (9.62%) and Lannebo Fonder (8.73%).

Definitions

Cost of goods sold: Cost of goods sold including production and logistic costs.

Gross margin: Gross profit as a percentage of net sales.

EBIT: Operating income.

EBIT margin: EBIT as a percentage of net sales.

EBITA: Operating income adjusted for impairment of fixed assets.

EBITA margin: EBITA as a percentage of net sales.

EBITDA: Operating income before depreciation and impairment of fixed assets.

EBITDA margin: EBITDA as a percentage of net sales.

Capital employed: Non-interest bearing fixed assets and current assets, excluding deferred tax assets, less non-interest bearing liabilities.

Return on capital employed: Operating income as a percentage of capital employed.

Return on shareholders' equity: Net income as a percentage of shareholders' equity.

Number of employees: The number of employees at end of period.

Currency adjusted: Figures adjusted for changes in exchange rates. Figures for 2008 are calculated at exchange rates for 2007.

Earnings per share: Net income divided by the average number of shares.

Net Interest-bearing debt: Interest-bearing liabilities and pensions less cash and cash equivalents and interest-bearing receivables.

Horeca sector: Abbreviation of hotel, restaurant and catering.

Notes

Note 1. Accounting and valuation principles

Since January 1, 2005, Duni applies International Financial Reporting Standards (IFRS) as adopted by the European Union. For transition effects see notes 45 and 46 in the Annual Report of 30 June 2007.

This interim report has been prepared in accordance with IAS 34, Interim Reporting. The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and with the related reference to Chapter 9 of the Annual Accounts Act. The parent company's financial statements are prepared in accordance with RFR 2.1, Reporting for Legal Entities, and the Annual Accounts Act. The accounting principles are the same as in the Annual Report as per 31 December 2007.

Note 2. Net interest bearing debt

Commencing the fourth quarter of 2008, the interest-bearing debt is calculated excluding the effect of electricity and currency derivatives.

Note 3. Divested business

The American businesses, Duni Corporation and Duni Supply Corporation, were sold in August 2006. In November 2007, Duni and Innoware LLC came to a final agreement concerning the purchase price and the arbitration proceedings between them were avoided. The final purchase price was adjusted by SEK 31 m. The effect on cash flow was SEK - 29 m. In connection with this settlement, the provision was adjusted and SEK 15 m was dissolved as an additional capital gain on the sale of Duni Americas.

The sale of deSter Holding B.V. was completed in March 2007.

Note 4. Clarification of operating cash flow for continuing operations 1 January – 31 December 2007

Investments

Duni's total net investments for the period 1 January – 31 December 2007 amounted to SEK 146 m. The net investments in the continuing operations have been SEK 132 m.

Changes in working capital

The net change in operating working capital, inventory/accounts receivables/accounts payables during the period 1 January – 31 December, 2007 amounted to SEK 20 m. The change involves a net change of SEK -24 m in inventory, a net change of SEK 14 m in accounts receivable, and a net change of SEK 30 m in accounts payable for the continuing operations.

Note 5. Sales development per geographic area

Net Sales - Professional	Jan-Dec 2008	Jan-Dec 2007	Change
SEK m			
Nordic region	664	673	-1.3%
Central Europe	1 616	1 518	6.5%
Southern & Eastern Europe	469	430	9.1%
Rest of the World	22	20	10.0%
Total	*2 771*	*2 641*	4.9%

Net Sales – Retail	Jan-Dec 2008	Jan-Dec 2007	Change
SEK m			
Nordic region	148	168	-11.9%
Central Europe	610	620	-1.6%
Southern & Eastern Europe	19	12	58.3%
Rest of the World	-	0	0.0%
Total	*777*	*800*	-2.9%

Note 6. Non-recurring items

Restructuring costs and unrealized valuation effects on derivatives instruments, due to non-application of hedge accounting, are considered non-recurring items. The following items are included in the consolidated income statements.

Restructuring cost	Jan-Dec 2008	Oct-Dec 2008
SEK m		
Cost of goods sold	-21	-21
Selling expenses	-6	-6
Administrative expenses	-4	-4
Other operating expenses	-10	-10
Total	*-41*	*-41*

Derivatives instruments

SEK m	Jan-Dec 2008	Oct-Dec 2008	Jul-Sep 2008	Apr-May 2008	Jan-Mar 2008
Other operating incomes	1	-15	1	9	6
Other operating expenses	-49	-24	-20	-2	-3
Total	*-48*	*-39*	*-19*	*7*	*3*

	Jan-Dec 2007	Oct-Dec 2007	Jul-Sep 2007	Apr-May 2007	Jan-Mar 2007
Other operating incomes	13	-3	11	5	0
Other operating expenses	-14	0	-8	-6	0
Total	*-1*	*-3*	*3*	*-1*	*0*