Q3 Presentation 2010

27 October , 2010

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.

2010 Q3 Highlights

- Net sales declined by 7,6% to SEK 943 m (1,021) [1)]
- Underlying operating income amounted to SEK 103 m (113) [1) 2)]
- Underlying operating margin amounted to 11.0% (11,0%) [1) 2)]
- Price increases executed in the quarter, partly compensating for higher raw material costs
- Business interruption due to fire has influenced the sales negatively with approx 3%
- Continued volume growth in Professional
  - Gross margins start to improve following price increases
- Retail business climate continues to be tough
  - Positive mix effect both from product and customer perspective partially mitigate the volume drop
- Lower external sales in Tissue due to fire, normalization expected in Q4

1) Excluding translation effect: net sales SEK 1,002 m, underlying operating income SEK 113 m with underlying operating margin 11.2%

2) Excluding market valuation of derivatives SEK -1 m (25) and restructuring costs of SEK 0 m (-1)

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
  - Even though private-label over-represented in category, competitive pressure remains fierce
- Improved GDP statistics start having a positive influence on HORECA
  - Consumers confidence strengthened
  - HORECA statistics in key markets moving into positive territory
- Major input materials such as pulp are flattening out on a high level
  - Our view is that the peak has been reached for materials like pulp
  - Weak US$ helps to mitigate cost in €

HORECA Sales Development, Germany (H1 2010)

DEHOGA BUNDESVERBAND

ZAHLENSPIEGEL I/2010

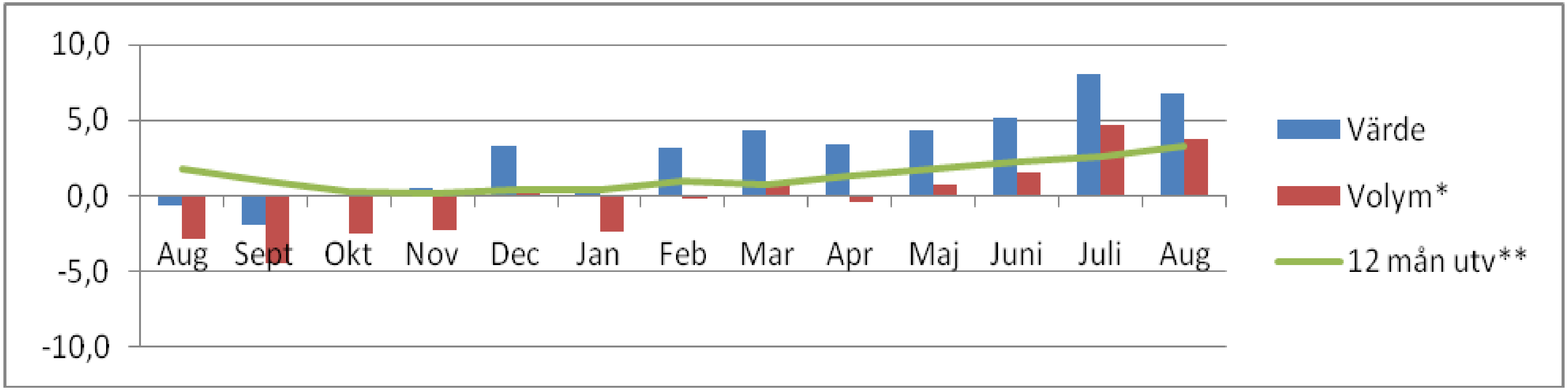
DEUTSCHER HOTEL- UND GASTSTÄTTENVERBAND (DEHOGA BUNDESVERBAND)

Umsatzentwicklung im Gastgewerbe zweites Quartal 2010 und erstes Halbjahr 2010 (Veränderungen gegenüber Vorjahreszeitraum)

Betriebsart	2. Quartal 2010		1. Halbjahr 2010	
	nominal	real	nominal	real
Hotellerie (Hotels, Hotels garnis, Gasthöfe, Pensionen)	+7,1%	+1,3 %	+5,1%	-0,2%
Beherbergungsgewerbe insgesamt	**+6,8%**	**+0,7%**	**+5,1%**	**-0,6%**
Speisengeprägte Gastronomie	-1,1%	-2,4%	-0,7%	-2,0%
Getränkegeprägte Gastronomie	+0,4%	-0,7%	-0,6%	-1,7%
Gaststättengewerbe insgesamt	**-0,9%**	**-2,1%**	**-0,7%**	**-2,0%**
Pachtkantinen	+4,5%	k.A.	+4,6%	k.A.
Caterer	+10,2%	k.A.	+9,0%	k.A.
Pachtkantinen und Caterer insgesamt	**+5,5%**	**+4,4%**	**+5,2%**	**+4,2%**
Gastgewerbe insgesamt	**+2,2%**	**-0,6%**	**+1,8%**	**-0,9%**

