INTERIM REPORT FOR DUNI AB (PUBL)
1 JANUARY – 30 JUNE 2018

(compared to the same period previous year)

13 July 2018

Margins under pressure from strongly increasing pulp prices

1 APRIL – 30 JUNE

- Net sales amounted to SEK 1,197 m (1,101). Adjusted for exchange rate movements, net sales increased by 4.0%. Organic growth for the quarter was 1.9%.
- Earnings per share after dilution amounted to SEK 1.39 (1.54).
- Previously announced price increases under implementation and new price increases adopted to compensate for the strong rise in raw materials and energy costs.

1 JANUARY – 30 JUNE

- Net sales amounted to SEK 2,277 m (2,106). Adjusted for exchange rate movements, net sales increased by 4.2%.
- Earnings per share after dilution amounted to SEK 2.61 (2.75).
- Continued significant increase in pulp prices, which have increased by 15-20% since the beginning of the year.

KEY FINANCIALS

SEK m	3 months Apr-Jun 2018	3 months Apr-Jun 2017	6 months Jan-Jun 2018	6 months Jan-Jun 2017	12 months Jul-Jun 2017/2018	12 months Jan-Dec 2017
Net sales	1,197	1,101	2,277	2,106	4,613	4,441
Operating income [1)]	96	110	186	199	479	491
Operating margin [1)]	8.0%	10.0%	8.2%	9.4%	10.4%	11.1%
Income after financial items	87	98	165	176	428	439
Net income	66	73	125	132	327	334

[1)] For key financials and reconciliation of alternative key financials, see pages 27-28.

Duni is a leading supplier of attractive and convenient products for table setting and take-away. The Duni brand name is sold in more than 40 markets and enjoys a number one position in Central and Northern Europe. Duni has around 2,400 employees in 23 countries, headquarters in Malmö, Sweden, and production units in Sweden, Germany, Poland, Thailand and New Zealand. Duni is listed on NASDAQ Stockholm under the ticker name "DUNI". The ISIN code is SE0000616716. 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 07:45 CET on 13 July 2018.

CEO'S COMMENTS

"Net sales amounted to SEK 1,197 m (1,101) and continued to develop positively during the quarter, with sales increases for both Table Top and Meal Service. Adjusted for exchange rate movements, net sales increased by 4.0%. Adjusted for acquisitions, the underlying organic growth was 1.9% in the quarter.

The operating income of SEK 96 m (110) was subject to the strong negative effect of continuously increasing raw materials prices. During the last nine months, pulp prices have increased as much as during the past nine years. This presents a considerable risk of continued pressure on margins during the second half of the year. We therefore recently initiated a further price increase which, with current pulp prices, will fully be compensated for in the first quarter of 2019.

Net debt at the end of the quarter amounted to SEK 1,220 m (1,109). The debt is affected negatively by the acquisition of Biopac in the UK in February, but primarily by the weak Swedish krona.

The *Table Top* business area reported net sales of SEK 645 m (605) and operating income of SEK 87 m (95). Growth excluding currency fluctuations totaled 1.5%, with growth visible in most markets. One exception, however, was the important German market, where sales slowed down somewhat. Market focus on Evolin®, a Duni premium table cover, made a positive contribution to growth during the quarter. The poorer operating income is explained by the record-high and continuously increasing pulp prices.

The *Meal Service* business area increased sales from SEK 194 m to SEK 231 m during the quarter. This strong sales growth is primarily related to the Biopac acquisition, as well as exchange rate effects. Excluding these effects, we still see an underlying growth of around 6%. This is because the business area has managed to adjust from lower sales of plastic-based items to our rapidly expanding ecoecho® range. The rapidly increasing demand for environmentally-profiled materials puts pressure on the supply of products. Operating income of SEK 14 m (15) was therefore affected negatively by measures to safeguard Duni's supply of these materials.

Net sales to our retail customers in the *Consumer* business area amounted to SEK 221 m (211) during the quarter. The business area presented growth in virtually every market. A loss from a large customer contract reduced the quarter's total currency-adjusted growth to 0%. Both Consumer and Meal Service are affected by the growing debate concerning the environmental consequences of plastic. During the quarter, the business areas therefore cooperated on offering alternative products to plastic-based articles. The quarter's operating income amounted to SEK -9 m (-6), and was affected negatively by the high pulp prices.

Finally, the *New Markets* business area increased its sales to SEK 79 m (78) during the quarter. Operating income was SEK 3 m (5). In Singapore, major structural adjustments took place, with the introduction of a new business system and the relocation of offices and stores. This change had a short-term negative impact on both sales and margins. Our largest company in Asia, Terinex Siam in Thailand, continues to present very sound growth figures.

In overall terms, another quarter in which Duni achieved some growth, but with margins under pressure from the strongly increasing pulp prices. The time needed to implement price increases will also put pressure on margins in the second half-year," says Johan Sundelin, President and CEO, Duni.

NET SALES

1 APRIL – 30 JUNE

Compared to the same period last year, net sales increased by SEK 96 m to SEK 1,197 m (1,101). Adjusted for exchange rate movements, net sales increased by SEK 45 m or 4.0%. Organic growth during the quarter amounted to 1.9%. Napkins and environmentally-profiled products such as Duni's ecoecho® range continue to drive growth. Sales in Germany were lower during the quarter within both Table Top and Meal Service, with a reduction of around 2-3%. The latest market statistics from German DEHOGA also show a slight downturn in demand for the Hotel, Restaurant and Catering (HoReCa) market at the start of 2018 in Germany. Table Top increased its sales at the level of the overall Group, whereby first of all napkins, as well as elements of the candle range, developed positively. Meal Service achieved strong development in southern Europe. In overall terms, the HoReCa market in Europe is growing at the same level as Duni overall, at around 2%. For Duni, several regions, such as southern and eastern Europe, performed strongly during the quarter.

1 JANUARY – 30 JUNE

Compared to the same period last year, net sales increased by SEK 171 m to SEK 2,277 m (2,106). Adjusted for exchange rate movements, net sales increased by SEK 88 m or 4.2%. Price compensation measures to counter strongly increasing pulp prices were an important activity during the year. The price increases were initiated at the end of 2017 and have taken effect gradually from Q2. New price increases have been adopted in view of the continually increasing pulp prices by 15-20% since the beginning of the year. Unplanned delivery disruptions, together with increased demand for virgin fiber from China, are the key drivers of the strong price increase during 2018.

NET SALES, CURRENCY EFFECT

SEK m	3 months Apr-Jun 2018	3 months Apr-Jun 2018[1)] recalculated	3 months Apr-Jun 2017	Change in fixed exchange rates	6 months Jan-Jun 2018	6 months Jan-Jun 2018[1)] recalculated	6 months Jan-Jun 2017	Change in fixed exchange rates
Table Top	645	614	605	1.5%	1,178	1,131	1,116	1.3%
Meal Service	231	224	194	15.7%	409	398	356	11.8%
Consumer	221	210	211	-0.4%	487	465	458	1.4%
New Markets	79	77	78	-1.8%	160	159	148	7.3%
Other	21	21	14	49.5%	43	43	28	53.6%
Duni	**1,197**	**1,146**	**1,101**	**4.0%**	**2,277**	**2,194**	**2,106**	**4.2%**

[1)] Reported net sales for 2018 recalculated at 2017 exchange rates.

