



Q3 Presentation 2012

24 October, 2012



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2012 Q3 Highlights

- Professional affected mainly by weak EUR
 - Volume declined by some 3% primarily reflecting a soft market in combination with less invoicing days in September (start of Christmas season).
 - Negative currency effects due to weak EUR.
- Consumer - improved sales trend
 - Deliveries to new major accounts started during the quarter.
 - Roll out initially influencing EBIT negatively.
- Tissue
 - Low capacity utilization main explanation for weak result contrary to a strong quarter last year.
 - Test runs for new qualities.
- Cash flow remains strong, driven by normalized capital expenditure and activities to bring down seasonal stock level.

- Net sales SEK 849 m (917)
- Underlying operating income SEK 63 m (98)
- Underlying operating margin 7.4% (10.7%)



Market Outlook

- HORECA market long-term growing in line or slightly above GDP
 - Positive eating out trend.
 - Higher growth in take-away sector.
- Negative macro statistics in majority of markets translates into softer demand.
 - European debt crises still creates uncertainty regarding economic recovery.
 - Key market Germany now facing negative growth figures for HoReCa.
- Pulp and energy lower than last year however input material for traded goods remain on high level.



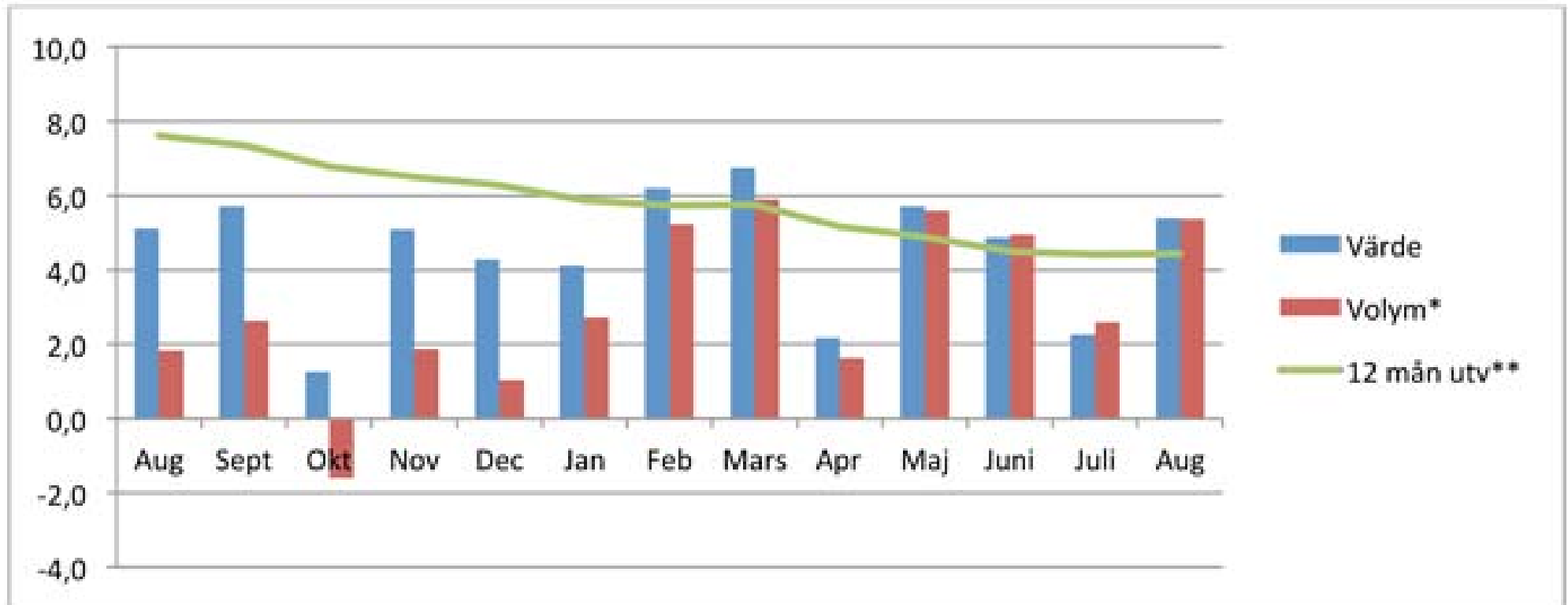
HoReCa Sales development Germany (July 2012)

Wirtschaftsbereich	07/2012 zu 07/2011		01-07/2012 zu 01-07/2011	
	nominal	real	nominal	real
Gastgewerbe insgesamt	-0,7	-2,4	2,1	0,0
davon:				
Beherbergung	-0,1	-1,1	2,8	0,9
Gastronomie	-1,1	-3,3	1,7	-0,5

Source: destatis



Restaurant Sales Development, Sweden (Aug 2011 – Aug 2012)



□ +5.4% in volume in Aug and +5,4% in value.



