Year-End Report for Duni AB (publ)
1 January – 31 December 2012

(compared with the same period of the previous year)

14 February 2013

Strong balance sheet, significant restructuring costs

1 January – 31 December 2012

- Net sales amounted to SEK 3 669 m (3 807). Adjusted for exchange rate changes, net sales fell by 1.6%.
- Earnings per share, after dilution, amounted to SEK 2.63 (5.54).
- The Board proposes a dividend of SEK 3.50 (3.50) per share.
- Strong cash flow and historically low net debt.
- Weak demand with generally slow growth on Duni's main markets as consequence.

1 October – 31 December 2012

- Net sales amounted to SEK 1 031 m (1 063). Adjusted for exchange rate changes, net sales fell by 0.2%.
- Earnings per share, after dilution, amounted to SEK -0.35 (2.09).
- The Board has as a consequence of unsatisfactory profitability decided to enter into trade union negotiations with the intention to discontinue one of the three plants of the subsidiary Rexcell Tissue & Airlaid AB. In connection to this assets have been written-down with SEK 83 m.
- Stabilization of the Professional business area, but demand remained weak.
- The gross margin was affected by continued low capacity utilization and high cost level of traded goods.

Key financials

SEK m	12 months January-December 2012	12 months January-December 2011	3 months October – December 2012	3 months October – December 2011
Net sales	3 669	3 807	1 031	1 063
Operating income[1)]	340	404	128	151
Operating margin[1)]	9.3%	10.6%	12.4%	14.2%
Income after financial items	202	358	16	134
Net income	124	261	-16	98

1) Underlying operating income; for link to reported operating income, see the section entitled "Non-recurring items".

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 1,900 employees in 17 countries, headquarters in Malmö and production units in Sweden, Germany and Poland. Duni is listed on NASDAQ OMX Stockholm under the ticker name "DUNI". ISIN-code is SE 0000616716.

CEO's comments

"The economic climate on Duni's main markets is in line with the trend from previous quarters, namely perceptibly weaker demand, particularly in southern Europe, as well as a degree of weakening in our main markets. Given the market conditions, sales in the quarter reached a satisfactory SEK 1 031 m, representing a decline of 0.2% at fixed exchange rates. Operating income was SEK 128 m (151), with the difference being attributable to continued inventory reduction and a high cost level on traded goods. As a consequence of the inventory reductions and focus on tied up capital, the quarter delivered a very strong cash flow. Consequently, the net debt at the end of December is at a historically low level.

Despite a somewhat weaker market, the Professional business area continues to exhibit stability. Sales reached SEK 722 m, at fixed exchange rates a decline of 0.5%, which is explained by a planned phase-out of low margin products in the UK. Duni enjoys a strong market position within Professional and it is pleasing that the premium range is continuing to increase its range share. The rate of growth on our export markets remains high, but from relatively low levels; it is particularly pleasing that the investments we have made in Russia led to growth in excess of 30% in the quarter.

The Consumer business area reported sales of SEK 197 m for the quarter, which is a decline of 2.8% at fixed exchange rates. The result failed to meet expectations, due to a delayed phasing in of the new customer contracts which were signed during the second quarter. Operating income was affected by costs relating to these contracts, the full impact on sales has not yet been achieved.

Within Tissue, the development in the quarter reflects the same trend as for the full year. Sales reached the same level as last year, but income was negatively affected by a low level of capacity utilization in production and costs relating to test runs of new materials.

As communicated, the Board has decided to enter into trade union negotiations with the intention to discontinue the unit of the subsidiary Rexcell Tissue & Airlaid AB which manufactures hygiene product material for external customers within the Tissue business area. The unit is not profitable and the Board sees no reasonable chance to make it profitable thus a decision has been taken to focus on Duni's core business. As a consequence of this, assets have been written-down with SEK 83 m. In addition, we have pursued the restructuring projects communicated earlier and also taken further restructuring cost due to the change of CEO, write-down of other fixed assets and restructuring on certain export markets.

During the year, a new and more market-oriented category organization was established and several interesting initiatives were started up during the final quarter. The ambition is to increase efficiency and competitiveness within each product area, among other things through quicker launch processes and greater understanding of customer and consumer needs. The organizational change also contributes to strengthening the focus on our export business. For many years Duni has had a presence on several export markets where demand for superior quality Table Top-products is growing rapidly. Russia provides a good example of how we with increased efforts can establish and develop a position on a market with strong underlying growth.

2012 has been an eventful and challenging year, but nevertheless we enter 2013 with confidence. Many important initiatives have been taken during the year and, based on them, we will develop Duni's growth, profitability and market position," says Thomas Gustafsson, President and CEO, Duni.