July figure indicate further increase of 0.4% in fixed prices

Restaurant Sales Development, Sweden (Aug 2009 – Aug 2010)



Source: SCB

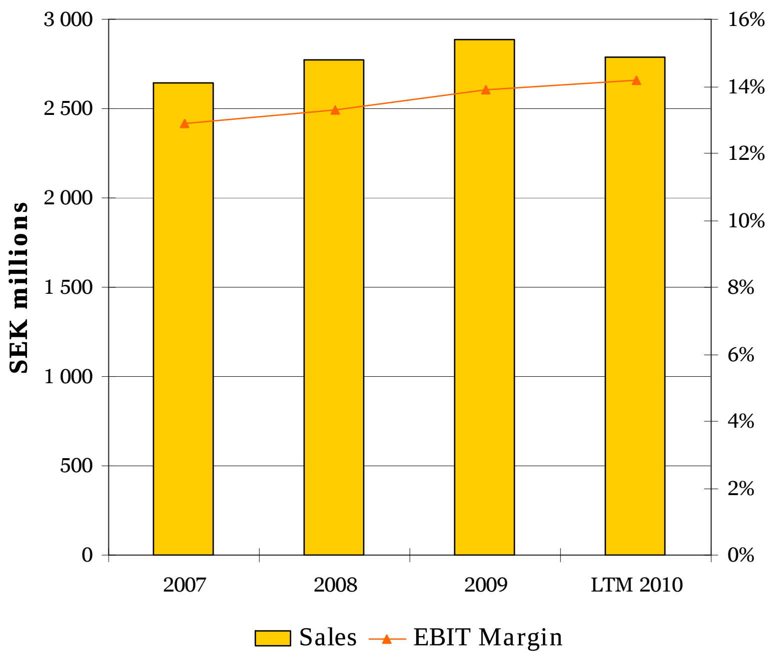
+ 3,8% in volume, August
+ 6,8% in value, August

Business Areas

Duni

Professional – Continued Growth

Sales and EBIT [1]



Geographical split – sales Q3 2010

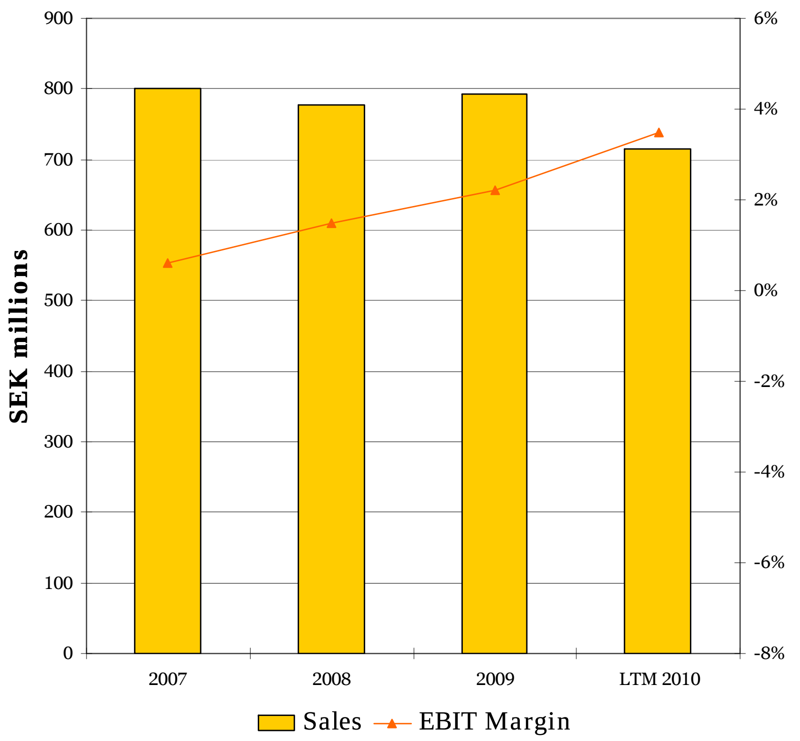
Net sales Professional	Q3 2010	Q3 2009	Growth	Growth at fixed exchange rates
Nordic	152	153	-0.7%	-0.7%
Central Europe	412	432	-4.6%	3.9%
South & East Europe	111	119	-6.7%	1.7%
Rest of the World	6	5	20.0%	40.0%
TOTAL	**681**	**708**	**-3.8%**	**3.0%**