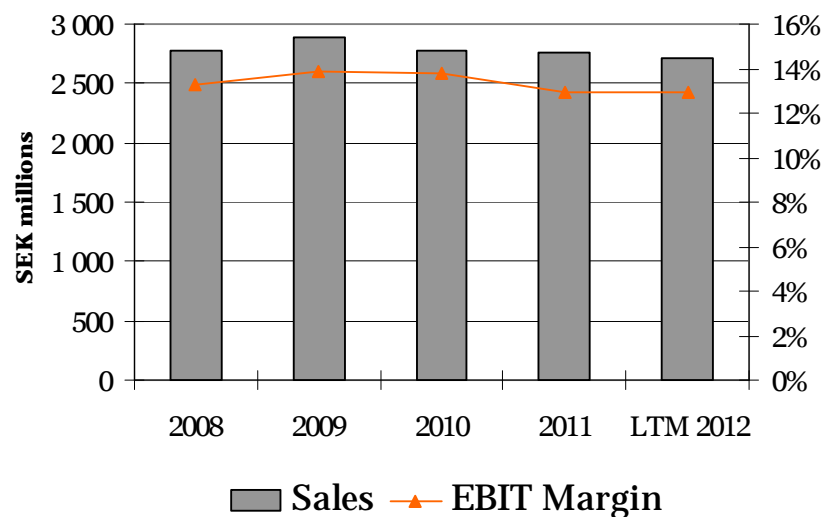
Business Areas



Professional

–Lower sales and EBIT mainly impacted by currency

Sales and EBIT¹⁾



Geographical split – sales Q3 2012

Net sales Professional	Q3 2012	Q3 2011	Growth	Growth at fixed exchange rates
Nordic	140	152	-7.9%	-7.2%
Central Europe	375	417	-10.1%	-2.6%
South & East Europe	111	119	-6.7%	0.8%
Rest of the World	9	8	12.5%	12.5%
TOTAL	635	696	-8.8%	-3.1%

- Loss of low end business in Denmark and Sweden impacted Nordic. Discontinued contracts in UK impacting Central Europe while development in Germany follows overall market trend.
- Russia main growth driver for South and East, while Italy and Spain hurt by economic recession.
- Evolin roll out continues.

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

Evolin Campaign

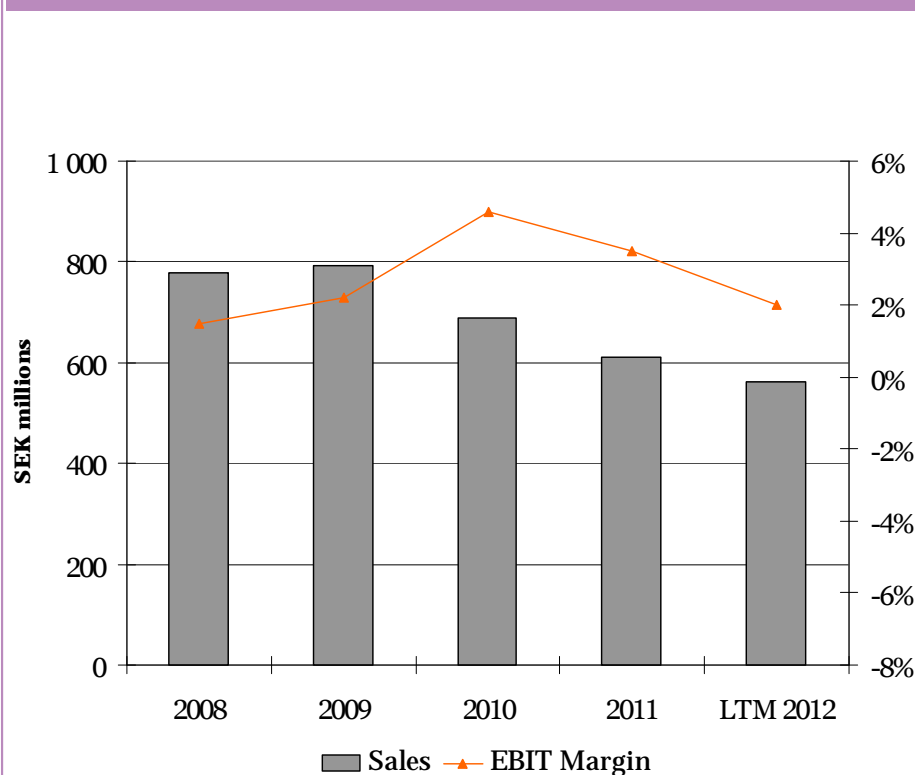
The screenshot shows the Duni website homepage. At the top left is the Duni logo with two stars (one yellow, one red) above it, followed by the tagline "...for your business" and the text "Online shopping not available". To the right is a search bar with the text "Change to: [For your home](#) Enter search" and a "Search" button. Further right is a shopping list icon with "0 items in shopping list". Below the header is a navigation menu with items: "Events & Occasions", "Products", "Trends & Insights", "Customisation", and "Customer service". The main content area features a large black banner with the text "The difference between black and black" in white, with "black" in a serif font and "black" in a lowercase sans-serif font. Below the banner is the text "Create the impact of brand new black linen every single service". To the right of the banner are three small circular icons labeled 1, 2, and 3. Below the banner are three columns of content, each with an image and a title: 1. "New designs for holiday tables" with a photo of a table set with red linens and candles, and the subtext "Christmas inspiration". 2. "Experience Evolin®" with a photo of a woman in a white shirt and black skirt in a restaurant setting, and the subtext "Find out more on our 360° site". 3. "A richer, warmer glow" with a photo of lit red candles in gold holders, and the subtext "See candles". Below these are three more images: a table with white linens and candelabras, a close-up of white and purple napkins, and a close-up of a white and red napkin.