Net sales amounted to SEK 3 669 m

1 January – 31 December

At SEK 3 669 m (3 807), net sales were SEK 138 m lower than in the same period of last year. Adjusted for exchange rate changes, net sales fell by 1.6%. Southern Europe, which has been one of Duni's growth areas, witnessed a clear slowdown already at the beginning of the year. The Consumer business area experienced a weak first half of the year, but during the second half of the year gradually implemented new contracts, which incrementally contributed to sales. One area which is continuing to display positive growth is the take-away-segment, on which Duni will continue to focus strongly in the coming years.

1 October – 31 December

Net sales amounted to SEK 1 031 m (1 063). Adjusted for exchange rate changes, net sales declined by 0.2%. Despite continued weak demand, a general stabilization is observable, with the Professional business area being essentially in line with last year, while Consumer continued to show a modest decline in sales during the quarter. The phasing in of the new customer contracts took longer than expected, but was fully implemented by the end of the fourth quarter. Export-driven sales have enjoyed strong growth, albeit from low levels.

Net sales, currency effect *SEK m*	12 months January-December 2012	12 months January-December 2012[1] recalculated	12 months January-December 2011	Change in fixed exchange rates	3 months October – December 2012	3 months October – December 2012[1] recalculated	3 months October – December 2011	Change in fixed exchange rates
Professional	2 682	2 745	2 766	-0.8%	722	746	750	-0.5%
Consumer	551	563	612	-8.1%	197	203	209	-2.8%
Tissue	436	436	428	2.0%	111	111	104	7.5%
Duni	**3 669**	**3 744**	**3 807**	**-1.6%**	**1 031**	**1 061**	**1 063**	**-0.2%**

[1] Reported net sales for 2012 recalculated at 2011 exchange rates.

Operating margin of 9.3%

1 January – 31 December

Operating income (EBIT) adjusted for non-recurring items amounted to SEK 340 m (404). The gross margin was 25.8% (27.1%) and the underlying operating margin for the Group was 9.3% (10.6%). Adjusted for exchange rate changes, operating income fell by SEK 52 m compared with the preceding year. The largest single factor behind the weaker result is the low level of capacity utilization at the converting plants and in tissue production. The poor economic climate combined with high inventory levels led to a need to adjust inventory downwards, which took place regularly during 2012 in contrast to the inventory buildup that occurred in the preceding years. Pulp and electricity costs were maintained at a low level, while raw material costs for plastics and candles remained at a high level.

The cost saving program which was launched at the beginning of the year has made a positive contribution to operating income, with indirect costs (allowing for inflation) being lower than in 2011. Income after financial items was SEK 202 m (358). Income after tax was SEK 124 m (261).

1 October – 31 December

Operating income (EBIT) adjusted for non-recurring items fell by SEK 23 m, to SEK 128 m (151), while the gross margin was weaker at 25.9% (29.7%). The operating margin declined to 12.4% (14.2%). Adjusted for exchange rate changes, operating income is SEK 18 m lower than last year.

The fourth quarter with the Christmas sales is the single most important quarter for Duni. The Christmas range was generally well received by the market. The difference in operating margin compared with the same quarter of last year should be seen in light of the reduced gross margin. This has been negatively affected by costs for the phasing in of the new customer contracts, particularly within the Consumer business area, and continued under-absorption costs in production due to lower capacity utilization.

Income after financial items was SEK 16 m (134). Income after tax was SEK -16 m (98).

Underlying operating income, currency effect *SEK m*	12 months January-December 2012	12 months January-December 2012[1] recalculated	12 months January-December 2011	3 months October-December 2012	3 months October-December 2012[1] recalculated	3 months October-December 2011
Professional	336	347	357	108	112	121
Consumer	5	6	21	19	19	24
Tissue	-1	-1	25	1	2	6
Duni	**340**	**352**	**404**	**128**	**133**	**151**

[1] Underlying operating income for 2012 recalculated at 2011 exchange rates.

Non-recurring items

'Non-recurring items' means restructuring costs and non-realized valuation effects of currency and energy derivatives, due to the fact that hedge accounting is not applied as regards these financial instruments.

During the year, restructuring costs of SEK 113 m were incurred. SEK 83 m of these costs relate to the planned discontinuation of the hygiene unit within Tissue. It relates mainly to the write-down of fixed assets and to a certain extent also inventory. It is expected that the unit will be entirely closed during the first quarter of 2014. As a result of the decision, Duni's net debt is expected to fall in the long term.

In addition, SEK 12 m is attributable to the previously announced restructuring program aimed to increase Duni's future competitiveness, while a further SEK 18 m in costs related to the change of CEO, restructuring on certain export markets and write-downs of other fixed assets.

The reported income for the period 1 January – 31 December 2012 is affected by non-realized valuation effects of derivatives in the amount of SEK 0 m (-10). For further information see Note 3.

Non-recurring items *SEK m*	12 months January-December 2012	12 months January-December 2011	3 months October-December 2012	3 months October-December 2011
Underlying operating income	**340**	**404**	**128**	**151**
Unrealized value changes, derivative instruments	0	-10	0	-1
Restructuring costs	-113	-6	-107	-6
Reported operating income	**228**	**388**	**21**	**144**

Reporting of operating segments

Duni's operations are divided into three segments, referred to as business areas.