NET INCOME

1 APRIL – 30 JUNE

Operating income amounted to SEK 96 m (110), with an operating margin of 8.0% (10.0%). Gross margin amounted to 26.1% (27.4%). Adjusted for translation effects due to exchange rate movements, operating income was SEK 21 m lower than the previous year. Q2 of the previous year was, however, the strongest ever Q2 for Duni in income terms. The primary reason for the lower result is the increasing pulp prices, which have been rising steadily since Q3 2017, but accelerated in Q2 and have increased over 15% compared to Q1. During the last ten months, pulp prices have risen by more than 35% in euro terms. Besides increasing raw materials prices, electricity prices have also increased significantly, with a negative impact during the quarter. In overall terms, the price increases were not sufficient to compensate for the rapid and robust raw materials price increases, and the operating margin declined by more than 2 percentage points during the quarter.

Income after financial items amounted to SEK 87 m (98). Income after tax was SEK 66 m (73).

1 JANUARY – 30 JUNE

Operating income amounted to SEK 186 m (199), with a gross margin of 26.7% (27.9%). Operating margin amounted to 8.2% (9.4%). Adjusted for translation effects due to exchange rate movements, operating income was SEK 24 m lower than the previous year. Q1 was naturally also affected by the strong raw materials price increase, but Q2 explains the deviation from the previous year. Primarily the Table Top and Consumer business areas are affected negatively. New Markets also saw a decline, while the Meal Service business area increased its income and benefited from the growth. For Meal Service, the price situation for input materials is more stable than in previous years.

Income after financial items amounted to SEK 165 m (176). Income after tax was SEK 125 m (132).

OPERATING INCOME, CURRENCY TRANSLATION EFFECTS

SEK m	3 months Apr-Jun 2018	3 months Apr-Jun 2018 [1) recalculated	3 months Apr-Jun 2017	6 months Jan-Jun 2018	6 months Jan-Jun 2018 [1) recalculated	6 months Jan-Jun 2017
Table Top	87	81	95	149	140	158
Meal Service	14	13	15	19	18	16
Consumer	-9	-9	-6	9	8	11
New Markets	3	2	5	7	6	12
Other	1	1	1	3	3	2
Duni	**96**	**89**	**110**	**186**	**175**	**199**

[1)] Operating income for 2018 recalculated at 2017 exchange rates.

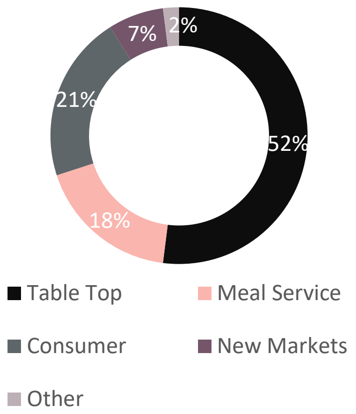
BUSINESS AREAS

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 and catering, and to companies in the health and care sectors. Table Top mainly markets napkins, table covers and candles for the set table. Duni is a market leader within the premium segment in Europe. The business area accounted for approximately 52% (53%) of Duni's net sales during the period 1 January - 30 June 2018.

The **Meal Service** business area offers concepts for meal packaging and service for e.g. take-away, ready-to-eat meals, and catering of different types. The business area's customers are mainly take-away-driven restaurants, food producers, and enterprises in the health and care sectors. 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 18% (17%) of Duni's net sales during the period. Biopac UK Ltd is included in the business area as of February 2018.

SPLIT OF NET SALES BETWEEN BUSINESS AREAS



The **Consumer** business area offers consumer products to primarily the retail trade in Europe. The business area's customers comprise grocery retail chains, but also other channels such as different types of specialty stores, including garden centers, home furnishing stores, and DIY stores. The business area accounted for approximately 21% (22%) 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 Europe. In addition to customer segments such as hotels, restaurants and catering, the business area also aims its offerings at the retail sector. The business area accounted for approximately 7% (7%) of Duni's net sales during the period. Terinex Siam has been included in the business area since August 2016 and Sharp Serviettes, with the legal trading name of United Corporation Limited, has been included in the business area since May 2017.

These business areas generally have the same product assortment. However, design and packaging solutions are adapted to suit the different sales channels. Production and support functions are to a great extent 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 managed on the basis of operating income, after shared costs have been allocated between them. For further information, see Note 3.

Other in all tables, are unallocated income and expenses from external sales of tissue and airlaid materials from the Skåpafors factory, as well as external sales of finance and accounting services from the finance function in Poznan.

TABLE TOP BUSINESS AREA

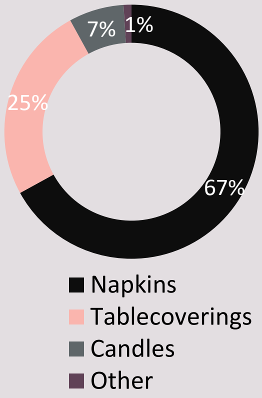
Table Top focuses on full-service restaurants, hotels and the catering industry and primarily markets napkins, table covers and candles for the set table.

SHARE OF DUNI'S NET SALES DURING THE PERIOD, 52%

1 APRIL – 30 JUNE

- Net sales amounted to SEK 645 m (605).
- Operating income was SEK 87 m (95) and the operating margin was 13.5% (15.7%).

NET SALES BY PRODUCT GROUP, %



1 JANUARY – 30 JUNE

- Net sales amounted to SEK 1,178 m (1,116).
- Operating income was SEK 149 m (158) and the operating margin was 12.6% (14.1%).

1 APRIL – 30 JUNE

Net sales amounted to SEK 645 m (605). At fixed exchange rates, this corresponds to an increase in sales of 1.5%. Once again, most markets grew by between 1% and 5%, although the business area saw a decline in Germany and in certain other markets in the central region of the country. Overall growth is almost 2%, which is at the level of the overall restaurant industry in Europe. Duni's premium table cover brand, Evolin®, continues to grow, dampening the negative trend for other table cover qualities seen in recent years.

Operating income was SEK 87 m (95) and the operating margin was 13.5% (15.7%). The quarter was affected negatively by pulp prices that are now at considerably higher levels than ever before. In the short term, this challenges the operating margin, but in the longer term Duni has managed to compensate for this with higher prices. Continued streamlining of the work is vitally important, and in view of the current negative raw materials development, further efforts will be needed to ensure profitable growth.

1 JANUARY – 30 JUNE

Net sales amounted to SEK 1,178 m (1,116). At fixed exchange rates, this corresponds to an increase in sales of 1.3%. The first half-year showed an equivalent pattern to Q2, when growth was moderate, but stable, in most markets, but presented certain challenges for some countries in central Europe. The Nordic region has improved gradually in the course of the year, with a turnaround from negative to positive growth. At the start of the year, a new marketing concept was launched, based on improved understanding and segmentation of customers' requirements: Go, Joy, Wow. This reinforces and supplements the overall Goodfoodmood® concept, of which the aim is to clarify the offering to customers and enhance the meal experience. This received a positive reception, contributing to strengthening the Duni brand.

Operating income was SEK 149 m (158) and the operating margin was 12.6% (14.1%). As a consequence of the weak Q2, operating income declined from the previous year. The deviation is explained by higher pulp prices and increased energy costs, which ended Q2 significantly above the previous year. A positive factor is high production efficiency. Delivery capacity is very important for Duni, and it has sometimes fallen to below an acceptable level.