Consumer

– Positive trend with growth in Central Region

Sales and EBIT¹⁾



Geographical split - sales Q3 2012

Net sales Consumer	Q3 2012	Q3 2011	Growth	Growth at fixed exchange rates
Nordic	15	16	-6.3%	-6.3%
Central Europe	84	90	-6.7%	1.1%
South & East Europe	2	4	-50.0%	-50.0%
Rest of the World	0	0	0.0%	0.0%
TOTAL	101	110	-8.2%	-1.6%

- Stagnating market in grocery retail trade.
- Central region positively impacted by implementation of new accounts. Roll out estimated to be finalized by year end.

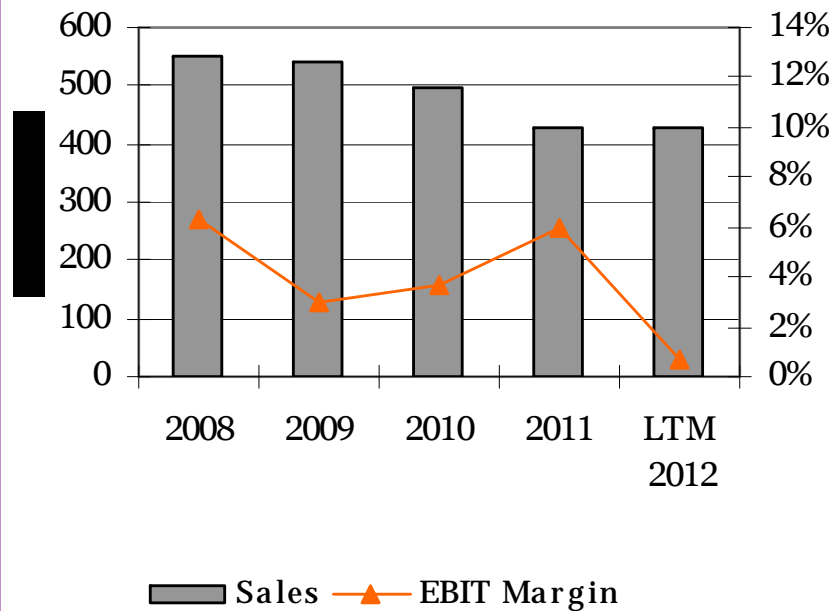
1) Excluding non-recurring costs and market valuation of derivatives



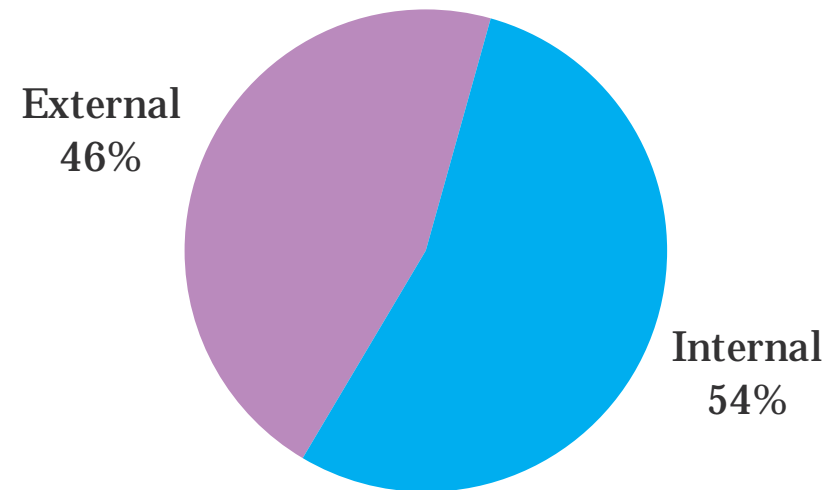
Tissue

– Low capacity utilization

Sales and EBIT



Sales mix Q3 2012



- Negative absorption effects from avoidance of stock build up and test runs .
- Sales on par with last year.