Duni		
Professional 73%	*Consumer 15%*	*Tissue 12%*

Split on Net sales between business areas

The Professional business area (sales to hotels, restaurants and catering companies) accounted for 73% (73%) of Duni's net sales during the period 1 January – 31 December 2012. Professional comprises two product categories: Table Top and Meal Service. Table Top markets primarily napkins, tablecoverings and candles, which are combined in matching concepts for the set table. Meal Service markets more functional concepts for take-away packaging and serving products, such as to-go, take-away and catering. Table Top accounts for approximately 80% of total sales within the Professional business area.

The Consumer business area (focused primarily on the grocery retail trade), accounted for 15% (16%) of net sales during the period.

The Tissue business area (airlaid and tissue-based material for tabletop products and hygiene applications) accounted for 12% (11%) of sales to external customers during the period.

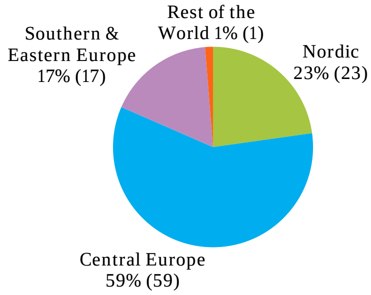
The Professional and Consumer business areas have, to a large extent, a common product range. Design and packaging solutions are, however, adapted to suit the different sales channels. Production and support functions are shared to a large degree by the business areas.

Duni management team, which decides upon the allocation of resources within Duni and evaluates results from the business operations, is the highest executive decision-making body in Duni. Duni controls the business areas on the underlying operating income, after shared costs have been allocated to each business area. For further information, see Note 2.

Professional business area

1 January – 31 December

Net sales amounted to SEK 2 682 m (2 766). At fixed exchange rates, this corresponds to a decline in sales of 0.8%. A large part of the decrease relates to the UK, where Duni has phased out several large contracts for standard napkins since the end of the first quarter.



Sales, Geographical split, Professional

Operating income was SEK 336 m (357) and the operating margin was 12.5% (12.9%). The operating margin has demonstrated stability during the year despite weak volume growth and low capacity utilization. Sound cost control and a lower pulp price have partially compensated for the challenges mentioned above and the cost pressure on traded goods which has increased regularly during the year. A major organizational change was implemented during the year with the ambition to meet the market with a more attractive product range, in parallel with lower overall costs.

1 October – 31 December

Net sales declined by SEK 28 m to SEK 722 m (750). At fixed exchange rates, this corresponds to a decline in sales of 0.5%. Russia continues to have the highest sales growth within Southern and Eastern Europe. A degree of stability is visible in the Mediterranean region, which may indicate an improvement in consumer confidence, or at least that it is not deteriorating further. Consumer confidence is the single most important factor for the restaurant industry, where Germany (Duni's largest market) has shown weak figures.

Operating income declined to SEK 108 m (121), with an operating margin of 14.9% (16.1%). During the quarter, the operating margin was squeezed due to the adjustment of production to lower capacity utilization.

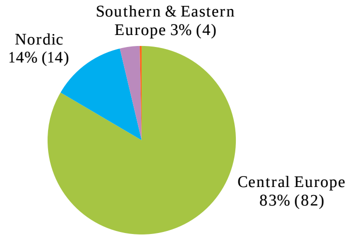
Net Sales, Professional *SEK m*	12 months January-December 2012	12 months January-December 2012[1] recalculated	12 months January-December 2011	3 months October – December 2012	3 months October-December 2012[1] recalculated	3 months October – December 2011
Nordic region	614	614	635	173	173	179
Central Europe	1 578	1 623	1 640	424	442	446
Southern & Eastern Europe	455	472	462	117	122	117
Rest of the World	35	36	29	9	9	9
Total	**2 682**	**2 745**	**2 766**	**722**	**746**	**750**

[1] Reported net sales for 2012 recalculated at 2011 exchange rates.

Consumer business area

1 January – 31 December

Net sales amounted to SEK 551 m (612), equal to a decline in sales of 8.1% at fixed exchange rates. The first half of the year was very weak in terms of sales in the highly competitive grocery retail trade sector. Several major customer contracts were phased out in 2011, which is reflected in the lost sales compared with the previous year. We are now witnessing a degree of stabilization in the Nordic region, which has been a challenging market for several years, especially Sweden and Denmark. Important new contracts were signed in 2012, the full impact on sales has not yet been achieved.



Sales – Geographical split, Consumer

Operating income was SEK 5 m (21). The gross margin declined to 0.9% (3.4%). Unfortunately, the positive trend towards the target of reaching a 5% operating margin was interrupted; this was largely due to the downturn in the economic climate and intensive price competition within the grocery retail trade.