- Price increases has to a certain extent mitigated higher costs for raw material
- UK main driver behind growth in Central

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

Retail – Tough Market Environment

Sales and EBIT [1]



Geographical split – sales Q3 2010

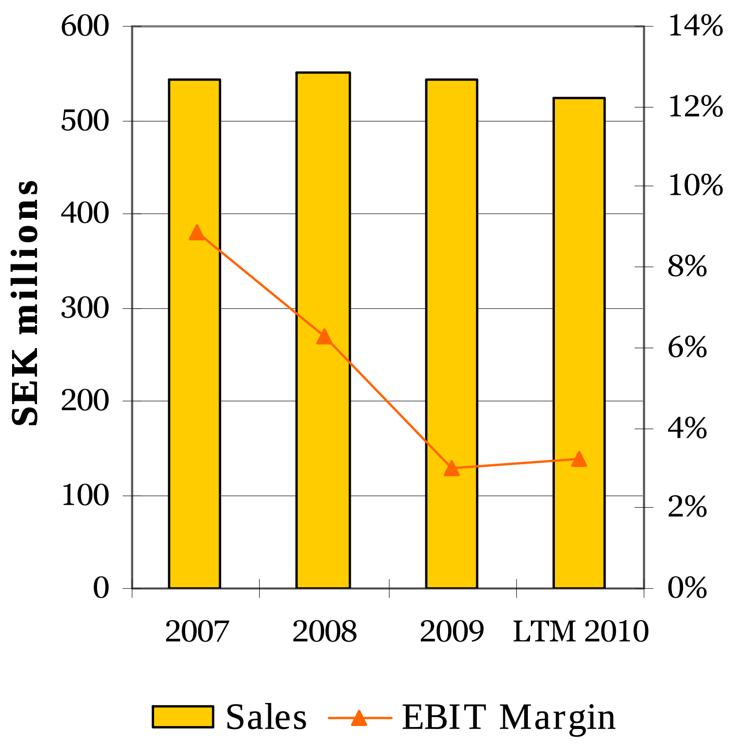
Net sales Retail	Q3 2010	Q3 2009	Growth	Growth at fixed exchange rates
Nordic	18	22	-18.2%	-18.2%
Central Europe	108	132	-18.2%	-11.4%
South & East Europe	12	6	100.0%	116.7%
Rest of the World	0	1	-100.0%	-100.0%
TOTAL	**138**	**161**	**-14.3%**	**-8.1%**

- Lower market shares and less activity in-store in Nordic and Germany main reasons behind weak sales development
- Underlying LTM operating margin maintained

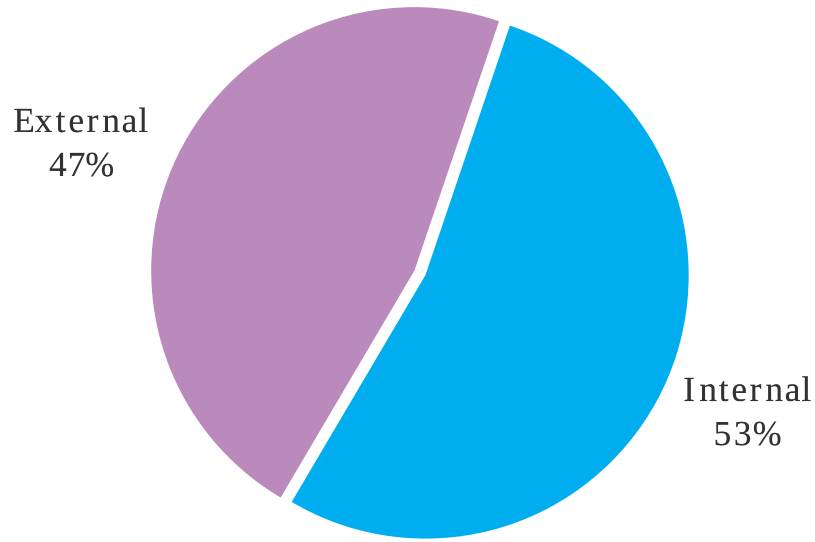
1) Excluding non-recurring costs and market valuation of derivatives

