Interim Report for Duni AB (publ)
1 January – 31 March 2017

(compared to the same period previous year)

25 April 2017

Improved income in Table Top

1 January – 31 March

- Net sales amounted to SEK 1,004 m (959). Adjusted for exchange rate movements, net sales increased by 3.3%.
- Earnings per share after dilution amounted to SEK 1.22 (1.16).
- Income strengthened in spite of negative currency effects and higher raw material expenses.
- Income improved in Table Top, the largest business area.
- The Meal Service business area is implementing its marketing investments with continuing strong growth.
- An investment in a logistics property in Osnabrück, Germany, impacted net debt by SEK 55 m.

Key financials

SEK m	3 months January-March 2017	3 months January-March 2016	12 months April-March 2016/2017	12 months January-December 2016
Net sales	1,004	959	4,316	4,271
Operating income [1)]	89	87	504	502
Operating margin [1)]	8.9%	9.0%	11.7%	11.8%
Income after financial items	78	74	446	441
Net income	58	54	338	334

[1)] For bridge to EBIT, see the section entitled “Operating income – items affecting comparability”.

Duni is a leading supplier of attractive and convenient products for table setting and take-away. The Duni brand is sold in more than 40 markets and enjoys a number one position in Central and Northern Europe. Duni has some 2,200 employees in 23 countries, headquarter in Malmö and production units in Sweden, Germany, Poland and Thailand. Duni is listed on NASDAQ Stockholm under the ticker name “DUNI”. ISIN-code is SE 0000616716.
This information is information that Duni AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 7.45 CET on 25 April 2017.

CEO's comments

"Net sales for the quarter increased by SEK 45 m, resulting in SEK 1,004 m (959). Adjusted for exchange rate movements, net sales for the quarter increased by 3.3%. Operating income increased to SEK 89 m (87), while the operating margin fell marginally to 8.9% (9.0%). Operating margin for the quarter was impacted negatively by currency effects and higher raw material expenses. A quick and relatively high surge in prices was experienced for some raw materials late last year; as a result, we initiated adjustments to the prices we charge our customers. The effect of these price increases will be fully compensated in the second half of the year.

Operating cash flow for the period was SEK -128 m (-59). The lower cash flow is a result of a higher level of investments due to the acquired logistics property in Germany and increased safety stocks in preparation for sales in the coming quarters.

Sales for the quarter exceeded the same period last year in spite of a very weak start. Low sales in January were counterbalanced by historically strong shipments to customers in March. The tendency towards higher inventory fluctuations on the part of our distributors is becoming more pronounced. However, this trend has no correlation to the rate of consumption of our end consumers. Increasing inventory volatility on the distributor level will increase the amount of capacity required in intense periods and, conversely, necessitate greater flexibility in conjunction with unforeseen volume decreases. We have initiated a project to raise inventory transparency at our key customers in order to analyze and manage these fluctuations more effectively in the future.

The *Table Top* business area increased its net sales to SEK 511 m (503); an improved business area performance is a direct result of the activities initiated as a result of the weak sales trend early 2016 onwards. The trend in Southern and Western Europe remains strong and Central Europe has stabilized. Operating income increased to SEK 64 m (60) and the operating margin strengthened to 12.4% (12.0%).

The *Meal Service* business area continues to grow faster than the market as a whole, reaching a growth rate of 8.4% in the quarter. We are mainly seeing the effects of expanded sales resources; further, environmentally conscious products account for a higher share of total sales. Net sales reached SEK 162 m (148) and operating income was SEK 2 m (3). Income was impacted negatively by higher purchase prices for plastic-based products and continuing sales force investments.

The *Consumer* business area reports net sales in parity with the previous year SEK 247 m (248) and operating income decrease to SEK 16 m (19). In recent years, the Easter holiday's impact on sales has steadily decreased, but our Easter assortment made a positive contribution to the total sales of the business area in 2017. The increased demand for contract production is a major challenge that is driving up the number of item numbers and thus internal complexity. This trend has prompted a more comprehensive review of our assortment, which will be conducted during the year.

The *New Markets* business area increased its net sales to SEK 70 m (47) and operating income to SEK 7 m (4). This trend is mainly driven by Terinex Siam, which was acquired in August 2016. The business area also saw improvement in markets such as Russia, Thailand and South America. The strengthening of our presence in Southeast Asia thanks to the Terinex Siam production unit also resulted in higher sales of locally produced products to nearby export markets.

Following the somewhat weak start to the quarter, we are broadly satisfied with the final outcome. Several key projects and investments were completed in the past year and we expect that they will now give a boost to our performance. We also see a short-term challenge in the raw material price trend, which we will compensate for fully in the third quarter," says Thomas Gustafsson, President and CEO, Duni.

Net sales for the quarter of SEK 1,004 m

1 January – 31 March

Compared to the same period last year, net sales increased by SEK 45 m to SEK 1,004 m (959). Adjusted for exchange rate movements, net sales increased by SEK 31 m or 3.3%. Adjusted for currency and structural effects, Duni's organic growth for the past 12 months reached 1.7%. Although we got off to a slow start in a number of markets this year, we have gradually seen an improvement leading to a strong quarter. The Meal Service business area continues to drive growth. The performance of all business areas was positive, with the exception of Consumer. The quarter was characterized by the initiation of price adjustments to compensate for increased expenses for certain raw materials, including plastic-based products.

The general demand continues to grow modestly with some regional variations across Europe. Performance in the restaurant sector in Germany is on par with last year with measuring volume. According to statistics, consumer confidence is increasing slightly with customers in Europe, which is positive for Duni's end customers as more and more people are choosing to eat out.

