Interim Report for Duni AB (publ) 1 January – 30 June 2010

(compared with the same period of the previous year)

16 July 2010

Improved operating income

1 January – 30 June 2010

- Net sales amounted to SEK 1,930 m (2,042). Adjusted for exchange rate changes, net sales increased by 0.7%.
- Earnings per share for continuing operations amounted, after dilution, to SEK 2.48 (2.24).

1 April – 30 June 2010

- Net sales amounted to SEK 970 m (1,035). Adjusted for exchange rate changes, net sales increased by 0.4%.
- Earnings per share for continuing operations amounted, after dilution, to SEK 1.40 (1.45).
- Strong operating margin of 9.4% (8.1%), primarily thanks to improved capacity utilization and lower costs.

Key financials

SEK m	6 months January-June 2010	6 months January-June 2009	3 months April - June 2010	3 months April - June 2009	12 months July-June 09/10	12 months January-December 2009
Net sales	1 930	2 042	970	1 035	4 109	4 220
Operating income[1)]	168	157	91	84	448	436
Operating margin[1)]	8.7%	7.7%	9.4%	8.1%	10.9%	10.3%
Income after financial items	156	144	90	94	456	444
Net income[2)]	117	105	66	68	347	336

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

CEO's comments

"Duni delivered a strong second quarter, particularly when set against the fact that pulp prices continued to increase sharply. Operating income increased by SEK 7 m compared with last year, to SEK 91 m. A number of factors contributed to the positive income trend. The primary factor was improved capacity utilization, particularly within Tissue. In addition, the full effect of the cost savings program has been achieved, which is reflected in both lower indirect costs as well as higher productivity. We have also succeeded in postponing some cost increases within purchasing to the third quarter.

The recovery within Professional has taken place at a somewhat higher pace than during the preceding quarter. In terms of volume, sales increased slightly more than 3% during the second quarter. Retail, on the other hand, experienced a weak quarter in terms of sales, with volume losses on several markets. However, it is important to emphasize that the operating margin continues to improve. We now have a healthier base, but going forward the focus is on gaining profitable market shares for Retail.

Sales in the Tissue business area increased by almost 1% during the quarter where a fire at the production plant in Dals Långed, Sweden, only had marginal impact. In total, Duni achieved sales of SEK 970 m in the second quarter, which at fixed exchange rates is largely unchanged compared with last year.

With our sights set on creating conditions for long-term growth, we have opened a sales office in Moscow during spring. We have also commenced the investments at the mill in Skåpafors, Sweden, which are aimed at further strengthening our leading position on the market for table setting products in the medium term.

General price increases will be implemented during the third quarter of the year in order to compensate for the substantial increases in prices of input materials. From a market perspective, we believe in a continued slow rate of recovery, among other things as a consequence of the cost-saving measures around Europe which are now being introduced," says Fredrik von Oelreich, President and CEO, Duni.

Net sales amounted to SEK 1,930 m

Net sales during the period 1 January – 30 June 2010 declined by SEK 112 m compared with the same period of last year, to SEK 1,930 m (2,042). Adjusted for exchange rate changes, net sales increased by 0.7%. Growth was primarily within Professional, while Retail continues its endeavors to improve the gross margin.

Net sales for the period 1 April – 30 June declined by SEK 65 m, to SEK 970 m (1,035). Adjusted for exchange rate changes, net sales increased by 0.4%. The weak growth is in line with the preceding quarter, which indicates a continued slow recovery within the HoReCa market.

Net sales, currency effect SEK m	6 months January - June 2010	6 months January - June 2010[1] recalculated	6 months January - June 2009	Change in fixed exchange rates	3 months April - June 2010	3 months April - June 2010[1] recalculated	3 months April - June 2009	Change in fixed exchange rates
Professional	1 344	1 446	1 411	2.5%	710	767	742	3.3%
Retail	320	344	374	-7.9%	136	147	169	-13.0%
Tissue	266	266	258	3.3%	125	125	124	0.8%
Duni	**1 930**	**2 057**	**2 042**	**0.7%**	**970**	**1 039**	**1 035**	**0.4%**

[1] Reported net sales for 2010 recalculated at 2009 exchange rates.