NET SALES, TABLE TOP

SEK m	3 months Apr-Jun 2018	3 months Apr-Jun 2018 [1] recalculated	3 months Apr-Jun 2017	6 months Jan-Jun 2018	6 months Jan-Jun 2018 [1] recalculated	6 months Jan-Jun 2017	12 months Jul-Jun 2017/2018	12 months Jan-Dec 2017
Nordic region	92	92	88	166	166	166	357	357
Central Europe	413	392	394	779	745	743	1,591	1,555
South & East Europe	140	131	122	233	220	207	451	424
Rest of the world	0	0	1	0	0	1	0	2
Total	**645**	**614**	**605**	**1,178**	**1,131**	**1,116**	**2,400**	**2,338**

[1] Reported net sales for 2018 recalculated at 2017 exchange rates.

MEAL SERVICE BUSINESS AREA

The Meal Service business area offers concepts for meal packaging and service for take-away, ready-to-eat meals, and catering of different types.

1 APRIL – 30 JUNE

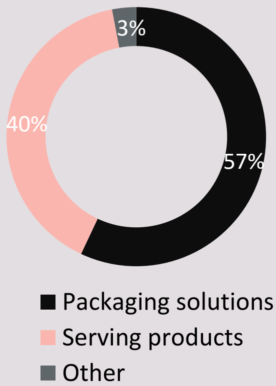
- Net sales amounted to SEK 231 m (194).
- Operating income was SEK 14 m (15) and the operating margin was 5.8% (7.7%).

1 JANUARY – 30 JUNE

- Net sales amounted to SEK 409 m (356).
- Operating income was SEK 19 m (16) and the operating margin was 4.7% (4.6%).

SHARE OF DUNI'S NET SALES DURING THE PERIOD, 18%

NET SALES PER PRODUCT GROUP, %



1 APRIL – 30 JUNE

Net sales amounted to SEK 231 m (194). At fixed exchange rates, this corresponds to an increase in sales of 15.7%, and around 6% excluding the acquisition of Biopac in the UK. Plastic-based products constitute an ever-decreasing share of net sales, and sales are decreasing or being replaced with sustainable, environmentally-optimized solutions for take-away boxes, cups, etc. During the quarter, a new packaging machine was launched, for small cafés and salad bars, that quickly seals filled beverages glasses in a safe and hygienic way.

Operating income was SEK 14 m (15) and the operating margin was 5.8% (7.7%). The rather lower margins are mainly attributable to higher logistics costs, as well as the increased costs of securing a reliable supply of sustainable materials. Raw materials prices for Meal Service products were stable compared to the previous year, but are still at high levels. It is noteworthy that the demand for input materials for the environmentally-optimized ranges, such as bagasse and rPET, has increased significantly and reflects the trend for higher demand for environmentally-adopted materials, for which Duni commands a leading position. It is more and more apparent that besides the general positive development for the take-away segment and catering solutions, demand is also increasing for alternative disposable products made from natural fiber. The challenge is to secure procurement of these products. In recent years, Duni has focused on developing the environmentally-optimized ecoecho® brand and has thereby succeeded in building up a supplier base in both Asia and Europe.

1 JANUARY – 30 JUNE

Net sales amounted to SEK 409 m (356). At fixed exchange rates, this corresponds to an increase in sales of 11.8%. Virtually all countries in Europe are increasing their sales, with the exception of Germany, which is at the level of the preceding year.

Operating income was SEK 19 m (16) and the operating margin was 4.7% (4.6%). The result strengthened during the year as a consequence of increased gross contributions from the sales increase. The business area has also continued to strengthen its organization within both procurement and certain strategic development positions, in order to achieve realignment towards more environmentally-sustainable disposable products.

NET SALES, MEAL SERVICE

SEK m	3 months Apr-Jun 2018	3 months Apr-Jun 2018 [1] recalculated	3 months Apr-Jun 2017	6 months Jan-Jun 2018	6 months Jan-Jun 2018 [1] recalculated	6 months Jan-Jun 2017	12 months Jul-Jun 2017/2018	12 months Jan-Dec 2017
Nordic region	92	92	86	160	160	158	311	309
Central Europe	91	87	67	165	158	125	291	251
South & East Europe	49	46	40	84	79	72	155	143
Rest of the world	0	0	0	0	0	0	1	1
Total	**231**	**224**	**194**	**409**	**398**	**356**	**758**	**704**

[1] Reported net sales for 2018 recalculated at 2017 exchange rates.

CONSUMER BUSINESS AREA

The Consumer business area offers consumer products, primarily to the grocery retail trade in Europe.

1 APRIL – 30 JUNE

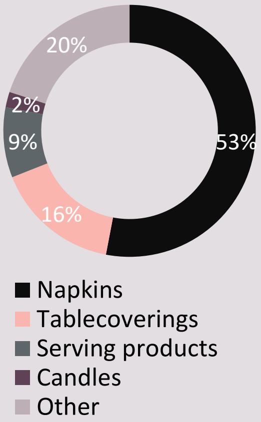
- Net sales amounted to SEK 221 m (211).
- Operating income was SEK -9 m (-6) and the operating margin was -3.9% (-2.8%).

1 JANUARY – 30 JUNE

- Net sales amounted to SEK 487 m (458).
- Operating income was SEK 9 m (11) and the operating margin was 1.9% (2.4%).

SHARE OF DUNI'S NET SALES DURING THE PERIOD, 21%

NET SALES BY PRODUCT GROUP, %



1 APRIL – 30 JUNE

Net sales amounted to SEK 221 m (211). At fixed exchange rates, this corresponds to a decrease in sales of 0.4%. In overall terms, Consumer saw a stable quarter in sales terms, compared to the previous year. On the other hand, the business area lost approximately 35% of sales from a large customer contract, with deliveries in all regions. Excluding this customer contract, virtually all markets show growth of between 2% and 5%. The Nordic region was particularly positive, with a growth of almost 10%. It has also been clearly apparent that the demand for environmentally-sustainable products is increasing in the retail sector. Here, with its expertise in the Meal Service business area, Duni can support and thereby ensure synergies between the business areas.

Operating income was SEK -9 m (-6) and the operating margin was -3.9% (-2.8%). Q2 is the seasonally weaker quarter for Consumer, where historically the result is usually negative. The quarter was influenced positively by low costs for production, which showed high efficiency, but the gross margin was under pressure from the high pulp prices. Within Consumer too, price increases were implemented during the year, but since the lead times are longer for contracts, opportunities for rapid compensation for raw materials prices are reduced.

1 JANUARY – 30 JUNE

Net sales amounted to SEK 487 m (458). At fixed exchange rates, this corresponds to a 1.4% increase in sales. Sales increased during the year, driven by an improved situation in most markets, although a reduction from a specific customer reduced the increase. The Easter campaign in Germany in particular contributed to a sales increase for the entire business area.

Operating income was SEK 9 m (11) and the operating margin was 1.9% (2.4%). Despite significantly higher raw materials costs, Consumer almost succeeded in maintaining the result during the year. This was in large part due to high production efficiency, but also an increasingly more effective organization. The gross margin is under pressure, especially in the central region, including Germany, and therefore it is very important to continuously assess the allocation of available resources. Consumer was very successful in achieving this during the year.