Net sales, currency effect

SEK m	3 months January-March 2017	3 months January-March 2017[1] recalculated	3 months January-March 2016	Change in fixed exchange rates	12 months April-March 2016/2017	12 months January-December 2016
Table Top	511	506	503	0.6%	2,301	2,293
Meal Service	162	160	148	8.4%	680	666
Consumer	247	245	248	-1.2%	1,039	1,039
New Markets	70	66	47	40.5%	243	220
Other	14	14	14	0.4%	52	52
Total	**1,004**	**991**	**959**	**3.3%**	**4,316**	**4,271**

[1] Reported net sales for 2017 recalculated at 2016 exchange rates.

Operating margin in the quarter of 8.9%

1 January – 31 March

Operating income amounted to SEK 89 m (87) with a gross margin of 28.4% (28.4%). The operating margin was 8.9% (9.0%). Adjusted for translation effects due to exchange rate movements, income was SEK 1 m lower than last year. Although the increase in sales was marginal, the production volume of the production units was solid with relatively high capacity utilization. Raw material prices for some products increased substantially during the quarter and are expected to have an impact on the following quarter. Duni has therefore focused on alleviating the effects of this by making strategic purchases and engaging in price compensation discussions with customers. Income continued to be impacted by negative currency effects in the quarter, but to a slightly lesser extent than in the second half of 2016. The translation effect has contributed positively. However, the transaction effects have had an adverse effect on the operating margin, primarily from the pound sterling and the revaluation of working capital in foreign currency. The total exchange rate effects are therefore negative in the quarter.

Income after financial items amounted to SEK 78 m (74). Income after tax was SEK 58 m (54).

Operating income, currency translation effects

SEK m	3 months January-March 2017	3 months January-March 2017[1] recalculated	3 months January-March 2016	12 months April-March 2016/2017	12 months January-December 2016
Table Top	64	62	60	372	369
Meal Service	2	2	3	40	41
Consumer	16	16	19	62	65
New Markets	7	6	4	25	23
Other	1	1	1	5	4
Total	**89**	**86**	**87**	**504**	**502**

[1] Operating income for 2017 recalculated at 2016 exchange rates.

Operating income – items affecting comparability

Duni manages its operations based on what Duni refers to as operating income. ‘Operating income’ means operating income before restructuring costs, fair value allocations and amortization of intangible assets identified in connection with business acquisitions. Duni has chosen to analyze operating income, since it is subject to fewer non-recurring items than the reported income. See the table below.

Restructuring costs for the first quarter totaled SEK 0 m (0). Restructuring costs totaling SEK 10 m were incurred in the latter part of 2016. These costs mainly involved organizational changes and efficiency improvements in production in Germany and in sales in the Nordic region. This was the final part of the program started in 2015, which was mainly related to organizational changes in management, and organizational changes and efficiency improvements in the Consumer business area. For details of restructuring costs, see Note 6.

Bridge between operating income and EBIT

SEK m	3 months January-March 2017	3 months January-March 2016	12 months April-March 2016/2017	12 months January-December 2016
Operating income	**89**	**87**	**504**	**502**
Restructuring costs	0	0	-10	-10
Amortization of intangible assets identified in connection with business acquisitions	-8	-7	-28	-27
Fair value allocation in connection with acquisitions	-	-	-1	-1
EBIT	**81**	**80**	**465**	**463**

Reporting of operating segments

Duni's operations are divided into four operating segments, which are referred to by Duni as business areas.

The **Table Top** business area offers Duni's concepts and products primarily to hotels, restaurants, catering and health and care. Table Top primarily markets napkins, table coverings and candles for the set table. Duni is the market leader within the premium segment in Europe. The business area accounted for approximately 51% (53%) of Duni's net sales during the period 1 January – 31 March 2017.

The **Meal Service** business area offers concepts for meal packaging and service for take-away, ready-to-eat meals, and catering. The business area's customers are mainly take-away-driven restaurants, food producers and health and care. As a niche player, Duni enjoys a leading position within this area in the Nordic region and has a clear growth agenda on identified markets in Europe. The business area accounted for approximately 16% (15%) of Duni's net sales during the period.

The **Consumer** business area offers consumer products primarily to the retail sector in Europe. The business area's customers mainly comprise of grocery retail chains, but also other channels such as specialty stores, including garden centers, home furnishing stores, and DIY stores. The business area accounted for approximately 25% (26%) of Duni's net sales during the period.

The **New Markets** business area offers Duni's attractive quality product concepts, table top concepts and packaging to markets outside of Europe. In addition to customer segments such as hotels, restaurants and catering, the business area also aims its offering at the retail sector. The business area accounted for approximately 7% (5%) of Duni's net sales during the period. As of August 2016, the acquired company Terinex Siam is included in the New Markets business area.

These business areas largely have a joint product assortment. However, design and packaging solutions are adapted to suit the different sales channels. Production and support functions are largely shared by these business areas. Group management, which is the highest executive and decision-making body in Duni, decides on the allocation of resources within Duni and evaluates the results of the operations. The business areas are directed based on operating income after shared costs have been allocated between them. For further information, see Note 4.

Operations were divided between five operating segments through 2016. Starting in 2017, Duni has chosen to no longer track the Materials & Services business area and will instead report it under Other. This is a natural step given that the former hygiene operations, which were discontinued in March 2015, were included in Materials & Services. The business area accounted for 13% of Duni's total net sales at that time. Once the hygiene operations were discontinued, they were recognized as discontinued operations and were therefore no longer included in Materials & Services. The business area accounted for only slightly more than 1% of Duni's net sales in 2016. For further information, see Note 3. External sales of tissue and airlaid materials from the Skåpafors factory and external sales of finance and accounting services from the European Finance Function (EFF) in Poznan are also reported as Other.