Operating margin of 8.7%

Adjusted for non-recurring items, operating income (EBIT) for the period 1 January – 30 June 2010 increased by SEK 11 m, to SEK 168 m (157). The underlying operating margin for the Group thus increased from 7.7% to 8.7%. Adjusted for exchange rate changes, operating income increased by SEK 36 m compared with the preceding year.

Despite higher costs for input materials, thanks to normalized capacity utilization and a favorable product mix the gross margin from the preceding year was maintained at 25.6% (25.6%). Income after financial items amounted to SEK 156 m (144). Income after tax was SEK 117 m (105).

Adjusted for non-recurring items, operating income (EBIT) for the period 1 April – 30 June amounted to SEK 91 m (84). The gross margin weakened somewhat to 25.4% (26.0%). The significant increase in pulp prices has largely been offset by high capacity utilization within production and thereby lower production costs per unit. Duni has also succeeded in delaying until the third quarter a number of the anticipated cost increases, primarily relating to traded goods.

The operating margin during the quarter strengthened from 8.1% to 9.4%. The cost savings program which was implemented last year has contributed to the improvement in margin. Adjusted for exchange rate changes, operating income increased by SEK 20 m. Income after financial items amounted to SEK 90 m (94). Income after tax was SEK 66 m (68).

As previously announced, a fire occurred at the plant in Dalsland, Sweden, which belongs to the subsidiary, Rexcell Tissue & Airlaid AB. This has affected operating income for the second quarter by slightly more than SEK 3 m, which represents the insurance deductible. Duni's assessment is that the insurance will cover the economic consequences of the stoppage in production. However, a smaller part of the investment requirements may be covered by Duni. Production has been interrupted since 16 June and is estimated to be up and running again at the turn of the month July-August. Actions have been taken and only limited disruptions of deliveries are therefore expected.

Underlying operating income, currency effect SEK m	6 months January - June 2010	6 months January - June 2010[1] recalculated	6 months January - June 2009	3 months April - June 2010	3 months April - June 2010[1] recalculated	3 months April - June 2009
Professional	163	185	161	94	106	96
Retail	1	3	-8	-7	-7	-10
Tissue	5	6	3	5	5	-2
Duni	**168**	**193**	**157**	**91**	**104**	**84**

[1] Underlying operating income for 2010 recalculated at 2009 exchange rates.

Non-recurring items

Non-recurring items refers to restructuring expenses as well as non-realized valuation effects of derivatives due to the fact that hedge accounting is not applied.

Reported income for the period 1 January – 30 June 2010 is affected by non-realized valuation effects of derivatives in the amount of SEK -4 m (23) and restructuring costs of SEK 0 m (-1). For further information, see Note 4.

Non-recurring items SEK m	6 months January - June 2010	6 months January – June 2009	3 months April - June 2010	3 months April - June 2009	12 months July - June 09/10	12 months January - December 2009
Underlying operating income	**168**	**157**	**91**	**84**	**448**	**436**
Unrealized value changes, derivative instruments	-4	23	-1	25	27	54
Restructuring costs	0	-1	0	-1	0	-2
Reported operating income	**165**	**178**	**91**	**108**	**474**	**488**

Reporting of operating segments

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

The Professional business area (sales to hotels, restaurants and catering companies) accounted for 70% (69%) of Duni's net sales for the period 1 January – 30 June 2010.

The Retail business area (primarily focused on retail trade) accounted for 16% (18%) of net sales during the period.

The Tissue business area (airlaid and tissue-based material for tabletop products and hygiene applications) accounted for 14% (13%) of sales to external customers during the period.