Tissue

Sales and EBIT



Sales mix Q3 2010



- Business interruption due to fire main explanation of volume drop
- Expected normalization in Q4


Financials
Duni

Income Statement

SEKm	Q3 2010	Q3 2009	YTD 2010	YTD 2009	LTM	FY 2009
Net sales	943	1 021	2 873	3 063	4 031	4 220
Gross profit	245	287	739	809	1 097	1 166
Gross margin	26,0 %	28,1 %	25,7 %	26,4 %	27,2 %	27,6 %
Selling expenses	-99	-109	-327	-354	-456	-482
Administrative expenses	-43	-45	-129	-141	-172	-184
R&D expenses	-5	-6	-16	-19	-26	-29
Other operating net	4	10	0	20	-3	17
Operating income (reported)	**102**	**137**	**267**	**315**	**440**	**488**
Non-recurring items[1)]	-1	24	-5	46	1	52
Operating income (underlying)	**103**	**113**	**272**	**269**	**439**	**436**
Operating margin (underlying)	11.0%	11.0%	9.5%	8.8%	10.9%	10.3%
Financial net	-3	-3	-12	-36	-19	-43
Taxes	-27	-35	-66	-74	-100	-108
Net income, continuing operations	72	100	189	205	320	336
Earnings per share, continuing operations	1.53	2.12	4.02	4.36	6.81	7.15

1) Restructuring costs and market valuation of derivatives

Stable Operating Margin

SEKm		Q3 2010	Q3 2009	YTD 2010	YTD 2009	LTM	FY 2009
Professional	Net sales	681	708	2 025	2 119	2 791	2 885
	Operating income[1)]	97	104	260	265	397	402
	Operating margin	14.3%	14.7%	12.8%	12.5%	14.2%	13.9%
Retail	Net sales	138	161	458	535	715	792
	Operating income[1)]	-1	0	-1	-8	25	18
	Operating margin	-1.0%	-0.3%	-0.2%	-1.5%	3.5%	2.2%
Tissue	Net sales	124	151	390	409	524	543
	Operating income[1)]	7	9	13	12	17	16
	Operating margin	5.8%	5.8%	3.2%	2.9%	3.2%	3.0%
Duni	**Net sales**	**943**	**1 021**	**2 873**	**3 063**	**4 031**	**4 220**
	Operating income[1)]	**103**	**113**	**272**	**269**	**439**	**436**
	Operating margin	**11.0%**	**11.0%**	**9.5%**	**8.8%**	**10.9%**	**10.3%**

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

Simplified Cash Flow Profile

SEKm	Q3 2010	Q3 2009	YTD 2010	YTD 2009	LTM	FY 2009
EBITDA[1)]	**130**	**139**	**351**	**345**	**544**	**539**
Capital expenditure	**-45**	**-27**	**-178**	**-81**	**-218**	**-121**
Change in; Inventory	-66	-15	-150	76	-80	146
Accounts receivable	17	14	-41	20	-2	58
Accounts payable	-1	31	-41	-48	11	3
Other operating working capital	-24	42	-20	85	-49	56
Change in working capital	**-74**	**72**	**-252**	**133**	**-120**	**263**
Operating cash flow	**11**	**183**	**-79**	**397**	**206**	**681**

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

Solid Financial Position

SEKm	Q3 2010	Q3 2009	FY 2009
Goodwill	1 199	1 199	1 199
Tangible and intangible fixed assets	603	522	540
Net financial assets[1)]	290	344	327
Inventories	506	448	382
Accounts receivable	610	670	640
Accounts payable	-270	-285	-344
Other operating assets and liabilities[3)]	-280	-369	-324
Net assets	**2 658**	**2 528**	**2 420**
Net debt	785	870	631
Equity	1 872	1 658	1 789
Equity and net debt	**2 658**	**2 528**	**2 420**
ROCE[2)]	19%	19%	21%
ROCE[2)] w/o Goodwill	38%	42%	49%
Net debt / Equity	42%	53%	35%
Net debt / EBITDA[2)]	1.4	1.7	1.2

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

Target	Actions	2010-09 LTM
Sales growth > 5%	• Organic growth of 5% over a business cycle • Consider acquisitions to reach new markets or to strengthen current market positions	-4.2%
EBIT margin > 10%	• Top line growth – premium focus • Improvements in manufacturing, sourcing and logistics	10.9%
Dividend payout ratio 40+%	• Board target at least 40% of net profit	2.50 kr per share