Split of net sales between business areas

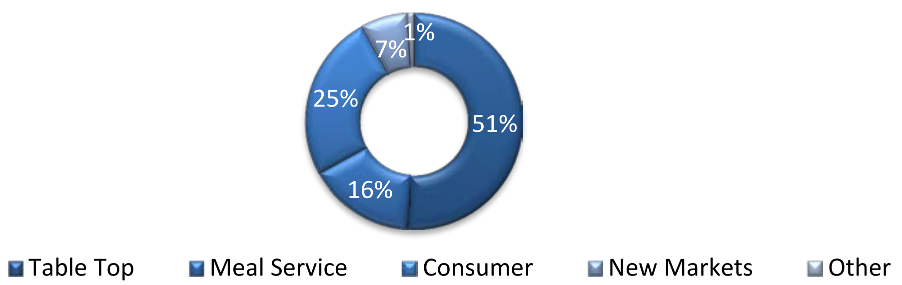


Table Top business area

1 January – 31 March

Net sales amounted to SEK 511 m (503). At fixed exchange rates, this corresponds to an increase in sales of 0.6%. Almost all markets are on par with last year. Premium napkins have been the biggest driver of growth in the past few years, and this was the case for this quarter as well. A key initiative that was started back in 2016 was to enhance the collaboration with the largest customers to better predict fluctuations in sales and the needs of end customers. This work continued in the first quarter and will be a key component for improving the way we manage sales initiatives and optimize campaigns and assortments in 2017.

Operating income was SEK 64 m (60) and the operating margin was 12.4% (12.0%). Table Top has also seen the prices of certain raw materials increase and has therefore intensified price compensation activities, which will have an effect in the latter half of the year. Profitability improved in spite of increased raw material costs. This is largely due to lower costs in production thanks to relatively high capacity utilization. In spite of heavy competition in certain segments, such as single-ply napkins and candles, profitability is balanced by the strong market response to new products with a higher average contribution to profitability.

Net sales, Table Top

SEK m	3 months January-March 2017	3 months January-March 2017[1] recalculated	3 months January-March 2016	12 months April-March 2016/2017	12 months January-December 2016
Nordic region	77	77	72	349	344
Central Europe	349	346	349	1,545	1,545
South & East Europe	85	83	81	404	401
Rest of the World	0	0	1	3	3
Total	**511**	**506**	**503**	**2,301**	**2,293**

[1] Reported net sales for 2017 recalculated at 2016 exchange rates.

Meal Service business area

1 January – 31 March

Net sales amounted to SEK 162 m (148). At fixed exchange rates, this corresponds to an increase in sales of 8.4%. Meal Service continues to grow by nearly 10%, a result of the investments in recent years to build a strong sales organization. It is also clear that environmentally conscious products are growing faster in relative terms, which demonstrates that most markets are prepared to pay more for this type of product. The business area focused on segmenting and structuring opportunities on the market over the past year. This led to adapting the product portfolio to medium-sized customer groups, where innovative and environmentally conscious, premium solutions are most relevant.

Operating income was SEK 2 m (3) and the operating margin was 0.9% (1.8%). Raw material prices for plastic-based products increased to record-high levels early in the year. Besides price increases, the business area is pursuing activities such as phasing purchases, new materials and product specifications. However, it is not possible to fully compensate for the increases in raw material prices, and as the price increases will not have an impact until the second and third quarter, margins are under pressure for the first half of the year. The business area's investments in expanding its organization in purchasing, sales, and development resulted in a temporarily higher share of indirect expenses, but these investments lay the long-term foundation for profitable growth.

Net sales, Meal Service

SEK m	3 months January-March 2017	3 months January-March 2017[1] recalculated	3 months January-March 2016	12 months April-March 2016/2017	12 months January-December 2016
Nordic region	72	72	66	306	300
Central Europe	58	57	54	242	238
South & East Europe	32	32	28	131	127
Rest of the World	0	0	0	1	1
Total	**162**	**160**	**148**	**680**	**666**

[1] Reported net sales for 2017 recalculated at 2016 exchange rates.

Consumer business area

1 January – 31 March

Net sales amounted to SEK 247 m (248). At fixed exchange rates, this corresponds to a decrease in sales of 1.2%. Easter sales usually dominate the first quarter, but they have waned in significance in recent years. Nevertheless, Easter sales had a positive impact for 2017. Unfortunately, the business area lost a corresponding amount of sales on other campaigns that were not as successful as last year. A major customer decreased its purchases from Duni during the quarter as well, which had a negative impact on sales, but a limited effect on income.

Operating income was SEK 16 m (19) and the operating margin was 6.5% (7.6%). The business area's sales and profit margin fell slightly relative to last year. This can be explained in part by an unfavorable mix of products as some key campaigns with a high share of table coverings were not repeated this year. Higher raw material expenses have been a challenge for Consumer as well. However, price compensation options are often limited during the term of the contract for the retailer's own brands. It is therefore imperative that Consumer continue developing and pushing more premium products, which are subject to less price sensitivity.

Net sales, Consumer

SEK m	3 months January-March 2017	3 months January-March 2017[1] recalculated	3 months January-March 2016	12 months April-March 2016/2017	12 months January-December 2016
Nordic region	36	35	34	147	146
Central Europe	178	176	182	748	752
South & East Europe	18	18	16	78	77
Rest of the World	16	15	15	65	65
Total	**247**	**245**	**248**	**1,039**	**1,039**

[1] Reported net sales for 2017 recalculated at 2016 exchange rates.