The Professional and Retail 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.

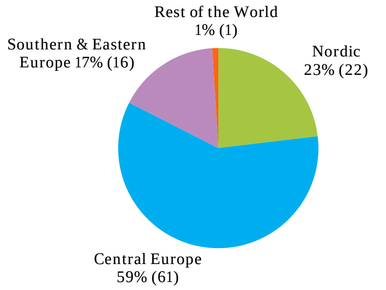
Duni management team, which decides upon the allocation of resources within Duni and evaluates results from the business operations, is the highest executive decision-making body in Duni. Duni controls the business areas on the underlying operating income, after shared costs have been allocated to each business area. For further information, see Note 3.

Split between business areas

Professional business area

Net sales for the period 1 January – 30 June 2010 declined by SEK 67 m, to SEK 1,344 m (1,411). At fixed exchange rates, this represents an increase in sales of 2.5%. Despite a relatively weak market, the business area is stable and shows a degree of growth.

Operating income was SEK 163 m (161), with an increased operating margin of 12.1% (11.4%). Margin was positively affected by, in particular, increased capacity utilization and sound cost control. Within Professional, an initiative has been launched to increase the rate of growth on some selected markets. These include the UK, where growth has been particularly strong during the quarter, however with initially low profitability.



Sales - Geographical split, Professional

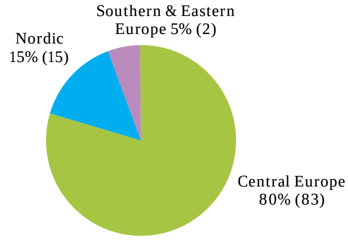
Net sales for the period 1 April – 30 June declined by SEK 32 m, to SEK 710 m (742). At fixed exchange rates, this represents a sales increase of 3.3%. Growth in Central Europe, with Germany as the dominant market, has strengthened somewhat from a weak first quarter.
Operating income fell to SEK 94 m (96), with an operating margin of 13.2% (12.9%).

Net Sales Professional, SEK m	6 months January-June 2010	6 months January – June 2010[1] recalculated	6 months January-June 2009	3 months April - June 2010	3 months April – June 2010[1] recalculated	3 months April-June 2009	12 months July-June 09/10	12 months January-December 2009
Nordic region	311	312	308	166	166	164	642	639
Central Europe	796	877	860	414	459	442	1 691	1 755
Southern & Eastern Europe	223	243	230	123	135	129	460	467
Rest of the World	13	15	12	6	7	6	25	24
Total	**1 344**	**1 446**	**1 411**	**710**	**767**	**742**	**2 818**	**2 885**

[1] Reported net sales for 2010 recalculated at 2009 exchange rates.

Retail business area

Net sales for the period 1 January – 30 June 2010 declined by SEK 54 m, to SEK 320 m (374), equivalent to a decrease in sales of 7.9% at fixed exchange rates. The weak sales are due to a weak market, intense competition and the discontinuation of unprofitable customer contracts.



Sales – Geographical split, Retail

Operating income increased to SEK 1 m (-8). The operating margin increased to 0.2% (-2.1%). Despite the significant decline in volume, Retail has strengthened its margin compared with last year thanks to sound cost control and improved product and customer mix. The structural adjustment renders possible favorable conditions for improvements in margin in conjunction with growth.

Net sales for the period 1 April – 30 June amounted to SEK 136 m (169). At fixed exchange rates this corresponds to a decrease in sales of 13.0%. Seasonally, the second quarter is the weakest in terms of volume, while at the same time Retail has experienced an unfavorable phasing of certain customer contracts. Operating income was SEK -7 m (-10) and the operating margin was -5.4% (-6.2%).