1 October – 31 December

Net sales amounted to SEK 197 m (209). At fixed exchange rates, this corresponds to a decline in sales of 2.8%. Major new customer contracts were not fully implemented until the end of the quarter, which contributed to a lower sales result for the period than the corresponding period of last year. It can generally be noted that competition among suppliers to the European grocery retail trade has intensified in recent years. This imposes high demands for efficient processes and competitive customer offerings, an area where Duni possesses strength compared with many local players.

Operating income was SEK 19 m (24) and the operating margin was 9.4% (11.7%). During the fourth quarter, high but temporary costs were incurred in connection with the implementation of new customer contracts.

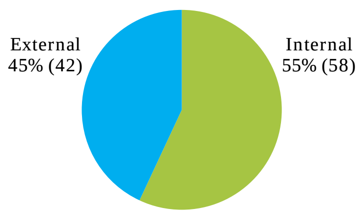
Net Sales, Consumer *SEK m*	12 months January-December 2012	12 months January-December 2012 1) recalculated	12 months January-December 2011	3 months October-December 2012	3 months October – December 2012 1) recalculated	3 months October - December 2011
Nordic region	75	76	82	28	28	25
Central Europe	457	468	502	161	166	177
Southern & Eastern Europe	18	18	26	8	9	6
Rest of the World	1	1	2	0	0	1
Total	**551**	**563**	**612**	**197**	**203**	**209**

1) Reported net sales for 2012 recalculated at 2011 exchange rates.

Tissue business area

1 January – 31 December

External net sales amounted to SEK 436 m (428). The operating profit was SEK -1 m (25). The operating margin weakened to -0.2% (5.9%). During the year, stocks of finished goods has reduced, with the consequence that capacity utilization – which is vital in this processing industry – was lower and had a negative impact on income. Furthermore, major test runs on various qualities was carried out, leading to disruptions within production.



Sales mix, Tissue

1 October – 31 December

External net sales amounted to SEK 111 m (104). The operating profit was SEK 1 m (6) and the operating margin thereby declined from 5.4% to 1.3%. The trend in the fourth quarter was similar to that for the full year. As a result of an unfavorable sales mix, necessary economies of scale could not be reached. The hygiene products sector is characterized by stable demand over the business cycle, at the same time as the customers (i.e. the manufacturers of end products) demand continuous efficiency improvements and active participation in materials development. During 2012, the latter aspect in particular has driven costs in Rexcell Tissue & Airlaid AB, thereby negatively impacting on the Tissue business area and Duni as a whole.

Cash flow

The Group's operating cash flow for the period 1 January – 31 December was SEK 429 m (362). The inventory value is SEK 387 m (470). Accounts receivable were SEK 39 m lower at SEK 624 m (663). Accounts payable amounted to SEK 301 m (302).

Cash flow including investing activities amounted to SEK 317 m (-14). During 2012, focus has been placed on cash flow, partly as a consequence of a general adjustment to a more challenging demand situation. Thanks to these endeavors, a significant reduction in inventory was achieved. This factor, combined with lower capital expenditures following the heavy investments of the immediately preceding years, generated a strong cash flow and resulted in a historically low net debt at the end of the year.

Net capital expenditures for the period amounted to SEK 113 m (377). Amortization and depreciation for the period amounted to SEK 112 m (107). The capital expenditure level was significantly lower in 2012, mainly due to the fact that no structural investments were carried out in the form of repurchases, additional construction or product launches. Instead, focus lay on consolidating the investments of recent years, for example the launching of Evolin®.

The Group’s interest-bearing net debt as per 31 December 2012 was SEK 555 m, compared with SEK 745 m as per 31 December 2011.

By adopting a new accounting principle, as the reporting of previously unrecognized actuarial losses will be reported in the pension liability, the net debt will be negatively affected as per 1 January 2013 by approximately SEK 80 m; see Note 1.

Financial net

The financial net for the period 1 January – 31 December amounted to SEK -25 m (-30). The difference is due to lower interest expenses as well as somewhat higher interest revenue than last year.

Taxes

The total reported tax expense for the period 1 January – 31 December was SEK 79 m (98), yielding an effective tax rate of 38.9% (27.3%). The high tax rate is primarily a result of the Swedish corporate tax rate reduced from 26.3% to 22.0%, which led to the deferred tax asset was written down by SEK 30 m, of which SEK 33 m related to loss carryforwards.

During the year a tax audit was completed in Germany. It has affected the tax for the year with a cost of SEK 11 m. The deferred tax asset, attributable to tax losses, has increased as a result of the tax audit outcomes which resulted in tax expense also positively affected by SEK 16 m.

The deferred tax asset relating to loss carryforwards was utilized in the amount of SEK 12 m (41).

Earnings per share

The earnings per share before and after dilution amounted to SEK 2.63 (5.54).