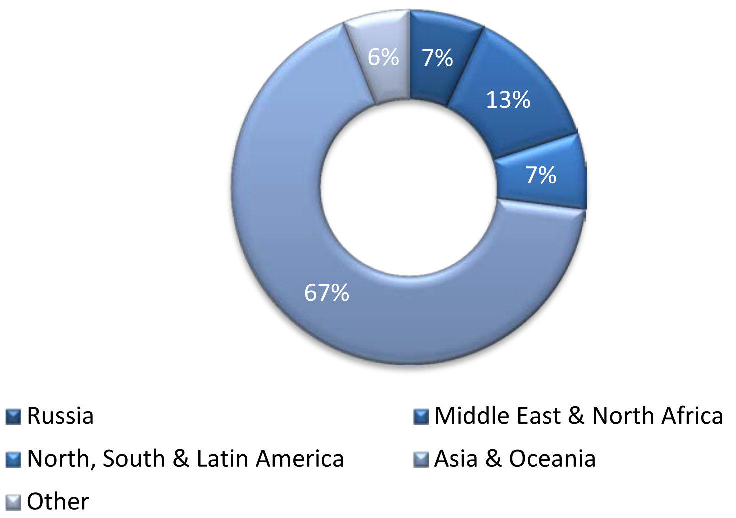
New Markets business area

1 January – 31 March

Net sales amounted to SEK 70 m (47). At fixed exchange rates, this corresponds to an increase in sales of 40.5%. Sales increased substantially in comparison to the previous year, mainly as a result of the acquisition of Terinex Siam in August 2016. We saw a slight improvement on certain markets during the quarter, such as Russia, Thailand and South America. The business area's presence in Asia resulted in higher sales in this region where the main focus is on developing Duni's premium assortment, but also on taking advantage of local production with a lower share of logistics expenses for more basic products. The Middle East, which is a relatively important region, was negatively affected by increased turbulence and lower general demand.

Operating income was SEK 7 m (4) and the operating margin was 9.6% (9.0%). The operating margin strengthened in comparison to the previous year, which is also mainly related to the acquisition of Terinex Siam. The business area's focus in recent quarters has been on developing its assortment but also on securing new business in Asia and Oceania that satisfactorily leverages the production plant in Thailand. The situation in Russia has improved slowly, with a stronger Russian ruble serving as the main driver of stronger margins. However, demand remains weak. The remaining markets exhibit high volatility between quarters, which reflects continuing high uncertainty on many markets, especially in the less developed countries.

Net sales, geographical split, New Markets



Cash flow

The Group's operating cash flow for the period 1 January – 31 March was SEK -39 m (-26). Capital employed was higher than normal on a seasonal basis. This is mainly due to inventory accumulation in order to secure our delivery capacity. Accounts receivables amounted to SEK 703 m (612), accounts payables to SEK 326 m (301) and inventory was valued at SEK 622 m (538).

Cash flow including investing activities amounted to SEK -128 m (-59). Net investments for the period amounted to SEK 89 m (33). The level of investment is higher due to the acquisition of a logistics property in Germany. Amortization/depreciation for the period was SEK 42 m (38).

The Group's interest-bearing net debt as of 31 March 2017 was SEK 887 m, compared with SEK 658 m on 31 March 2016.

Financial net

The financial net for the period 1 January – 31 March was SEK -3 m (-6). The translation effects were slightly positive in the quarter in comparison to somewhat negative last year.

Taxes

The total reported tax expense for the period 1 January – 31 March amounted to SEK 20 m (19), yielding an effective tax rate of 25.2% (26.0%). The tax expense for the year includes adjustments and non-recurring effects from the previous year of SEK -0.1 m (0.0). The deferred tax asset relating to loss carryforwards was utilized in the amount of SEK 8 m (6) and is estimated to be fully utilized during the year.

Earnings per share

The earnings per share before and after dilution amounted to SEK 1.22 (1.16).

Duni's share

At 31 March 2017, the share capital amounted to SEK 58,748,790 divided into 46,999,032 outstanding ordinary shares. The quotient value of the shares was SEK 1.25 per share.

Shareholders

Duni is listed on NASDAQ Stockholm under the ticker name "DUNI". Duni's three largest shareholders are Mellby Gård Investerings AB (29.99%), Swedbank Robur fonder (9.14%) and Carnegie fonder (7.98%).

Personnel

On 31 March 2017 there were 2,304 (2,084) employees. 1,008 (919) of the employees were engaged in production. Duni's production units are located in Bramsche and Wolkenstein in Germany, Poznan in Poland, Bengtsfors in Sweden, and Bangkok in Thailand.

Acquisitions

No acquisitions were made 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 are managed by the Group's Treasury department, which is included as a unit within the Parent Company.

Operational risks

Duni is exposed to a number of operational risks that are important to manage. The development of attractive product ranges, particularly the Christmas collection, is extremely important in order for Duni to achieve good sales and income growth. Duni addresses this issue by constantly developing its ranges. Approximately 25% of the collection is replaced each year in response to, and to create, new trends. A weaker economy over an extended period of time in Europe might lead to fewer restaurant visits. Reduced market demand and increased price competition, may affect volumes and gross margins partly through increased discounts and customer bonuses. Fluctuations in prices of raw materials and energy constitute an operational risk which may have a material impact on Duni's operating income.

Financial risks

Duni's finance management and its handling of financial risks are regulated by a finance policy adopted by the Board of Directors. The Group divides its financial risks between currency risks, interest rate risks, credit risks, financing and liquidity risks. These risks are controlled in an overall risk management policy that focuses on unforeseen events on the financial markets and endeavors to minimize potential adverse effects on the Group's financial results. 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 for 31 December 2016.

Duni's contingent liabilities have risen since the start of the year by SEK 1 m to SEK 78 m (77).

Transactions with related parties

No significant transactions with related parties took place during the first quarter of 2017.

Major events during the period

No significant events have occurred.

Major events since 31 March

No significant events have occurred since the balance sheet date.