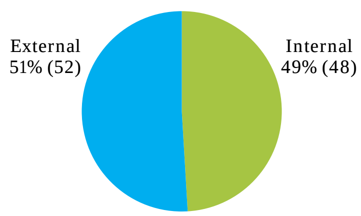
Net Sales – Retail SEK m	6 months January-June 2010	6 months January – June 2010[1)] recalculated	6 months January-June 2009	3 months April - June 2010	3 months April – June 2010[1)] recalculated	3 months April - June 2009	12 months July-June 09/10	12 months January-December 2009
Nordic region	48	48	55	22	22	28	109	116
Central Europe	255	278	312	105	116	136	586	643
Southern & Eastern Europe	18	18	6	9	9	4	44	32
Rest of the World	0	0	1	0	0	1	1	2
Total	**320**	**344**	**374**	**136**	**147**	**169**	**739**	**792**

[1)] Reported net sales for 2010 recalculated at 2009 exchange rates.

Tissue business area

Net sales for the period 1 January – 30 June 2010 increased by 3.1%, to SEK 266 m (258).

Operating income increased to SEK 5 m (3). The operating margin was 2.0% (1.3%). Production volume within hygiene products has normalized compared with the preceding year, with resulting significant positive effects which have mitigated the consequences of the high cost level for input materials.



Sales mix, Tissue

Net sales for the period 1 April – 30 June were SEK 125 m (124). The operating income was SEK 5 m (-2) and the operating margin was 3.8% (-1.5%). The strong increase in costs of input materials which characterized 2010 has partly been compensated by price adjustments, at the same time as Tissue has enjoyed a favorable trend in productivity.

Cash flow

The Group's operating cash flow for the period 1 January – 30 June 2010 amounted to SEK 30 m (170). Inventory levels have stabilized on a low level and the increase in the operating working capital since the beginning of the year can be explained by a normal development as a consequence of seasonal variations.

Inventory value in Swedish krona is unchanged compared with the same period last year, SEK 449 m (448). Accounts receivable have declined by SEK 71 m to SEK 651 m (722).

Cash flow including investing activities amounted to SEK -100 m (116). Duni's net investments amounted to SEK 130 m (54), an increase compared with the preceding year which is explained by the investment in a biofuel boiler and purchase of a previously operationally-leased machine at the paper mill in Skåpafors. Depreciation and write-downs for the period amounted to SEK 52 m (50).

The Group's interest-bearing net debt as of 30 June 2010 is SEK 799 m, compared with SEK 1,066 m as of 30 June 2009 and SEK 631 m as of 31 December 2009. The increase in the net debt from the low level at the end of last year is mainly due to a seasonal increase in operational working capital as well as the planned high level of investment.

Financial net

The financial net for the period 1 January – 30 June 2010 was SEK -9 m (-34). External interest expenses are lower than last year thanks to a reduced indebtedness and lower market interest rates. The financial net is affected by somewhat positive realized and unrealized changes in value which, for the same period last year, were strongly negative.

Taxes

The total reported tax expense for the period 1 January – 30 June 2010 was SEK 39 m (39), yielding an effective tax rate of 25.1% (27.0%). The tax expense for the year includes adjustments from previous periods of SEK 2.2 m (1.6). The deferred tax asset relating to loss carry-forwards was utilized in the amount of SEK 15 m (5).

Earnings per share

The period's earnings per share for continuing operations before and after dilution amounted to SEK 2.48 (2.24).

Duni's share

As per 30 June 2010 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, as per 30 June 2010, are Mellby Gård Investerings AB (29.99%), Polaris Capital Management, LLC (10.31%) and Swedbank Robur fonder (7.08%).

Personnel

On 30 June 2010 there were 1,907 (1,892) employees. 826 (788) 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.

Control and management of fluctuations in prices of raw materials and energy have a major impact on Duni’s competitiveness. Due to the fact that hedge accounting is not applied, Duni has an increased accounting exposure, as unrealized profits or losses related to derivative instruments are accounted for in the income statement.

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 2009.