NET SALES, CONSUMER

SEK m	3 months Apr-Jun 2018	3 months Apr-Jun 2018 [1] recalculated	3 months Apr-Jun 2017	6 months Jan-Jun 2018	6 months Jan-Jun 2018 [1] recalculated	6 months Jan-Jun 2017	12 months Jul-Jun 2017/2018	12 months Jan-Dec 2017
Nordic region	37	36	37	71	69	73	149	151
Central Europe	154	146	145	353	336	323	756	727
South & East Europe	12	11	12	31	29	30	75	73
Rest of the world	18	17	17	32	30	33	59	59
Total	**221**	**210**	**211**	**487**	**465**	**458**	**1,039**	**1,010**

[1] Reported net sales for 2018 recalculated at 2017 exchange rates.

NEW MARKETS BUSINESS AREA

The New Markets business area offers Duni's attractive quality product concepts, table top concepts and packaging to markets outside Europe.

SHARE OF DUNI'S NET SALES DURING THE PERIOD, 7%

1 APRIL – 30 JUNE

- Net sales amounted to SEK 79 m (78).
- Operating income was SEK 3 m (5) and the operating margin was 3.5% (6.5%).

1 JANUARY – 30 JUNE

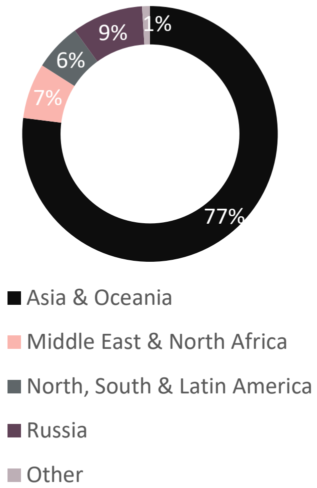
- Net sales amounted to SEK 160 m (148).
- Operating income was SEK 7 m (12) and the operating margin was 4.2% (7.9%).

1 APRIL – 30 JUNE

Net sales amounted to SEK 79 m (78). At fixed exchange rates, this corresponds to a decrease in sales of 1.8%. Sales developed favorably for most regions, except for the Middle East and Singapore. Duni's activities in Thailand continue to develop according to plan, with a clear increase during the quarter, primarily driven by business gained outside the Thai market, in cooperation with other companies within New Markets. In Singapore, sales were influenced negatively due to delivery disruptions caused by the relocation of warehouse stock; this is assessed to have a temporary effect. A number of customers based in Europe have been moved to the Table Top business area in reporting terms, which has a negative impact on the business area, but is neutral for the Group.

Operating income was SEK 3 m (5) and the operating margin was 3.5% (6.5%). During the quarter, the business system in Singapore was updated. Simultaneously, Singapore's offices and warehouses were relocated to improved premises. These factors have led to temporarily higher costs and delivery disruptions. These problems are expected to be resolved during the coming quarter.

NET SALES, GEOGRAPHICAL SPLIT, NEW MARKETS



1 JANUARY – 30 JUNE

Net sales amounted to SEK 160 m (148). At fixed exchange rates, this corresponds to a 7.3% increase in sales. Asia and Oceania continue to drive growth for the business area, while other regions such as Africa and the Middle East show volatile, and negative, development for the year. As a rule, the markets outside Europe are undeveloped in terms of premium products of a disposable nature, yet the business area's other markets are maturing, and Duni's products are more and more valued. An understanding that Duni's products can create opportunities to increase the meal experience on a flexible and price-effective basis is also beginning to have an impact on markets outside Europe. Here, the demand for sustainable, environmentally-optimized solutions is also increasing.

Operating income was SEK 7 m (12) and the operating margin was 4.2% (7.9%). Temporary costs such as relocation in order to optimize conditions in Singapore, and higher raw materials costs, are the primary explanation for the lower result for the year. As a consequence of the increased volumes, primarily in the Thai business, local production in Thailand has a positive utilization rate, with high effectiveness. Recent years' acquisitions have increased volumes and sales opportunities that were previously impossible due to the long distances to Europe. There has also been a need to strengthen the organization, in order to ensure synergies between new and existing markets.

CASH FLOW

The Group's cash flow from current operations for the period from 1 January to 30 June was SEK 62 m (90). Accounts receivable amounted to SEK 832 m (767), and accounts payable to SEK 350 m (348), while inventory was valued at SEK 700 m (619). Capital employed matches the development in recent years, with stockpiling up to the summer, from low levels at the beginning of the year.

Cash flow including investment activities amounted to SEK -45 m (-92). Net investments for the period amounted to SEK 86 m (123). Amortization/depreciation for the period was SEK 94 m (85). In Q1 of the previous year, Duni invested around SEK 60 m in a logistics property in Germany.

The Group's net interest-bearing debt as of 30 June 2018 was SEK 1,220 m, compared with SEK 1,109 m as of 30 June 2017. The acquisition of Biopac UK Ltd in Q1 2018 had an impact of SEK 26 m on the net debt.

FINANCIAL NET

Net financials for the period from 1 January to 30 June were SEK -3 m (-7).

TAXES

The total reported tax expenses for the period from 1 January to 30 June amounted to SEK 40 m (45), equivalent to an effective tax rate of 24.3% (25.3%). The tax expenses for the year include adjustments and non-recurring effects from the previous year of SEK 0.4 m (0.5).

EARNINGS PER SHARE

The earnings per share before and after dilution amounted to SEK 2.61 (2.75).

Duni's share

At 30 June 2018, 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%), Carnegie fonder (9.04%) and Polaris Capital Management LLC (8.05%).

PERSONNEL

On 30 June 2018 there were 2,440 (2,344) employees. 1,095 (1,037) 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, Bangkok in Thailand and Auckland in New Zealand.

ACQUISITIONS

On 8 February 2018, Duni acquired 75% of the shares in Kindtoo Ltd, which is marketed under the name of Biopac UK Ltd. Biopac is a leading supplier of sustainable disposable packaging for food and beverages in the UK. As from and including February, the company is consolidated in the Meal Service business area.

Biopac UK Ltd was established in 2002 and today has 12 employees. They specialize in food packaging and service products made from sustainable materials. Based on its capacity to customize food and beverage packaging according to the customer's brand, with a clear focus on sustainable, environmentally-optimized products, Biopac has won market shares in the UK. Biopac has annual sales of approximately SEK 55 m, with an operating margin well in line with Duni's Meal Service business area.

The purchase price of SEK 23 m was paid in cash in conjunction with the takeover. The purchase impacted Duni's net debt at the amount of SEK 26 m, which is accommodated within the current loan facility. The acquisition costs affect the net income for the year under "Other operating expenses" and amount to SEK 2.1 m. In accordance with RFR2, the parent company reports these expenses as financial fixed assets.

Duni has an obligation to acquire the remaining 25% of the shares. The minority owners of Kindtoo Ltd have a put option during the period from August 2020 to March 2021, whereby the redemption price is determined by the future income. As a consequence of the option, Duni recognizes the acquisition of the shares in Kindtoo Ltd as if the company had been fully consolidated, and recognizes a liability equivalent to the discounted expected redemption price of the options. The difference between the liability for the option and the non-controlling interest to which the option is related will be recognized directly against equity. For more information regarding accounting principles, see Note 1.