Interim reports

Quarter II	14 July, 2017
Quarter III	20 October, 2017

Annual General Meeting 2017

The Annual General Meeting of Duni AB will be held in Malmö at 3pm on 3 May, 2017 at Akvariet, Dockplatsen 12. For more information, please see Duni's website.

Composition of Nomination Committee

The Nomination Committee is a shareholder committee responsible for nominating the persons proposed at the Annual General Meeting for election to Duni's Board of Directors. The Nomination Committee presents proposals regarding a Chairman of the Board and other directors. It also produces proposals regarding board fees, including the allocation of such fees between the Chairman and other directors, as well as any compensation for committee work.

Duni's Nomination Committee for the 2017 Annual General Meeting comprises four members: Magnus Yngen (Chairman of Duni AB), Rune Andersson (Mellby Gård Investerings AB), Bernard R. Horn, Jr. (Polaris Capital Management, LLC) and Bo Lundgren (Swedbank Robur fonder).

Parent Company

Net sales for the period 1 January – 31 March amounted to SEK 269 m (259). Income after financial items amounted to SEK -5 m (-27). The interest-bearing net debt was SEK -722 m (-777), of which a net asset of SEK 1,497 m (1,343) relates to subsidiaries. Net investments amounted to SEK 3 m (3).

Accounting principles

The interim report for the Group has been prepared in accordance with IAS 34 and the Swedish Annual Reports Act. The parent company's reporting is prepared in accordance with RFR 2, Reporting for Legal Entities, and the Swedish Annual Reports Act. Accounting principles have been applied as reported for the Annual Report for 31 December 2016.

Information in the report

Duni AB (publ) publishes this information in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. The information will be provided for publication on 25 April at 07.45 CET.

At 10.00 CET on Friday, 25 April, the report will be presented at a telephone conference, which can also be followed on the web. To participate in the telephone conference, call +46 8 566 426 90. To follow the presentation on the web, please visit this link:

http://event.onlineseminarsolutions.com/r.htm?e=1407674&s=1&k=1DE5DE508AB26ED0F7B6D96DBA86F1C9

This report has been prepared in both a Swedish and an English version. In the event of any discrepancy between the two, the Swedish version shall apply. This report has not been the subject of an audit by the Company's auditors.

Malmö, 24 April 2017

Thomas Gustafsson, President and CEO

Additional information is provided by:
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Consolidated Income Statements

SEK m (Note 1)	3 months January-March 2017	3 months January-March 2016	12 months April-March 2016/2017	12 months January-December 2016
Net sales	**1,004**	**959**	**4,316**	**4,271**
Cost of goods sold	-719	-687	-3,071	-3,039
Gross profit	**286**	**273**	**1,244**	**1,231**
Selling expenses	-130	-126	-487	-483
Administrative expenses	-61	-57	-249	-245
Research and development expenses	-2	-2	-8	-8
Other operating income	1	2	7	10
Other operating expenses	-12	-10	-43	-43
EBIT (Note 5)	**81**	**80**	**465**	**463**
Financial income	0	0	1	1
Financial expenses	-3	-7	-20	-23
Net financial items	**-3**	**-6**	**-19**	**-22**
Income after financial items	**78**	**74**	**446**	**441**
Income tax	-20	-19	-108	-107
Net income	**58**	**54**	**338**	**334**
Net income attributable to:				
- Equity holders of the Parent Company	*57*	*54*	*335*	*332*
- Non-controlling interests	*1*	*-*	*3*	*2*
Earnings per share attributable to equity holders of the Parent Company				
Before and after dilution (SEK)	1.22	1.16	7.13	7.06
Average number of shares before and after dilution ('000)	46,999	46,999	46,999	46,999

Statement of Comprehensive Income

SEK m	3 months January-March 2017	3 months January-March 2016	12 months April-March 2016/2017	12 months January-December 2016
Net income	**58**	**54**	**338**	**334**
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Actuarial loss on post-employment benefit obligations	-1	-2	-29	-30
Total	**-1**	**-2**	**-29**	**-30**
Items that may be reclassified subsequently to profit or loss:				
Exchange rate differences – translation of subsidiaries	9	-5	11	-3
Cash flow hedge	1	-2	2	-1
Total	**10**	**-7**	**13**	**-4**
Other comprehensive income of the period, net after tax:	**10**	**-9**	**-15**	**-34**
Sum of comprehensive income of the period	**68**	**46**	**322**	**300**
- Of which non-controlling interests	3	-	8	5

*Post-employment benefit obligations are recalculated each quarter since interest rates vary depending on market circumstances; a lower rate of interest gives rise to a higher cost in comprehensive income and a higher pension debt, while a higher rate of interest gives rise to a lower cost in comprehensive income and a lower pension debt than in the preceding quarter.

Consolidated Quarterly Income Statements in brief

SEK m	2017	2016				2015		
Quarter	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun
Net sales	**1,004**	**1,234**	**1,064**	**1,013**	**959**	**1,170**	**1,043**	**1,002**
Cost of goods sold	-719	-874	-751	-728	-687	-812	-731	-718
Gross profit	**286**	**360**	**313**	**285**	**273**	**358**	**311**	**284**
Selling expenses	-130	-129	-112	-115	-126	-123	-112	-116
Administrative expenses	-61	-67	-60	-61	-57	-64	-59	-60
Research and development expenses	-2	-2	-2	-2	-2	-3	-2	-3
Other operating income	1	1	1	4	2	1	9	0
Other operating expenses	-12	-10	-11	-10	-10	-16	-9	-9
EBIT	**81**	**153**	**130**	**101**	**80**	**154**	**139**	**97**
Financial income	0	0	0	0	0	0	0	1
Financial expenses	-3	-5	-4	-8	-7	-9	-10	-8
Net financial items	**-3**	**-5**	**-4**	**-7**	**-6**	**-9**	**-10**	**-7**
Income after financial items	**78**	**148**	**126**	**94**	**74**	**144**	**130**	**90**
Income tax	-20	-34	-32	-21	-19	-35	-31	-22
Net income continuing operations	**58**	**113**	**94**	**72**	**54**	**109**	**99**	**68**
Net income discontinued operations	0	0	0	0	0	0	0	1
Net income	**58**	**113**	**94**	**72**	**54**	**109**	**99**	**69**
Result attributable to:								
- Equity holders of the Parent Company	*57*	*112*	*93*	*72*	*54*	*109*	*99*	*69*
- Non-controlling interests	*1*	*2*	*0*	*-*	*-*	*-*	*-*	*-*