Since 2007, Duni's long-term financing has been secured through financing agreements valid until 2012. Duni has no significant changes in contingent liabilities since 31 December 2009.

Transactions with related parties

No transactions with related parties took place during the second quarter of 2010.

Major events since 30 June

No significant events have occurred after the balance sheet date.

Interim reports

Quarter III	27 October 2010
Quarter IV	16 February 2011

Duni's Board

At the Annual General Meeting held on 5 May 2010, all members of Duni's Board of Directors were re-elected. Anders Bülow was re-elected as Chairman of the Board.

The Parent Company

Net sales for the period 1 January – 30 June 2010 amounted to SEK 561 m (558). Income after financial items was SEK 215 m (506). The figure for last year includes extra dividends from subsidiaries.

Net debt amounted to SEK -181 m (78), of which a net asset of SEK 946 m (932) relates to subsidiaries. Other receivables have increased due to increased lending to subsidiaries. Net investments amounted to SEK 11 m (10).

Group structure and reporting

During 2006 and at the beginning of 2007, Duni completed the work of concentrating its operations to its core business, in principle corresponding to the former Duni Europe. In order to facilitate a relevant comparison between the years, only the new Group structure is reported in full and designated in this report as "continuing operations". In December 2008, the provision for capital gains on the sale of Duni Americas was settled and thus Duni will continue to maintain the concept "continuing operations" up to and including the interim report for the period 1 January – 30 September 2010. There is no non-controlling interest in Duni.

Accounting principles

This interim report 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 2.3, 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 2009.

Information in the report

The information is such that Duni is obliged to publish pursuant to the Securities Market Act. The information will be disclosed to the media for publication at 8.00 AM CET on 16 July.

The interim report will be presented on Friday, 16 July 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 5052 0110. To follow the presentation via the web, please visit this link:

http://events.webeventservices.com/duni/2010/07/16/

This report has been prepared in both a Swedish and an English version. In the event of any discrepancy between the two, the Swedish version shall apply.

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

Report from the Board and the CEO

The Board and the CEO certify that this report provides a true and fair view of the Group's financial position and results and describes the material risks and uncertainties facing the Group and the companies included in the Group.

Malmö, 15 July 2010

Anders Bulow, Chairman of the Board

Tomas Gustafsson, Board Member

Pia Rudengren, Board Member

Sanna Suvanto-Harsaae, Board Member

Magnus Yngen, Board member

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Consolidated Income Statements

SEK m (Note 1)	6 months January - June 2010	6 months January - June 2009	3 months April - June 2010	3 months April - June 2009	12 months July-June 09/10	12 months January-December 2009
Net Sales	**1 930**	**2 042**	**970**	**1 035**	**4 109**	**4 220**
Cost of goods sold	-1 436	-1 520	-724	-766	-2 970	-3 054
Gross profit	**494**	**522**	**246**	**269**	**1 139**	**1 166**
Selling expenses	-228	-245	-107	-119	-466	-482
Administrative expenses	-87	-96	-42	-52	-175	-184
Research and development expenses	-11	-12	-5	-6	-27	-29
Other operating incomes (Note 4)	39	51	16	24	95	107
Other operating expenses (Note 4)	-42	-41	-18	-8	-92	-90
Operating income (Note 3)	**165**	**178**	**91**	**108**	**474**	**488**
Financial income	1	2	0	0	1	2
Financial expenses, etc.	-9	-35	-2	-14	-19	-45
Net financial items	**-9**	**-34**	**-1**	**-14**	**-18**	**-43**
Income after financial items	**156**	**144**	**90**	**94**	**456**	**444**
Income tax	-39	-39	-24	-26	-109	-108
Net Income	**117**	**105**	**66**	**68**	**347**	**336**
Income attributable to:						
Equity holders of the Parent Company	117	105	66	68	347	336
Earnings per share, attributable to equity holders of the Parent Company, SEK						
Before and after dilution	2.48	2.24	1.40	1.45	7.39	7.15
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	6 months January - June 2010	6 months January - June 2009	3 months April - June 2010	3 months April - June 2009	12 months July-June 09/10	12 months January-December 2009
Net income of the period	**117**	**105**	**66**	**68**	**347**	**336**
Comprehensive income						
Exchange rate differences - translation of subsidiaries	5	-13	1	5	12	-6
Comprehensive income of the period	**5**	**-13**	**1**	**5**	**12**	**-6**
Sum of comprehensive income of the period	**122**	**92**	**67**	**73**	**359**	**330**
Comprehensive income of the period attributable to:						
Equity holders of the Parent Company	122	92	67	73	359	330