The fair value of 100% of the net assets amounts to SEK 30 m. Intangible fixed assets primarily comprise customer contracts. The goodwill is related to how Duni has access to an existing distribution model in the capital region and how Meal Service gains a footing in the British market. Duni has not previously been established with these types of products in this market. No part of the reported goodwill or intangible fixed assets is expected to be deductible in conjunction with income taxation.

Acquired net assets	**TSEK, Fair value**
Intangible fixed assets	5,627
Tangible fixed assets	705
Inventory	9,970
Accounts receivable	8,939
Cash	1,774
Deferred income and expenditure	139
Long-term loans	-1,699
Short-term loans	-3,425
Accounts payables	-5,860
Deferred tax liability	-1,049
Tax liabilities	-961
Other current liabilities	-1,061
Other liabilities	-200
Acquired identifiable net assets	**19,898**
Non-controlling interests	-7,556
Goodwill	17,326
Acquired net assets	**22,668**

NEW ESTABLISHMENT
No new establishment was 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 very important in order for Duni to achieve good sales and income growth. Duni addresses this issue by constantly developing its range. 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, among other things 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 financial management and its management 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 risks and liquidity risks. These risks are controlled in an overall risk management policy that focuses on unforeseen events in 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 as of 31 December 2017.

Duni's contingent liabilities have risen since the start of the year by SEK 6 m to SEK 46 m (40).

TRANSACTIONS WITH RELATED PARTIES

No significant transactions with related parties took place during Q2 2018.

MAJOR EVENTS SINCE 30 JUNE

No significant events have occurred since the balance sheet date.

INTERIM REPORTS

Quarter III	18 October 2018
Quarter IV	14 February 2019

DUNI'S BOARD OF DIRECTORS

The Annual General Meeting on 8 May re-elected Johan Andersson, Pauline Lindwall, Alex Myers, Pia Rudengren and Magnus Yngen. Magnus Yngen was elected Chairman of the Board.

PARENT COMPANY

Net sales for the period 1 January - 30 June amounted to SEK 568 m (560). Income after financial items amounted to SEK 19 m (55). The net interest-bearing debt was SEK -520 m (-491), of which a net asset of SEK 1,652 m (1,486) relates to subsidiaries. Net investments amounted to SEK 11 m (12) and amortization amounted to SEK 8 m (8).

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 in the Annual Report at 31 December 2017.

INFORMATION IN THE REPORT

Duni AB (publ) publishes this information in accordance with the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information will be provided for publication on 13 July at 07.45 am.

At 10 am on Friday, 13 July, 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.on24.com/wcc/r/1777283-1/FA1791D1E43A282E7965F428D4756EF8

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 will apply. This report has not been the subject of an audit by the Company's auditors.

REPORT FROM BOARD OF DIRECTORS AND CEO
The Board of Directors and CEO affirm that this report provides a true and fair view of the group's financial position and performance and describes the substantial risks and uncertainties to which the group and the companies that are part of the group are subject.

Malmö, 12 July 2018

Magnus Yngen, Chairman of the Board

Johan Andersson, Director

Pauline Lindwall, Director

Alex Myers, Director

Pia Rudengren, Director

Per-Åke Halvordsson, Employee Representative, PTK

David Green, Employee Representative, LO

Johan Sundelin, President and CEO

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CONSOLIDATED INCOME STATEMENTS

SEK m (Note 1)	3 months Apr-Jun 2018	3 months Apr-Jun 2017	6 months Jan-Jun 2018	6 months Jan-Jun 2017	12 months Jul-Jun 2017/2018	12 months Jan-Dec 2017
Net sales	**1,197**	**1,101**	**2,277**	**2,106**	**4,613**	**4,441**
Cost of goods sold	-884	-800	-1,669	-1,518	-3,328	-3,177
Gross profit	**313**	**302**	**608**	**587**	**1,285**	**1,264**
Selling expenses	-135	-128	-277	-258	-524	-505
Administrative expenses	-70	-66	-135	-127	-268	-261
Research and development expenses	-3	-2	-6	-4	-9	-8
Other operating incomes	0	9	5	9	9	12
Other operating expenses	-18	-13	-28	-24	-52	-47
EBIT (Note 5)	**87**	**102**	**168**	**183**	**441**	**456**
Financial income	0	0	0	0	0	0
Financial expenses	0	-4	-3	-7	-14	-18
Net financial items	**0**	**-4**	**-3**	**-7**	**-13**	**-17**
Income after financial items	**87**	**98**	**165**	**176**	**428**	**439**
Income tax	-21	-25	-40	-45	-101	-106
Net income	**66**	**73**	**125**	**132**	**327**	**334**
Net income attributable to:						
- Equity holders of the Parent Company	65	72	123	130	322	329
- Non-controlling interests	1	1	2	2	5	5
Earnings per share attributable to equity holders of the Parent Company:						
Before and after dilution (SEK)	1.39	1.54	2.61	2.75	6.85	6.99
Average number of shares before and after dilution ('000)	46,999	46,999	46,999	46,999	46,999	46,999

STATEMENT OF COMPREHENSIVE INCOME

SEK m (Note 1)	3 months Apr-Jun 2018	3 months Apr-Jun 2017	6 months Jan-Jun 2018	6 months Jan-Jun 2017	12 months Jul-Jun 2017/2018	12 months Jan-Dec 2017
Net income	**66**	**73**	**125**	**132**	**327**	**334**
Other comprehensive incomes:						
Items that will not be reclassified to profit or loss:						
Actuarial loss on post-employment benefit obligations*	-10	-4	-4	-5	5	4
Total	**-10**	**-4**	**-4**	**-5**	**5**	**4**
Items that may be reclassified subsequently to profit or loss:						
Exchange rate differences - translation of subsidiaries	-9	-8	13	1	15	3
Cash flow hedge	1	1	1	1	2	2
Total	**-9**	**-8**	**14**	**3**	**17**	**5**
Other comprehensive income for the period, net after tax:	**-18**	**-12**	**10**	**-2**	**22**	**10**
Sum of comprehensive income for the period	**48**	**61**	**135**	**129**	**349**	**343**
- Of which non-controlling interests	-5	-2	2	1	6	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	2018		2017				2016	
Quarter	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net sales	**1,197**	**1,080**	**1,254**	**1,082**	**1,101**	**1,004**	**1,234**	**1,064**
Cost of goods sold	-884	-785	-881	-778	-800	-719	-874	-751
Gross profit	**313**	**295**	**373**	**304**	**302**	**286**	**360**	**313**
Selling expenses	-135	-141	-129	-118	-128	-130	-129	-112
Administrative expenses	-70	-64	-72	-61	-66	-61	-67	-60
Research and development expenses	-3	-3	-2	-2	-2	-2	-2	-2
Other operating income	0	8	3	2	9	1	1	1
Other operating expenses	-18	-13	-13	-12	-13	-12	-10	-11
EBIT	**87**	**81**	**159**	**114**	**102**	**81**	**153**	**130**
Financial income	0	0	0	0	0	0	0	0
Financial expenses	0	-3	-5	-6	-4	-3	-5	-4
Net financial items	**0**	**-3**	**-5**	**-6**	**-4**	**-3**	**-5**	**-4**
Income after financial items	**87**	**78**	**155**	**108**	**98**	**78**	**148**	**126**
Income tax	-21	-20	-33	-27	-25	-20	-34	-32
Net income	**66**	**59**	**121**	**80**	**73**	**58**	**113**	**94**
Net income attributable to:								
- Equity holders of the Parent Company	*65*	*57*	*120*	*79*	*72*	*57*	*112*	*93*
- Non-controlling interests	*1*	*1*	*2*	*1*	*1*	*1*	*2*	*0*