Financials

Operating Margin 7.4%

<i>SEKm</i>	Q3 2012	Q3 2011	YTD 2012	YTD 2011	Q3 LTM	FY 2011
Net sales	849	917	2 638	2 744	3 701	3 807
Gross profit	207	248	678	716	993	1 031
Gross margin	24.3 %	27.1 %	25.7 %	26.1 %	26.8 %	27.1%
Selling expenses	-97	-105	-327	-332	-436	-441
Administrative expenses	-39	-43	-122	-128	-166	-172
R&D expenses	-5	-7	-20	-21	-29	-30
Other operating net	-4	4	-3	9	-11	0
Operating income (reported)	62	98	207	244	350	388
Non-recurring items ¹⁾	1	0	6	-9	-13	-16
Operating income (underlying)	63	98	212	253	363	404
Operating margin (underlying)	7.4 %	10.7 %	8.1 %	9.2 %	9.8 %	10.6 %
Financial net	-3	-8	-20	-20	-29	-30
Taxes	-11	-26	-46	-61	-83	-98
Net income	47	63	140	163	238	261
Earnings per share	1.01	1.34	2.98	3.46	5.07	5.54

1) Restructuring costs and market valuation of derivatives



Quarter affected by FX effects and lower capacity utilization

<i>SEKm</i>		Q3 2012	Q3 2011	YTD 2012	YTD 2011	Q3 LTM	FY 2011
<i>Professional</i>	Net sales	635	696	1 959	2 016	2 709	2 766
	Operating income ¹⁾	77	93	228	237	349	357
	Operating margin	12.1%	13.3%	11.6%	11.7%	12.9%	12.9%
<i>Consumer</i>	Net sales	101	110	354	403	563	612
	Operating income ¹⁾	-12	-5	-13	-3	11	21
	Operating margin	-11.8%	-4.4%	-3.8%	-0.8%	2.0%	3.4%
<i>Tissue</i>	Net sales	112	111	325	324	429	428
	Operating income ¹⁾	-2	10	-2	20	3	25
	Operating margin	-2.2%	9.2%	-0.8%	6.1%	0.7%	5.9%
<i>Duni</i>	Net sales	849	917	2 638	2 744	3 701	3 807
	Operating income¹⁾	63	98	212	253	363	404
	Operating margin	7.4%	10.7%	8.1%	9.2%	9.8%	10.6%

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



Strong Cash Flow: reduced stock building and lower capex

<i>SEKm</i>	Q3 2012	Q3 2011	YTD 2012	YTD 2011	Q3 LTM	FY 2011
EBITDA¹⁾	90	125	296	333	473	511
Capital expenditure	-21	-58	-87	-177	-287	-377
<i>Change in;</i>						
Inventory	-20	-66	-24	-92	31	-37
Accounts receivable	11	38	29	-23	16	-36
Accounts payable	-3	4	-19	-4	-23	-8
Other operating working capital	27	26	-1	46	-23	23
Change in working capital	-15	3	-15	-74	1	-58
Operating cash flow	84	70	194	83	187	76

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



Net Debt at all time low for Q3

<i>SEKm</i>	Q3 2012	Q3 2011	FY 2011
Goodwill	1 199	1 199	1 199
Tangible and intangible fixed assets	870	728	888
Net financial assets ¹⁾	210	241	210
Inventories	481	534	470
Accounts receivable	604	670	663
Accounts payable	-270	-315	-302
Other operating assets and liabilities ³⁾	-284	-323	-300
Net assets	2 810	2 734	2 827
Net debt	740	755	745
Equity	2 070	1 979	2 082
Equity and net debt	2 810	2 734	2 827
ROCE ²⁾	14%	17%	17%
ROCE ²⁾ w/o Goodwill	26%	32%	29%
Net debt / Equity	36%	38%	36%
Net debt / EBITDA ²⁾	1.6	1.5	1.5

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



Financial Targets

**Q3 LTM
2012**

Sales growth > 5%

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

-2,0%
(at fixed
exchange rates)

EBIT margin > 10%

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

9,8%

Dividend payout
ratio 40+%

- Target at least 40% of net profit

3.50 SEK
per share
(2011)





Thank you!