Consolidated Balance Sheet in brief

SEK m	31 March 2017	31 December 2016	31 March 2016
ASSETS			
Goodwill	1,580	1,577	1,459
Other intangible fixed assets	295	304	273
Tangible fixed assets	1,013	951	862
Financial fixed assets	56	67	91
Total fixed assets	**2,943**	**2,899**	**2,684**
Inventory	622	548	538
Accounts receivable	703	730	612
Other operating receivables	115	124	114
Cash and cash equivalents	128	186	94
Total current assets	**1,569**	**1,588**	**1,359**
TOTAL ASSETS	**4,512**	**4,487**	**4,043**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	**2,554**	**2,486**	**2,391**
Long-term loans	752	676	516
Other long-term liabilities	396	402	364
Total long-term liabilities	**1,149**	**1,079**	**880**
Accounts payable	326	373	301
Other short-term liabilities	484	549	470
Total short-term liabilities	**809**	**922**	**771**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**4,512**	**4,487**	**4,043**

Change in the Group's shareholders' equity

SEK m	Share capital	Other injected capital	Reserves	Cash flow reserves	Fair value reserve[1)]	Profit carried forward incl. net income for the period	Non-controlling interests	TOTAL EQUITY
	Attributable to equity holders of the Parent Company							
Opening balance 1 January 2016	**59**	**1,681**	**59**	**-6**	**13**	**539**	**-**	**2,345**
Sum of comprehensive income of the period	-	-	-5	-2	-	52	-	46
Closing balance 31 March 2016	**59**	**1,681**	**54**	**-8**	**13**	**593**	**-**	**2,391**
Sum of comprehensive income of the period	-	-	-1	-1	-	249	5	254
Non-controlling interest arising upon acquisition of subsidiaries	-	-	-	-	-	-	75	75
Dividend paid to shareholders	-	-	-	-	-	-235	-	-235
Closing balance 31 December 2016	**59**	**1,681**	**53**	**-7**	**13**	**606**	**80**	**2,486**
Sum of comprehensive income of the period	-	-	8	1	-	56	3	68
Closing balance 31 March 2017	**59**	**1,681**	**61**	**-6**	**13**	**663**	**83**	**2,554**

[1)] Fair value reserve means a reappraisal of land in accordance with earlier accounting principles. The reappraised value is adopted as the acquisition value in accordance with the transition rules in IFRS 1.

Consolidated Cash Flow Statement

SEK m	3 months January - March 2017	3 months January - March 2016
Current operation		
Operating income continuing operations	81	80
Adjusted for items not included in cash flow etc.	30	30
Paid interest and tax	-28	-66
Change in working capital	-122	-70
Cash flow from operations	**-39**	**-26**
Investments		
Acquisitions of fixed assets continuing operations	-89	-33
Sales of fixed assets	0	0
Change in interest-bearing receivables	0	0
Cash flow from investments	**-89**	**-33**
Financing		
Taken up loans[1)]	77	-
Amortization of debt[1)]	-	-47
Dividend paid to shareholders	-	-
Change in borrowing	-9	-5
Cash flow from financing	**68**	**-51**
Cash flow from the period	**-61**	**-110**
Liquid funds, operating balance	186	203
Exchange difference, cash and cash equivalents	4	1
Cash and cash equivalents. closing balance	**128**	**94**

[1)] Loans and amortizations, within the credit facility, are reported gross for durations above 3 months according to IAS 7.

Key ratios in brief

	3 months January - March 2017	3 months January - March 2016
Net sales, SEK m	1,004	959
Gross profit, SEK m	285	273
Operating income, SEK m [1)]	89	87
EBITDA, SEK m [1)]	123	118
Net debt	887	658
Number of employees	2,304	2,084
Sales growth	4.7%	-2.6%
Gross margin	28.4%	28.4%
Operating margin [1)]	8.9%	9.0%
EBITDA margin[1)]	12.2%	12.3%
Return on capital employed[1) 2)]	14.9%	17.1%
Net debt / equity ratio	34.7%	27.5%
Net debt / EBITDA[1) 2)]	1.39	1.04

[1)] Calculated based on operating income.
[2)] Calculated based on the last twelve months.

Parent Company Income Statements in brief

SEK m (Note 1)	3 months January - March 2017	3 months January - March 2016
Net sales	**269**	**259**
Cost of goods sold	-249	-234
Gross profit	**20**	**24**
Selling expenses	-33	-33
Administrative expenses	-38	-37
Research and development expenses	-1	-1
Other operating income	58	56
Other operating expenses	-12	-39
EBIT	**-6**	**-29**
Revenue from participations in Group Companies	0	0
Financial income	5	6
Financial expenses	-5	-4
Net financial items	**0**	**2**
Income after financial items	**-5**	**-27**
Income tax	1	0
Net income	**-4**	**-27**

Parent Company Statement of Comprehensive Income

SEK m	3 months January - March 2017	3 months January - March 2016
Net income	**-4**	**-27**
Other comprehensive income[1]:		
Items that may be reclassified subsequently to profit or loss:		
Exchange rate differences – translation of subsidiaries	0	0
Cash flow hedge	1	-2
Total	**1**	**-2**
Other comprehensive income of the period. net after tax:	**1**	**-2**
Sum of comprehensive income of the period	**-4**	**-29**
Sum of comprehensive income of the period attributable to:		
Equity holders of the Parent Company	-4	-29

[1] The Parent company does not have any items that will “not be reclassified to profit or loss”.