CONSOLIDATED BALANCE SHEET IN BRIEF

SEK m	30 June 2018	31 December 2017	30 June 2017
ASSETS			
Goodwill	1,660	1,617	1,613
Other intangible fixed assets	299	294	309
Tangible fixed assets	1,127	1,080	1,024
Financial fixed assets	53	51	46
Total fixed assets	**3,140**	**3,042**	**2,992**
Inventory	700	627	619
Accounts receivable	832	798	767
Other operating receivables	154	139	125
Cash and cash equivalents	177	227	225
Total current assets	**1,863**	**1,791**	**1,737**
TOTAL ASSETS	**5,002**	**4,833**	**4,729**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity	**2,494**	**2,594**	**2,381**
Long-term loans	1,042	653	15
Other long-term liabilities	411	388	405
Total long-term liabilities	**1,453**	**1,041**	**420**
Accounts payable	350	428	348
Short-term loans	108	197	1,063
Other short-term liabilities	597	573	517
Total short-term liabilities	**1,055**	**1,197**	**1,928**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**5,002**	**4,833**	**4,729**

CHANGE IN THE GROUP'S SHAREHOLDERS' EQUITY

	Attributable to equity holders of the Parent Company							
SEK m	Share capital	Other injected capital	Reserves	Cash flow reserve	Fair value reserve[1)]	Profit carried forward incl. net income for the period	Non-controlling interests	TOTAL EQUITY
Opening balance 1 January 2017	**59**	**1,681**	**53**	**-7**	**13**	**606**	**80**	**2,486**
Sum of comprehensive income for the period	-	-	3	1	-	125	1	129
Non-controlling interest arising upon acquisition of subsidiaries	-	-	-	-	-	-	0	0
Dividend paid to shareholders	-	-	-	-	-	-235	-	-235
Closing balance 30 June 2017	**59**	**1,681**	**56**	**-6**	**13**	**496**	**81**	**2,381**
Sum of comprehensive income for the period	-	-	1	1	-	208	4	213
Closing balance 31 December 2017	**59**	**1,681**	**57**	**-5**	**13**	**704**	**85**	**2,594**
Sum of comprehensive income for the period	-	-	14	1	-	118	2	135
Non-controlling interest arising upon acquisition of subsidiaries	-	-	-	-	-	-	0	0
Dividend paid to shareholders	-	-	-	-	-	-235	-	-235
Closing balance 30 June 2018	**59**	**1,681**	**71**	**-4**	**13**	**588**	**87**	**2,494**

[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	6 months Jan-Jun 2018	6 months Jan-Jun 2017
Current operation		
Reported operating income	168	183
Adjusted for items not included in cash flow etc.	70	78
Paid interest and tax	-54	-57
Change in working capital	-123	-114
Cash flow from operations	**62**	**90**
Investments		
Acquisitions of fixed assets continuing operations	-86	-123
Sales of fixed assets	0	0
Acquisition of subsidiaries	-21	-59
Cash flow from investments	**-107**	**-182**
Financing		
Taken up loans [1)]	257	395
Dividend paid to shareholders	-235	-235
Change in borrowing	-34	-32
Cash flow from financing	**-12**	**128**
Cash flow from the period	**-57**	**36**
Liquid funds, operating balance	227	186
Exchange difference, cash and cash equivalents	7	3
Cash and cash equivalents. closing balance	**177**	**225**

[1)] Loans and amortizations within the adopted credit facility are reported gross for durations exceeding 3 months, in accordance with IAS 7.

KEY RATIOS IN BRIEF

	6 months Jan-Jun 2018	6 months Jan-Jun 2017
Net sales, SEK m	2,277	2,106
Gross profit, SEK m	608	587
Operating income, SEK m	186	199
Operating EBITDA, SEK m	261	268
EBIT	168	183
EBITDA, SEK m	261	268
Interest-bearing net debt	1,220	1,109
Number of employees	2,440	2,344
Sales growth	8.2%	6.7%
Gross margin	26.7%	27.9%
Operating margin	8.2%	9.4%
Operating EBITDA margin	11.5%	12.7%
EBIT margin	7.4%	8.7%
EBITDA margin	11.4%	12.7%
Return on capital employed [1)]	13.1%	14.7%
Net debt/equity ratio	48.9%	46.6%
Net debt/EBITDA [1)]	1.96	1.73

[1)] Calculated on the basis of the last twelve months and operating income.

PARENT COMPANY INCOME STATEMENTS IN BRIEF

SEK m (Note 1)	3 months Apr-Jun 2018	3 months Apr-Jun 2017	6 months Jan-Jun 2018	6 months Jan-Jun 2017
Net sales	**304**	**291**	**568**	**560**
Cost of goods sold	-280	-259	-529	-508
Gross profit	**24**	**32**	**39**	**52**
Selling expenses	-33	-30	-67	-63
Administrative expenses	-44	-39	-83	-77
Research and development expenses	-2	-1	-4	-3
Other operating income	62	68	123	125
Other operating expenses	-8	-11	-20	-21
EBIT	**-1**	**18**	**-12**	**12**
Revenue from participation in Group companies	23	38	23	38
Financial income	6	6	12	11
Financial expenses	-2	-2	-5	-7
Net financial items	**28**	**42**	**31**	**42**
Income after financial items	**27**	**60**	**19**	**55**
Income tax	-1	-5	0	-4
Net income	**26**	**55**	**19**	**51**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK m	3 months Apr-Jun 2018	3 months Apr-Jun 2017	6 months Jan-Jun 2018	6 months Jan-Jun 2017
Net income	**26**	**55**	**19**	**51**
Other comprehensive income[1]:				
Items that may be reclassified subsequently to profit or loss:				
Exchange rate differences - translation of subsidiaries	0	0	0	0
Cash flow hedge	1	1	1	1
Total	**1**	**0**	**1**	**1**
Other comprehensive income for the period, net after tax:	**1**	**0**	**1**	**1**
Sum of comprehensive income for the period	**27**	**55**	**20**	**52**
Sum of comprehensive income for the period attributable to:				
Equity holders of the Parent Company	27	55	20	52

[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	30 June 2018	31 December 2017	30 June 2017
ASSETS			
Goodwill	0	0	0
Other intangible fixed assets	43	40	38
Total intangible fixed assets	**43**	**40**	**38**
Tangible fixed assets	25	25	26
Financial fixed assets	2,690	2,575	2,491
Total fixed assets	**2,758**	**2,640**	**2,554**
Inventory	111	98	98
Accounts receivable	128	112	123
Other operating receivables	165	205	197
Cash and bank	107	157	166
Total current assets	**511**	**572**	**584**
TOTAL ASSETS	**3,269**	**3,211**	**3,138**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Total restricted shareholders' equity	83	83	83
Total unrestricted shareholders' equity	1,495	1,710	1,477
Shareholders' equity	**1,579**	**1,794**	**1,560**
Provisions	**107**	**109**	**99**
Long-term loans	1,039	637	0
Other long-term liabilities	4	5	6
Total long-term liabilities	**1,043**	**642**	**6**
Accounts payable	59	60	57
Short-term loans	104	197	1,063
Other short-term liabilities	377	409	353
Total short-term liabilities	**540**	**667**	**1,473**
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	**3,269**	**3,211**	**3,138**

GLOSSARY

Airlaid: A material known for its wetness allocation, absorption capability and softness. The process is based on using air to divide the fibers in the material, instead of water as in traditional tissue production. Airlaid is used for table covers, placemats and napkins.