Duni's share

As per 31 December 2012 the share capital amounted to SEK 58,748,790 divided into 46,999,032 shares, each with a quotient value of SEK 1.25.

Shareholders

Duni is listed on NASDAQ OMX Stockholm under the ticker name "DUNI". Duni's three largest shareholders are Mellby Gård Investerings AB (29.99%), Polaris Capital Management, LLC (10.75%) and Lannebo fonder (9.61%).

Personnel

On 31 December 2012 there were 1 875 (1 888) employees. 792 (813) of the employees were engaged in production. Duni's production units are located in Bramsche in Germany, Poznan in Poland, and Bengtsfors in Sweden.

Acquisitions

No acquisitions were carried out during the period.

New establishment

No new establishments were carried out during the period.

Risk factors for Duni

A number of risk factors may affect Duni's operations in terms of both operational and financial risks. Operational risks are normally handled by each operating unit and financial risks 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 which it is 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 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 consumption at consumer level and increased price competition, which may affect volumes and gross margins. 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 which 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 as per 31 December 2011.

Contingent liabilities have been reduced by SEK 20 m since 31 December 2011 because the trade with forward electricity contracts has ceased.

As from 5 July 2012, Duni has a new financing agreement in place which extends over three years. The borrowing is once again reported as non-current.

Transactions with related parties

No transactions with related parties took place during the fourth quarter of 2012.

Major events since 31 December

In a press release issued on 12 February 2013, it was announced that Duni intends to discontinue the part of the business within the subsidiary Rexcell Tissue & Airlaid AB involved in external sales to, primarily, the hygiene products sector.

Interim reports

Quarter I	19 April, 2013
Quarter II	12 July, 2013
Quarter III	23 October, 2013

Proposed Dividend

The Board of Directors proposes a dividend of SEK 3.50 (3.50) per share, or SEK 164 m (164). The Board has taken into account the restructuring charges recorded in 2012 and the new accounting standard for pension liabilities and believes that Duni has a strong balance sheet and that even after the proposed dividend is scope for the Group to perform its obligations and implement planned investments. 7 May 2013 is proposed as the record date for the right to receive dividends.

Annual General Meeting 2013

The Annual General Meeting of Duni AB will be held in Malmö at 3pm on 2 May 2013 at Skånes Dansteater. For further information, please see Duni's website. The annual report will be available on Duni's website during week 14. Shareholders who wish to submit a proposal to Duni's Nomination Committee or wish to have any matter addressed at the Annual General Meeting may do so by e-mail to valberedning@comi.com or bolagsstamma@duni.com, or by letter to: Duni AB, Att: Nomination Committee or AGM, Box 237, 201 22 Malmö, not later than 8 March 2013.

Nomination Committee

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

Duni's Nomination Committee pending the 2013 Annual General Meeting comprises four members: Anders Bülow, (Chairman of Duni AB), Rune Andersson (Mellby Gård Investerings AB, also Chairman of the Nomination Committee), Bernard R. Horn, Jr. (Polaris Capital Management, LLC) and Göran Espelund, (Lannebo fonder).

Parent Company

Net sales for the period 1 January – 31 December amounted to SEK 1 056 m (1 159). Income after financial items was SEK 110 m (198). The net debt amounted to SEK -483 m (-407), of which a net asset of SEK 1 022 m (1 117) relates to subsidiaries. Net capital expenditures amounted to SEK 14 m (42). A net claim against one of the subsidiaries in Germany has been reclassified from being a short-term financial receivable to being a long-term financial receivable.

Of the total restructuring costs incurred during the year, SEK 28 m were incurred by the parent company, of which SEK 16 m relates to the write-down of the property in Skåpafors in connection with the planned closure within the Tissue business area. The SEK 16 m are reported in 'Other operating expenses', while the remaining SEK 12 m are reported in 'Selling expenses' and are within the scope of the previously announced restructuring program.

Accounting principles

This interim report for the Group has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The Parent Company's financial statements are prepared in accordance with RFR 2, Reporting for Legal Entities, and the Swedish Annual Accounts Act. The accounting principles applied are those described in the annual report as per 31 December 2011. There is no non-controlling interest in Duni.

Information in the report

The information is such that Duni AB (publ) is to publish in accordance with the Swedish Securities Markets Act and/or the Financial Instruments Trading Act. The information will be submitted for publication on 14 February at 8.00 AM CET.

The interim report will be presented on Thursday, 14 February at 10.00 AM CET at a telephone conference which also can be followed via the web. To participate in the telephone conference, please dial +46 (0)8 505 564 84. To follow the presentation via the web, please visit this link:

https://www.anywhereconference.com/?Conference=137345743&PIN=958605

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.