Parent Company Balance Sheet in Brief

SEK m	31 March 2017	31 December 2016	31 March 2016
ASSETS			
Goodwill	0	0	75
Other intangible fixed assets	35	36	36
Total intangible fixed assets	**35**	**36**	**111**
Tangible fixed assets	24	24	25
Financial fixed assets	2,435	2,392	2,286
Total fixed assets	**2,495**	**2,452**	**2,422**
Inventory	98	96	87
Accounts receivable	106	103	95
Other operating receivables	204	214	139
Cash and bank	58	119	34
Total current assets	**466**	**532**	**356**
TOTAL ASSETS	**2,961**	**2,983**	**2,778**
SHAREHOLDERS’ EQUITY AND LIABILITIES			
Total restricted shareholders’ equity	83	83	83
Total unrestricted shareholders’ equity	1,657	1,660	1,690
Shareholders’ equity	**1,740**	**1,744**	**1,773**
Provisions	**99**	**100**	**102**
Long-term loans	734	659	497
Other long-term liabilities	7	8	10
Total long-term liabilities	**741**	**667**	**507**
Accounts payable	56	64	51
Other short-term liabilities	324	409	344
Total short-term liabilities	**380**	**472**	**396**
TOTAL SHAREHOLDERS’ EQUITY, PROVISIONS AND LIABILITIES	**2,961**	**2,983**	**2,778**

Definitions

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

Continuing operations: Duni excluding hygiene operations, which were discontinued in early 2015. These operations were deducted from the comparative years and are instead reported under discontinued operations on a line after net income for continuing operations.

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

Currency adjusted: Figures adjusted for changes in exchange rates related to consolidation. Figures for 2017 are calculated at exchange rates for 2016. Effects of translation of balance sheet items are not included.

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

EBIT: Reported operating income.

EBIT margin: EBIT as a percentage of net sales.

EBITA: Operating income before amortization of intangible assets.

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

EBITDA margin: EBITDA as a percentage of net sales.

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

HoReCa: Abbreviation for hotels, restaurants and catering.

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

Number of employees: The number of active full-time employees at end of period.

Operating income: operating income adjusted for restructuring costs, fair value allocations and amortization of intangible assets identified in connection with business acquisitions.

Organic growth: Acquired companies are included in organic growth when they have been a part of the Duni Group for eight quarters.

Private label: Products marketed under customer's own label.

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

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

Source reference: HoReCa statistics refer to the European Commission website, Key Indicators for the Euro Area. DEHOGA refers to HoReCa statistics for Germany on DEHOGA Zahlenspiegel.

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, Reporting for Legal Entities, and the Annual Accounts Act. The accounting principles are the same as in the Annual Report for 31 December 2016.

IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers have both been adopted by the EU and are effective for financial years beginning on or after 1 January 2018. Duni does not plan for early application of them. Work to evaluate the consequences of these standards is proceeding according to plan. For more information, see Note 2 in the Annual Report for 31 December 2016.

Note 2 • Financial assets and liabilities

Duni has derivative instruments valued at fair value and held for hedging purposes; all derivative instruments are classified on level 2. Level 2 derivative instruments consist of currency forward contracts and interest rate swaps, which are used for hedging purposes. Valuation of currency forward contracts at fair value is based on published futures prices on an active market. The valuation of interest rate swaps is based on futures interest rates produced based on observable yield curves. The discounting has no material impact on the valuation of derivative instruments on level 2. No financial assets or liabilities have been moved between the valuation categories. The valuation techniques are unchanged during the year.

As described in greater detail in the Annual Report for 31 December 2016, the financial assets and liabilities comprise items with short terms to maturity. Thus, the fair value is considered in all essential respects to correspond to the book value.

Note 3 • Discontinued operations

On 28 March 2015, production of hygiene products in Skåpafors ceased. The hygiene business which was previously reported in the Materials & Services business area are reported as from the second quarter of 2015 as discontinued operations. This affects only the income statement which has been recalculated to show continuing operations. Discontinued operations are reported on a separate line following net income for continuing operations.

Bridge continuing – discontinued operations:

Net sales SEK m	Q1 2017	2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	2015	Q4 2015	Q3 2015	Q2 2015
Continuing operations	**1,004**	**4,271**	**1,234**	**1,064**	**1,013**	**959**	**4,200**	**1,170**	**1,043**	**1,002**
- Discontinued operations	0	**0**	0	0	0	0	**83**	0	2	20
Duni Total	**1,004**	**4,271**	**1,234**	**1,064**	**1,013**	**959**	**4,283**	**1,170**	**1,045**	**1,022**

Operating income SEK m	Q1 2017	2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	2015	Q4 2015	Q3 2015	Q2 2015
Continuing operations	**89**	**502**	**171**	**136**	**108**	**87**	**528**	**171**	**146**	**104**
- Discontinued operations	0	**0**	0	0	0	0	**5**	0	0	1
Duni Total	**89**	**502**	**171**	**136**	**108**	**87**	**533**	**171**	**146**	**105**