Comprehensive income consists of translation differences with no tax effects.

Consolidated Quarterly Income Statements in brief

SEK m	2010		2009				2008	
Quarter	Apr - Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net Sales	**970**	**960**	**1 157**	**1 021**	**1 035**	**1 007**	**1 145**	**973**
Cost of goods sold	-724	-712	-800	-734	-766	-755	-848	-715
Gross profit	**246**	**248**	**357**	**287**	**269**	**252**	**297**	**258**
Selling expenses	-107	-121	-128	-109	-119	-126	-119	-104
Administrative expenses	-42	-45	-3	-45	-52	-45	-51	-47
Research and development expenses	-5	-6	-10	-6	-6	-6	-6	-5
Other operating incomes	16	23	9	48	24	27	14	7
Other operating expenses	-18	-25	-12	-38	-8	-32	-69	-26
Operating income	**91**	**74**	**173**	**137**	**108**	**70**	**66**	**83**
Financial income	0	0	0	0	0	1	3	2
Financial expenses etc.	-2	-8	-7	-3	-14	-21	-30	-14
Net financial items	**-1**	**-8**	**-7**	**-3**	**-14**	**-20**	**-27**	**-12**
Income after financial items	**90**	**66**	**166**	**134**	**94**	**50**	**39**	**72**
Income tax	-24	-15	-35	-35	-26	-13	-3	-19
Net income, continuing operations	**66**	**51**	**131**	**100**	**68**	**37**	**36**	**53**
Net income, discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**	**6**	**-**
Net Income	**66**	**51**	**131**	**100**	**68**	**37**	**42**	**53**

Consolidated Balance Sheets in brief

SEK m	30 June 2010	31 December 2009	30 June 2009
ASSETS			
Goodwill	1 199	1 199	1 199
Other intangible fixed assets	32	29	34
Tangible fixed assets	559	510	499
Financial fixed assets	318	336	355
Total fixed assets	**2 108**	**2 074**	**2 087**
Inventories	449	382	448
Accounts receivable	651	640	722
Other operating receivables	147	163	153
Cash and cash equivalents	89	230	135
Total current assets	**1 337**	**1 415**	**1 458**
TOTAL ASSETS	**3 445**	**3 489**	**3 545**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	**1 794**	**1 789**	**1 551**
Long-term loans	712	682	1 002
Other long-term liabilities	208	216	227
Total long-term liabilities	**920**	**898**	**1 229**
Accounts payable	283	344	275
Other short-term liabilities	448	458	490
Total short-term liabilities	**731**	**802**	**765**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3 445**	**3 489**	**3 545**

Change in the Group's shareholders' equity

SEK m	Share capital	Other injected capital	Reserves	Fair value reserve [1)]	Loss carried forward incl. net income for the period	TOTAL EQUITY
	Attributable to equity holders of the parent company					
Opening balance 1 January 2009	**59**	**1 681**	**42**	**13**	**-251**	**1 544**
Sum of comprehensive income of the period	-	-	-13	-	105	92
Dividend paid to shareholders	-	-	-	-	-85	-85
Closing balance 30 June 2009	**59**	**1 681**	**29**	**13**	**-231**	**1 551**
Sum of comprehensive income of the period	-	-	7	-	231	238
Closing balance 31 December 2009	**59**	**1 681**	**36**	**13**	**0**	**1 789**
Sum of comprehensive income of the period	-	-	5	-	117	122
Dividend paid to shareholders	-	-	-	-	-117	-117
Closing balance 30 June 2010	**59**	**1 681**	**41**	**13**	**0**	**1 794**