Bagasse: Bagasse is a waste product from cane sugar processing after the sugar has been extracted. The material is 100% biologically degradable. Bagasse is used primarily in Duni's meal packaging solutions and serving products such as plates, bowls and take-away boxes.

Converting: The production phase in which tissue and airlaid in large rolls are cut, pressed, embossed and folded into finished napkins and table covers.

Currency adjusted/currency impact translation effects: Figures adjusted for changes in exchange rates related to consolidation. Figures for 2018 are calculated at exchange rates for 2017. Effects of translation of balance sheet items are not included.

Designs for Duni®: A unique concept whereby Duni develops specially design products in collaboration with well-known designers.

Ecoecho®: Ecoecho is a range for serving and meal solutions products with sound environmental characteristics. This range uses the best available materials with the aim of limiting the use of non-renewable resources, thereby reducing our carbon footprint. The products have been developed with the environment in mind and have been selected on the grounds that they possess one or more environmentally improved characteristics.

Goodfoodmood®: Duni's brand platform to create a convivial atmosphere and positive mood on all occasions when food and beverages are prepared and served – a Goodfoodmood.

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

Our Blue Mission: Duni's Corporate Social Responsibility (CSR) work is governed by the Our Blue Mission program. It describes how Duni shall exercise social responsibility within a number of areas such as the environment, product safety, social responsibility, social rights and business ethics.

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

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.

DEFINITIONS OF KEY FINANCIALS

Duni uses financial measures that in some cases are not defined by IFRS, but are alternative key financials. The purpose is to give the reader further information which contributes to a better and more specific comparison of the company's development from year to year. One alternative key financial used by Duni is Operating income. Duni manages its activities and measures its business areas on this basis. Duni defines its key financials as below:

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

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

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.

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

Operating margin: Operating income as a percentage of sales.

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

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

RECONCILIATION BETWEEN OPERATING INCOME AND EBIT

SEK m	3 months Apr-Jun 2018	3 months Apr-Jun 2017	6 months Jan-Jun 2018	6 months Jan-Jun 2017	12 months Jul-Jun 2017/2018	12 months Jan-Dec 2017
Operating income	**96**	**110**	**186**	**199**	**479**	**491**
Restructuring costs	0	1	0	1	-1	0
Amortization of intangible assets identified in connection with business acquisitions	-9	-8	-18	-16	-35	-34
Fair value allocation in connection with acquisitions	0	0	-1	0	-2	-1
EBIT	**87**	**102**	**168**	**183**	**441**	**456**

RECONCILIATION BETWEEN OPERATING EBITDA, EBITDA AND EBIT

SEK m	3 months Apr-Jun 2018	3 months Apr-Jun 2017	6 months Jan-Jun 2018	6 months Jan-Jun 2017	12 months Jul-Jun 2017/2018	12 months Jan-Dec 2017
Operating EBITDA	**134**	**145**	**261**	**268**	**624**	**630**
Restructuring costs	0	1	0	1	-1	0
Fair value allocation in connection with acquisitions	0	0	-1	0	-2	-1
EBITDA	**134**	**145**	**261**	**268**	**621**	**629**
Amortization of intangible assets identified in connection with business acquisitions	-9	-8	-18	-16	-35	-34
Amortization included in operating income	-38	-35	-75	-69	-145	-139
EBIT	**87**	**102**	**168**	**183**	**441**	**456**

NOTES

NOTE 1 • ACCOUNTING AND VALUATION PRINCIPLES

Since 1 January 2005, Duni applies International Financial Reporting Standards (IFRS) as adopted by the European Union.

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 2017.

Duni reports non-controlling interests in an acquired company either at fair value or at the holding's proportionate share of the identifiable net assets of the acquired company. This choice of principle is made for each individual business acquisition. In respect of non-controlling interests in Biopac UK Ltd, Duni has chosen to report non-controlling interests at fair value.

IFRS 16, Leases has not yet been adopted by the EU, but is expected to be applicable to financial years beginning on or after 1 January 2019. Duni does not plan for early application of IFRS 16. Work to evaluate the consequences of these standards has been initiated. Duni's financial reports and key financials will be affected, but it is too early to estimate specific amounts. For more information, see Note 2 of the Annual Report as at 31 December 2017.

In accordance with IFRS 15, income from agreements with customers must be divided into different categories. Duni has identified the different business areas as four different category types. Within these, sales by region and by product group are specified below, in order to reflect the nature of Duni's sales. Duni's goods and services are transferred at the same time, and income is received in the same month as the goods are delivered to the customer or the service is performed.

Segment	Table Top	Meal Service	Consumer	New Markets	Other	Duni
Primary geographic regions						
Nordic region	166	160	71	0	7	**404**
Central Europe	779	165	353	0	22	**1,319**
Southern & Eastern Europe	233	84	31	13	11	**373**
Rest of the world	0	0	32	146	3	**181**
Total	**1,178**	**409**	**487**	**160**	**43**	**2,277**
Product groups						
Napkins	789	-	257	97	-	**1,142**
Table covers	300	-	80	7	-	**387**
Candles	77	-	7	3	-	**87**
Packaging solutions	-	232	-	2	-	**235**
Serving products	-	165	45	42	-	**252**
Other	12	12	99	8	43	**175**
Total	**1,178**	**409**	**487**	**160**	**43**	**2,277**
Time of income recognition						
Goods/services transferred at one time	1,178	409	487	160	43	**2,277**
Goods/services transferred over time	-	-	-	-	-	**-**
Total	**1,178**	**409**	**487**	**160**	**43**	**2,277**

NOTE 2 • FINANCIAL ASSETS AND LIABILITIES

Duni has derivative instruments valued at fair value and held for hedging purposes 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. The put option issued to the minority owners of Sharp Serviettes and Biopac UK Ltd at the time of acquisition is classified on level 3 and its valuation is largely based on unobservable market data such as the discount rate and future cash flows. 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 2017, 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 • SEGMENT REPORTING, SEK m

Assets in Biopac UK Ltd are allocated to the Meal Service business area.