Note 4 • Segment reporting, SEK m

January - March

1/1/2017 – 3/31/2017	Table Top	Meal Service	Consumer	New Markets	Other	Total
Total net sales	511	163	257	70	14	1,015
Net sales from other segments	0	1	10	-	-	11
Net sales from external customers	**511**	**162**	**247**	**70**	**14**	**1,004**
Operating income	**64**	**2**	**16**	**7**	**1**	**89**
EBIT						81
Net financial items						-3
Income after financial items						78

1/1/2016 – 3/31/2016	Table Top	Meal Service	Consumer	New Markets	Other	Total
Total net sales	503	148	251	47	14	962
Net sales from other segments	-	-	3	-	-	3
Net sales from external customers	**503**	**148**	**248**	**47**	**14**	**959**
Operating income	**60**	**3**	**19**	**4**	**1**	**87**
EBIT						80
Net financial items						-6
Income after financial items						74

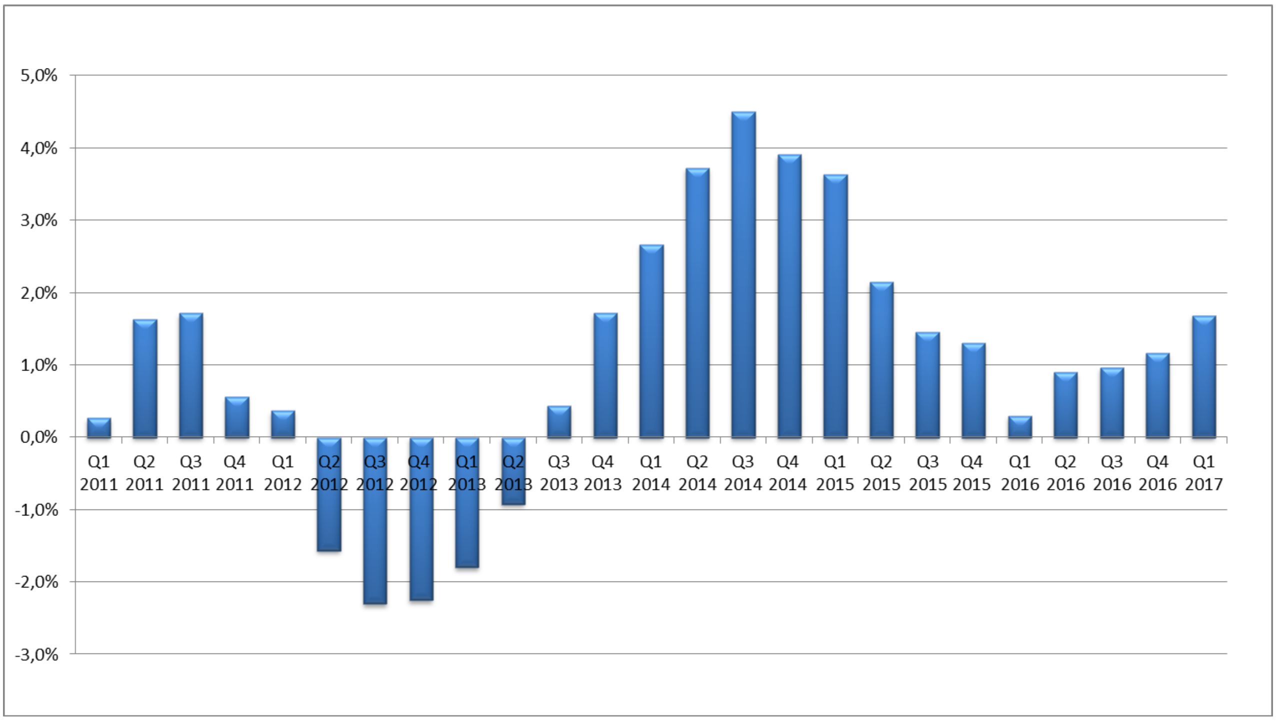
No material changes have taken place in the segments' assets compared with the Annual Report of 31 December 2016.

Quarterly overview, by segment:

Net sales SEK m	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Table Top	511	645	579	566	503	612	578	563
Meal Service	162	171	167	180	148	162	155	163
Consumer	247	331	247	213	248	330	245	212
New Markets	70	73	59	42	47	52	53	55
Other	14	14	12	13	14	14	11	10
Continuing operations	**1,004**	**1,234**	**1,064**	**1,013**	**959**	**1,170**	**1,043**	**1,002**
Discontinued operations	0	0	0	0	0	0	2	20
Duni Total	**1,004**	**1,234**	**1,064**	**1,013**	**959**	**1,170**	**1,045**	**1,022**

Operating income SEK m	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Table Top	64	125	97	87	60	118	109	87
Meal Service	2	6	13	19	3	8	10	13
Consumer	16	28	18	-1	19	40	21	-1
New Markets	7	10	7	2	4	4	4	4
Other	1	1	1	1	1	1	2	0
Continuing operations	**89**	**171**	**136**	**108**	**87**	**171**	**146**	**104**
Discontinued operations	0	0	0	0	0	0	0	1
Duni Total	**89**	**171**	**136**	**108**	**87**	**171**	**146**	**105**

Note 5 • Organic sales development, currency adjusted, LTM



From the 3rd quarter 2015, Duni Song Seng is included in the organic growth.
From the 2nd quarter 2016, Paper + Design is included in the organic growth.

Note 6 • Reporting of restructuring costs

Presented below is a specification of the lines on which restructuring costs are reported in the income statement.

Restructuring costs SEK m	3 months January-March 2017	3 months January-March 2016	12 months April-Mars 2016/2017	12 months January-December 2016
Cost of goods sold	0	-	-2	-3
Selling expenses	0	0	-1	-1
Administrative expenses	-	-	-7	-7
Other operating expenses/income	-	-	-	-
Total	**0**	**0**	**-10**	**-10**