[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-30 June 2010	1 January-30 June 2009
Current operation		
Operating income	165	178
Adjustment for items not included in cash flow etc	60	2
Paid interest and tax	-16	-71
Change in working capital	-179	61
Cash flow from operations	**30**	**170**
Investments		
Acquisition of fixed assets	-134	-54
Sales of fixed assets	2	0
Change in interest-bearing receivables	3	1
Cash flow from investments	**-130**	**-54**
Financing		
Taken up loans[1)]	136	952
Amortization of debt[1)]	-102	-1 113
Dividend paid	-117	-85
Change in borrowing	45	15
Cash flow from financing	**-39**	**-230**
Cash flow from the period	**-138**	**-113**
Liquid funds, opening balance	230	249
Exchange difference, cash and cash equivalents	-2	-1
Cash and cash equivalents, closing balance	**89**	**135**

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- 30 June 2010	1 January- 30 June 2009
Net Sales, SEK m	1 930	2 042
Gross Profit, SEK m	494	522
EBIT[1)], SEK m	168	157
EBITDA[1)], SEK m	221	206
Net debt	799	1 066
Number of Employees	1 907	1 892
Sales growth	-5.5%	3.1%
Gross margin	25.6%	25.6%
EBIT[1)] margin	8.7%	7.7%
EBITDA[1)] margin	11.4%	10.1%
Return on capital employed[1)]	19.6%	17.8%
Net debt/equity ratio	44.5%	68.7%
Net debt/EBITDA [1)]	1.45	2.13

[1)] Calculated based on underlying operating income.

Parent Company Income Statements in brief

SEK m (Note 1)	6 months January-June 2010	6 months January - June 2009	3 months April - June 2010	3 months April-June 2009
Net Sales	**561**	**558**	**295**	**294**
Cost of goods sold	-499	-505	-256	-265
Gross profit	**63**	**53**	**39**	**29**
Selling expenses	-62	-58	-29	-30
Administrative expenses	-62	-70	-30	-37
Research and development expenses	-6	-6	-3	-3
Other operating incomes	129	142	65	82
Other operating expenses	-106	-103	-52	-54
Operating income	**-44**	**-42**	**-11**	**-13**
Revenue from participations in Group Companies	241	547	241	126
Other interest revenue and similar income	10	18	5	10
Interest expenses and similar expenses	7	-17	5	-11
Net financial items	**258**	**548**	**251**	**125**
Income after financial items	**215**	**506**	**240**	**112**
Taxes on income for the period	-7	-2	-7	-2
Net income for the period	**208**	**504**	**234**	**110**

Parent Company Balance Sheets in Brief

SEK m	30 June 2010	31 December 2009	30 June 2009
ASSETS			
Goodwill	649	699	749
Other intangible fixed assets	32	29	34
Total intangible fixed assets	**681**	**728**	**783**
Tangible fixed assets	65	67	60
Financial fixed assets	1 052	1 070	1 083
Total fixed assets	**1 799**	**1 865**	**1 926**
Inventories	101	86	102
Accounts receivable	113	104	123
Other operating receivables	1 076	843	1 133
Cash and bank	35	179	89
Total current assets	**1 324**	**1 212**	**1 447**
TOTAL ASSETS	**3 123**	**3 077**	**3 373**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Total restricted shareholders equity	84	83	84
Total unrestricted shareholders equity	1 977	1 868	1 844
Shareholders' equity[1)]	**2 061**	**1 951**	**1 928**
Provisions	**111**	**113**	**113**
Long-term financial liabilities	651	668	988
Total long-term liabilities	**651**	**668**	**988**
Accounts payable	41	73	56
Other short-term liabilities	259	272	288
Total short-term liabilities	**300**	**345**	**344**
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	**3 123**	**3 077**	**3 373**

1) Shareholders' equity also includes Group contributions received from Rexcell Tissue & Airlaid AB.