Malmö, 13 February 2013

Thomas Gustafsson, President and CEO

Additional information is provided by:

Thomas Gustafsson, President and CEO, +46 40 10 62 00
Mats Lindroth, CFO, +46 40 10 62 00
Helena Haglund, Group Accounting Manager, +46 734 19 63 04

Duni AB (publ)
Box 237
201 22 Malmö
Tel.: +46 40 10 62 00
www.duni.com
Registration no: 556536-7488

Consolidated Income Statements

SEK m (Note 1)	12 months January - December 2012	12 months January - December 2011	3 months October- December 2012	3 months October – December 2011
Net Sales	**3 669**	**3 807**	**1 031**	**1 063**
Cost of goods sold	-2 724	-2 776	-764	-747
Gross profit	**945**	**1 031**	**267**	**315**
Selling expenses	-438	-441	-111	-109
Administrative expenses	-177	-172	-56	-45
Research and development expenses	-26	-30	-5	-9
Other operating incomes (Note 1, 3)	4	15	3	1
Other operating expenses (Note 1, 3)	-81	-15	-78	-10
Operating income (Note 2)	**228**	**388**	**21**	**144**
Financial income	5	3	1	1
Financial expenses, etc.	-30	-33	-6	-10
Net financial items	**-25**	**-30**	**-5**	**-9**
Income after financial items	**202**	**358**	**16**	**134**
Income tax	-79	-98	-32	-36
Net Income	**124**	**261**	**-16**	**98**
Income attributable to:				
Equity holders of the Parent Company	124	261	-16	98
Earnings per share, attributable to equity holders of the Parent Company, SEK				
Before and after dilution	2.63	5.54	-0.35	2.09
Average number of shares before and after dilution (´000)	46 999	46 999	46 999	46 999

Statement of Comprehensive Income

SEK m	12 months January-December 2012	12 months January-December 2011	3 months October – December 2012	3 months October-December 2011
Net income of the period	**124**	**261**	**-16**	**98**
Comprehensive income, net after tax:				
Exchange rate differences - translation of subsidiaries	11	-6	-3	5
Cash flow hedge	-2	0	0	0
Comprehensive income of the period, net after tax:	**9**	**-6**	**-3**	**5**
Sum of comprehensive income of the period	**133**	**255**	**-19**	**103**
Comprehensive income of the period attributable to:				
Equity holders of the Parent Company	133	255	-19	103

Consolidated Quarterly Income Statements in brief

SEK m	2012				2011			
Quarter	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net Sales	**1 031**	**849**	**934**	**856**	**1 063**	**917**	**960**	**867**
Cost of goods sold	-764	-642	-689	-629	-747	-669	-720	-640
Gross profit	**267**	**207**	**245**	**227**	**315**	**248**	**241**	**227**
Selling expenses	-111	-97	-108	-122	-109	-105	-110	-118
Administrative expenses	-56	-39	-40	-42	-45	-43	-43	-42
Research and development expenses	-5	-5	-8	-8	-9	-7	-7	-6
Other operating incomes (Note 1)	3	0	2	4	1	5	11	5
Other operating expenses (Note 1)	-78	-4	-3	-2	-10	-1	-6	-6
Operating income	**21**	**62**	**87**	**57**	**144**	**98**	**86**	**61**
Financial income	1	1	1	1	1	1	1	1
Financial expenses etc.	-6	-4	-11	-8	-10	-9	-7	-6
Net financial items	**-5**	**-3**	**-10**	**-7**	**-9**	**-8**	**-7**	**-6**
Income after financial items	**16**	**59**	**77**	**50**	**134**	**90**	**79**	**55**
Income tax	-32	-11	-21	-13	-36	-26	-20	-15
Net Income	**-16**	**47**	**56**	**37**	**98**	**63**	**59**	**41**

Consolidated Balance Sheets in brief

SEK m	31 December 2012	31 December 2011
ASSETS		
Goodwill	1 199	1 199
Other intangible fixed assets	51	57
Tangible fixed assets	744	830
Financial fixed assets	199	243
Total fixed assets	**2 193**	**2 329**
Inventories	387	470
Accounts receivable	624	663
Other operating receivables	129	134
Cash and cash equivalents	181	85
Total current assets	**1 321**	**1 352**
TOTAL ASSETS	**3 514**	**3 681**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	**2 051**	**2 082**
Long-term loans	576	26
Other long-term liabilities	192	212
Total long-term liabilities	**768**	**238**
Accounts payable	301	302
Short-term loans	-	635
Other short-term liabilities	394	424
Total short-term liabilities	**695**	**1 361**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3 514**	**3 681**

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 reserves	Fair value reserve [1)]	Profit carried forward incl. net income for the period	TOTAL EQUITY
Opening balance 1 January 2011	**59**	**1 681**	**49**	**-**	**13**	**189**	**1 991**
Sum of comprehensive income of the period	-	-	-6	-	-	261	255
Dividend paid to shareholders	-	-	-	-	-	-164	-164
Closing balance 31 December 2011	**59**	**1 681**	**43**	**0**	**13**	**286**	**2 082**
Sum of comprehensive income of the period	-	-	11	-2	-	124	133
Dividend paid to shareholders	-	-	-	-	-	-164	-164
Closing balance 31 December 2012	**59**	**1 681**	**54**	**-2**	**13**	**246**	**2 051**