3 months 2018-04-01 – 2018-06-30	Table Top	Meal Service	Consumer	New Markets	Other	Duni
Total net sales	645	231	223	79	21	1,199
Net sales from other segments	0	0	2	-	-	2
Net sales from external customers	**645**	**231**	**221**	**79**	**21**	**1,197**
Operating income	**87**	**14**	**-9**	**3**	**1**	**96**
EBIT						87
Net financial items						0
Income after financial items						87

3 months 2017-04-01 – 2017-06-30	Table Top	Meal Service	Consumer	New Markets	Other	Duni
Total net sales	605	193	215	78	14	1,106
Net sales from other segments	0	0	4	-	-	4
Net sales from external customers	**605**	**194**	**211**	**78**	**14**	**1,101**
Operating income	**95**	**15**	**-6**	**5**	**1**	**110**
EBIT						102
Net financial items						-4
Income after financial items						98

6 months 2018-01-01 – 2018-06-30	Table Top	Meal Service	Consumer	New Markets	Other	Duni
Total net sales	1,178	409	491	160	43	2,282
Net sales from other segments	0	0	5	-	-	5
Net sales from external customers	**1,178**	**409**	**487**	**160**	**43**	**2,277**
Operating income	**149**	**19**	**9**	**7**	**3**	**186**
EBIT						168
Net financial items						-3
Income after financial items						165

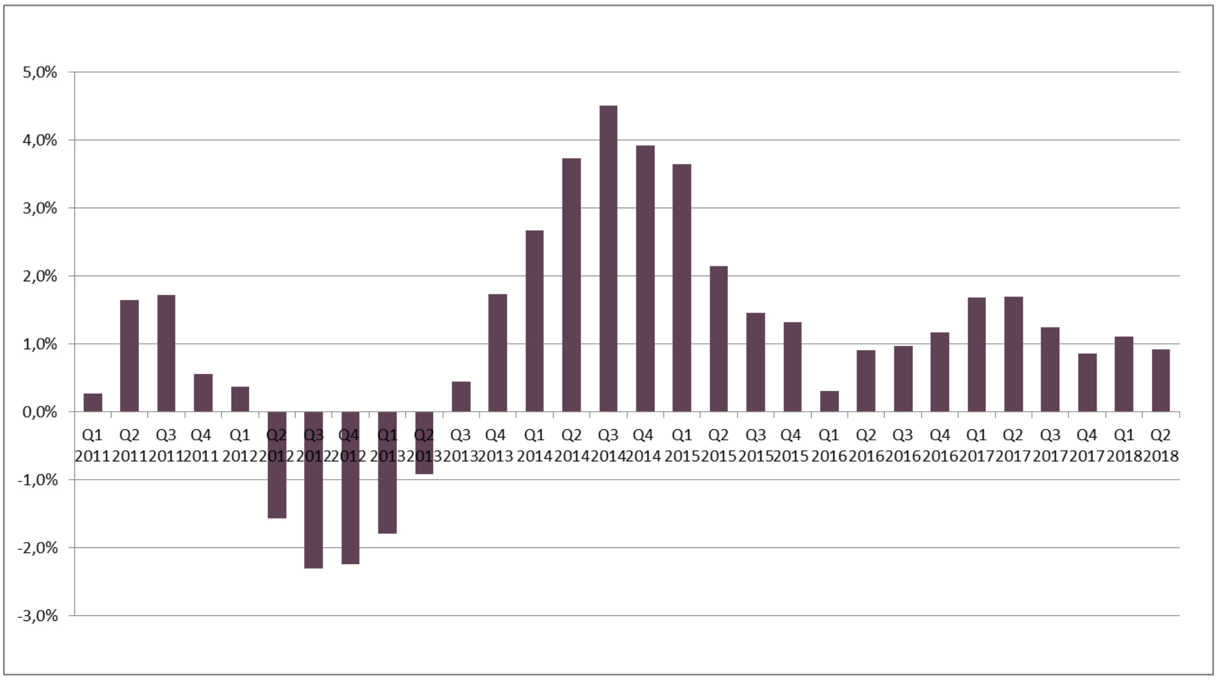
6 months 2017-01-01 – 2017-06-30	Table Top	Meal Service	Consumer	New Markets	Other	Duni
Total net sales	1,116	356	472	148	28	2,120
Net sales from other segments	0	0	14	-	-	14
Net sales from external customers	**1,116**	**356**	**458**	**148**	**28**	**2,106**
Operating income	**158**	**16**	**11**	**12**	**2**	**199**
EBIT						183
Net financial items						-7
Income after financial items						176

Quarterly overview of net sales and operating income by segment:

Net sales	**2018**		**2017**				**2016**	
SEK m	**Apr-Jun**	**Jan-Mar**	**Oct-Dec**	**Jul-Sep**	**Apr-Jun**	**Jan-Mar**	**Oct-Dec**	**Jul-Sep**
Table Top	645	534	641	581	605	511	645	579
Meal Service	231	178	179	170	194	162	171	167
Consumer	221	265	317	235	211	247	331	247
New Markets	79	81	96	78	78	70	73	59
Other	21	22	21	18	14	14	14	12
Duni	**1,197**	**1,080**	**1,254**	**1,082**	**1,101**	**1,004**	**1,234**	**1,064**

Operating income								
SEK m	**Apr-Jun**	**Jan-Mar**	**Oct-Dec**	**Jul-Sep**	**Apr-Jun**	**Jan-Mar**	**Oct-Dec**	**Jul-Sep**
Table Top	87	62	121	96	95	64	125	97
Meal Service	14	6	7	7	15	2	6	13
Consumer	-9	18	32	14	-6	16	28	18
New Markets	3	4	7	5	5	7	10	7
Other	1	2	2	1	1	1	1	1
Duni	**96**	**90**	**169**	**123**	**110**	**89**	**171**	**136**

NOTE 4 • ORGANIC SALES DEVELOPMENT, CURRENCY ADJUSTED, LTM



NOTE 5 • REPORTING OF RESTRUCTURING COSTS

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

Restructuring costs	3 months	3 months	6 months	6 months	12 months	12 months
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
SEK m	2018	2017	2018	2017	2017/2018	2017
Cost of goods sold	1	0	1	0	0	-1
Selling expenses	-	-4	-	-4	0	-4
Administrative expenses	-1	-3	-1	-3	-1	-3
Other operating expenses/income	-	7	-	7	-	7
Total	**0**	**1**	**0**	**1**	**-1**	**0**

THIS IS DUNI

Duni is one of Europe's leading suppliers of high-quality napkins, table covers, candles and other products for the set table. Duni also offers packaging and packaging systems for the growing market for ready meals and take-away. All concepts are aimed at creating Goodfoodmood® in environments where people get together to enjoy food and drink.

DUNI's presence

The products are sold in more than 40 markets and Duni is the market leader in Central and Northern Europe. The Group has approximately 2,400 employees in 23 countries. The headquarters are located in Malmö, Sweden, and production units are located in Sweden, Germany, Poland, New Zealand and Thailand. We have sales offices in Finland, France, the Netherlands, Poland, Russia, Switzerland, Singapore, Spain, the UK, Sweden, the Czech Republic, Germany, the USA and Austria.

Net sales*

SEK 4,613 m

Sales growth*

0.9%

Duni's target is to achieve an average organic growth in sales in excess of 5% per year over a business cycle. In addition, Duni regularly assesses acquisition opportunities in order to access new growth markets or strengthen its position in existing markets.

Operating margin*

10.4%

Duni's target is an operating margin of 10% or more. Profitability is to be increased through sales growth, continued focus on premium products and continued improvements within purchasing and production.

Dividend 2017

5.00 SEK

It is the Board of Directors' long-term intention for dividends to amount to at least 40% of income after tax.

*Last 12 months, Jul-Jun 2017/2018