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.

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. Figures for 2010 are calculated at exchange rates for 2009.

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.

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 2.3, Reporting for Legal Entities, and the Annual Accounts Act. The accounting principles are the same as in the Annual Report as per 31 December 2009.

Note 2 • Divested business

The American businesses, Duni Corporation and Duni Supply Corporation, were sold in August 2006. Final capital gains from the sale were adjusted by SEK 6 m in December 2008 and amounted in total to SEK 131 m.

Note 3 • Segment reporting, SEK m

January - June

2010-01-01 – 2010-06-30	Professional	Retail	Tissue	Group's Total
Total net sales	1 344	320	523	**2 187**
Net sales from other segments	-	-	257	**257**
Net sales from external customers	**1 344**	**320**	**266**	**1 930**
Underlying operating income	**163**	**1**	**5**	**168**
Non-recurring items	-	-	-	**-4**
Operating income	**-**	**-**	**-**	**165**
Net financial items	-	-	-	**-9**
Income after financial items	-	-	-	**156**

2009-01-01 – 2009-06-30	Professional	Retail	Tissue	Group's Total
Total net sales	1 411	374	494	**2 278**
Net sales from other segments	-	-	236	**236**
Net sales from external customers	**1 411**	**374**	**258**	**2 042**
Underlying operating income	**161**	**-8**	**3**	**157**
Non-recurring items	-	-	-	**22**
Operating income	**-**	**-**	**-**	**178**
Net financial items	-	-	-	**-34**
Income after financial items	-	-	-	**144**

April - June

2010-04-01 – 2010-06-30	Professional	Retail	Tissue	Group's Total
Total net sales	710	136	264	**1 110**
Net sales from other segments	-	-	139	**139**
Net sales from external customers	**710**	**136**	**125**	**970**
Underlying operating income	**94**	**-7**	**5**	**91**
Non-recurring items	-	-	-	**-1**
Operating income	**-**	**-**	**-**	**91**
Net financial items	-	-	-	**-1**
Income after financial items	-	-	-	**90**

2009-04-01 – 2009-06-30	Professional	Retail	Tissue	Group's Total
Total net sales	742	169	232	**1 143**
Net sales from other segments	-	-	108	**108**
Net sales from external customers	**742**	**169**	**124**	**1 035**
Underlying operating income	**96**	**-10**	**-2**	**84**
Non-recurring items	-	-	-	**24**
Operating income	**-**	**-**	**-**	**108**
Net financial items	-	-	-	**-14**
Income after financial items	-	-	-	**94**

The increase in investments compared with the preceding year relates primarily to the Tissue business area. In other respects, no significant changes have taken place in the assets of the segments compared with the annual report as per 31 December 2009.

Note 4 • 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	6 months January-June 2010	6 months January-June 2009	3 months April - June 2010	3 months April-June 2009	12 months July - June 09/10	12 months January - December 2009
Other operating incomes	2	28	1	26	31	57
Other operating expenses	-6	-6	-2	-2	-3	-3
Total	**-4**	**23**	**-1**	**25**	**27**	**54**

Restructuring cost SEK m	6 months January-June 2010	6 months January-June 2009	3 months April – June 2010	3 months April – June 2009	12 months July-June 09/10	12 months January-December 2009
Cost of goods sold	0	-1	0	-1	0	-1
Selling expenses	-	-	-	-	-	-1
Administrative expenses	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-
Total	**0**	**-1**	**0**	**-1**	**0**	**-2**