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	1 January- 31 December 2012	1 January- 31 December 2011
Current operation		
Operating income	228	388
Adjustment for items not included in cash flow etc.	189	100
Paid interest and tax	-64	-68
Change in working capital	76	-58
Cash flow from operations	**429**	**362**
Investments		
Acquisition of fixed assets	-115	-380
Sales of fixed assets	1	3
Change in interest-bearing receivables	2	1
Cash flow from investments	**-112**	**-376**
Financing		
Taken up loans[1)]	134	161
Amortization of debt[1)]	-180	-37
Dividend paid	-164	-164
Change in borrowing	-10	18
Cash flow from financing	**-220**	**-22**
Cash flow from the period	**97**	**-36**
Liquid funds, opening balance	85	122
Exchange difference, cash and cash equivalents	-1	-1
Cash and cash equivalents, closing balance	**181**	**85**

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

Key ratios in brief

	1 January- 31 December 2012	1 January- 31 December 2011
Net Sales, SEK m	3 669	3 807
Gross Profit, SEK m	945	1 031
EBIT[1], SEK m	340	404
EBITDA[1], SEK m	452	510
Net debt	555	745
Number of Employees	1 875	1 888
Sales growth	-3.6%	-4.1%
Gross margin	25.8%	27.1%
EBIT[1] margin	9.3%	10.6%
EBITDA[1] margin	12.3%	13.4%
Return on capital employed[1] [2]	14.1%	16.8%
Net debt/equity ratio	27.1%	35.8%
Net debt/EBITDA [1] [2]	1.23	1.46

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

Parent Company Income Statements in brief

SEK m (Note 1)	12 months January - December 2012	12 months January - December 2011	3 months October - December 2012	3 months October - December 2011
Net Sales	**1 056**	**1 159**	**309**	**334**
Cost of goods sold	-936	-1 037	-265	-298
Gross profit	**120**	**122**	**44**	**37**
Selling expenses	-123	-108	-35	-26
Administrative expenses	-132	-137	-39	-36
Research and development expenses	-12	-15	-2	-5
Other operating incomes	190	216	51	59
Other operating expenses	-178	-148	-55	-40
Operating income	**-135**	**-70**	**-35**	**-12**
Revenue from participations in Group Companies	238	265	129	226
Other interest revenue and similar income	30	31	7	9
Interest expenses and similar expenses	-22	-29	-4	-10
Net financial items	**245**	**268**	**132**	**225**
Income after financial items	**110**	**198**	**97**	**213**
Taxes on income for the period	-48	-38	-53	-32
Net income for the period	**63**	**160**	**44**	**181**

Parent Company Statement of Comprehensive Income

SEK m	12 months January - December 2012	12 months January – December 2011	3 months October - December 2012	3 months October - December 2011
Net income of the period	**63**	**160**	**44**	**181**
Comprehensive income, net after tax:				
Exchange rate differences - translation of subsidiaries	0	3	0	0
Cash flow hedge	-2	0	0	0
Comprehensive income of the period, net after tax	**-2**	**3**	**0**	**0**
Sum of comprehensive income of the period	**61**	**163**	**44**	**181**
Comprehensive income of the period attributable to:				
Equity holders of the Parent Company	61	163	44	181

Parent Company Balance Sheets in Brief

SEK m	31 December 2012	31 December 2011
ASSETS		
Goodwill	400	500
Other intangible fixed assets	39	49
Total intangible fixed assets	**439**	**548**
Tangible fixed assets	39	69
Financial fixed assets	1 977	992
Total fixed assets	**2 455**	**1 610**
Inventories	73	88
Accounts receivable	98	96
Other operating receivables	295	1 298
Cash and bank	130	43
Total current assets	**596**	**1 526**
TOTAL ASSETS	**3 050**	**3 135**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Total restricted shareholders equity	83	83
Total unrestricted shareholders equity	1 889	1 993
Shareholders' equity	**1 972**	**2 076**
Provisions	**112**	**114**
Long-term financial liabilities	559	9
Total long-term liabilities	**559**	**9**
Accounts payable	53	56
Short-term financial liabilities	-	635
Other short-term liabilities	354	245
Total short-term liabilities	**407**	**936**
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	**3 050**	**3 135**

Definitions

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

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

EBIT: Operating income.

Underlying EBIT: Operating income adjusted for non-recurring items.

EBIT margin: EBIT as a percentage of net sales.

EBITA: Operating income adjusted for impairment of fixed assets.

EBITA margin: EBITA as a percentage of net sales.

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

EBITDA margin: EBITDA as a percentage of net sales.

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

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

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

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

Currency adjusted: Figures adjusted for changes in exchange rates related to consolidation. Figures for 2012 are calculated at exchange rates for 2011. Effects of translation of balance sheet items are not included.

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

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

HoReCa: Abbreviation for hotels, restaurants and catering.

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

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 as per 31 December 2011.

The accounting principle regarding group contributions was changed in 2011. Accordingly, the parent company's balance sheet for comparison years has been recalculated as regards received group contributions.

Currency exchange rate effects are reported as a net value in either other operating incomes or other operating expenses since January 1, 2012. Comparative figures have been recalculated.

Commencing 2013, Duni will apply the revised IAS 19, Employee Benefits. In brief, this will mean that previously unrecognized actuarial losses will be reported in conjunction with the switchover and that future actuarial profits or losses will be recognized in 'Other comprehensive income'. In addition, the methodology for the calculation of pension expenses will be changed, since the standard requires that the return on management assets which is to be reported in the income statement shall be established based on the discount rate which is applied for calculating the commitment.

The standard will preliminary impact the equity and comprehensive income at the beginning of 2013 with approximately SEK 80 m.

Note 2 • Segment reporting, SEK m

January – December

2012-01-01 – 2012-12-31	**Professional**	**Consumer**	**Tissue**	**Group's Total**
Total net sales	2 682	551	978	**4 211**
Net sales from other segments	-	-	542	**542**
Net sales from external customers	**2 682**	**551**	**436**	**3 669**
Underlying operating income	**336**	**5**	**-1**	**340**
Non-recurring items	-19	-8	-85	**-113**
Operating income	317	-3	-86	**228**
Net financial items	-	-	-	**-25**
Income after financial items	-	-	-	**202**

2011-01-01 – 2011-12-31	Professional	Consumer	Tissue	Group's Total
Total net sales	2 766	612	1 011	**4 390**
Net sales from other segments	-	-	583	**583**
Net sales from external customers	**2 766**	**612**	**428**	**3 807**
Underlying operating income	**357**	**21**	**25**	**404**
Non-recurring items	-12	-3	-1	**-16**
Operating income	345	18	24	**388**
Net financial items	-	-	-	**-30**
Income after financial items	-	-	-	**358**

October - December

2012-10-01 – 2012-12-31	Professional	Consumer	Tissue	Group's Total
Total net sales	722	197	239	**1 159**
Net sales from other segments	-	-	128	**128**
Net sales from external customers	**722**	**197**	**111**	**1 031**
Underlying operating income	**108**	**19**	**1**	**128**
Non-recurring items	-14	-8	-85	**-107**
Operating income	94	11	-84	**21**
Net financial items	-	-	-	**-5**
Income after financial items	-	-	-	**16**

2011-10-01 – 2011-12-31	Professional	Consumer	Tissue	Group's Total
Total net sales	750	209	256	**1 215**
Net sales from other segments	-	-	152	**152**
Net sales from external customers	**750**	**209**	**104**	**1 063**
Underlying operating income	**121**	**24**	**6**	**151**
Non-recurring items	-6	-1	0	**-7**
Operating income	115	23	6	**144**
Net financial items	-	-	-	**-9**
Income after financial items	-	-	-	**134**

In connection with the planned closure of the unit within the subsidiary Rexcell Tissue & Airlaid AB, which manufactures hygiene materials to external customers, assets have been written down by SEK 83 m in the Tissue business area. Otherwise no significant changes have taken place in the assets of the segments compared with the annual report as per 31 December 2011.

Quarterly overview, by segment:

Net sales SEK m	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Professional	722	635	699	626	750	696	717	604
Consumer	197	101	126	127	209	110	135	159
Tissue	111	112	109	104	104	111	109	104
Duni	**1 031**	**849**	**934**	**856**	**1 063**	**917**	**960**	**867**

Underlying operating income SEK m	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Professional	108	77	90	61	121	93	91	53
Consumer	19	-12	0	-1	24	-5	-4	6
Tissue	1	-2	0	0	6	10	1	9
Duni	**128**	**63**	**90**	**60**	**151**	**98**	**88**	**67**

Note 3 • Non-recurring items

Duni considers restructuring cost and unrealized valuation effects on derivative instruments, due to non-application of hedge accounting, as non-recurring items. Presented below is a specification of the lines on which these items are included in the consolidated income statement.

Derivative instruments SEK m	12 months January-December 2012	12 months January-December 2011	3 months October - December 2012	3 months October - December 2011
Other operating incomes	1	-	0	0
Other operating expenses	0	-10	0	-1
Total	**0**	**-10**	**0**	**-1**

Restructuring cost SEK m	12 months January-December 2012	12 months January-December 2011	3 months October - December 2012	3 months October - December 2011
Cost of goods sold	-14	-2	-13	-2
Selling expenses	-12	-	-7	-
Administrative expenses	-10	-2	-10	0
Other operating expenses	-77	-2	-77	-4
Total	**-113**	**-6**	**-107**	**-6**