21 April 2016

Q1 Presentation 2016

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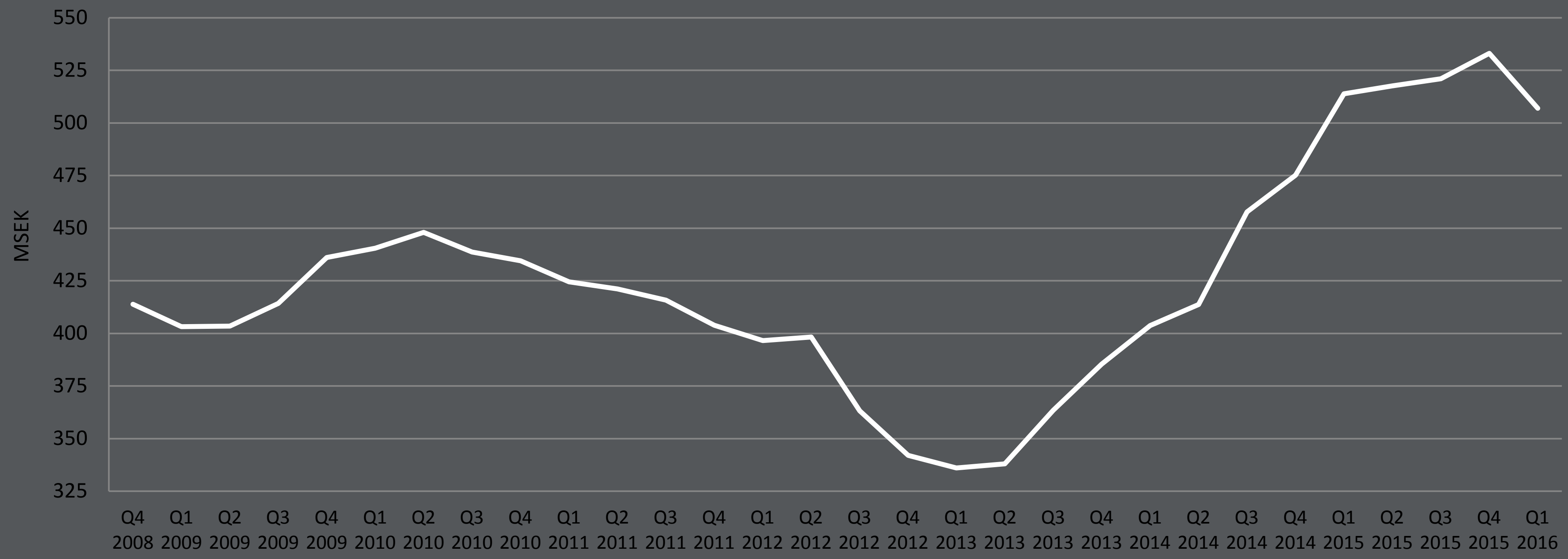
2016 Q1 Highlights

- Q1 sales on par with previous year corrected for calendar & currency effects.
- Sales decrease in Consumer Business Area hampered overall sales which in many areas developed positively; e.g. Meal Service growing with 10%.
- Result negatively influenced by foreign exchange rates development including GBP & NOK.
- Lower capacity utilization in factories, partly due to installation of new equipment for increased capacity.

- Net sales SEK 959 m (985)
- Operating income SEK 87 m (107)
- Operating margin 9.0% (10.9%)

LTM operating income development



Includes discontinued operations

Market Outlook

Market Outlook

- HoReCa market long-term growing in line with or slightly above GDP.
  - Higher growth in take-away, catering and fast food restaurants compared to traditional full service restaurants.
  - Restaurant sector in Germany with flat levels since Q4 2015, but modest growth for Hotels and relatively solid growth for catering (4%). Similar development for West & Central Europe.
- Stable development in GDP, but latest macro statistics indicate slightly higher uncertainty.
  - Consumer confidence and economic sentiment continue to drop in Quarter 1, but still slightly above long term average levels for Europe.
  - GDP growth at constant rate ~1.5% weighted for Duni markets with similar trend on private consumption. Comparable levels expected in 2016.
  - Inflation close to zero in EUR area leading to firm price pressure.
- EUR slightly stronger vs USD which ease pressure on raw materials.
- Increasing competition and new competitors in mid- and high end segment.

Business Areas

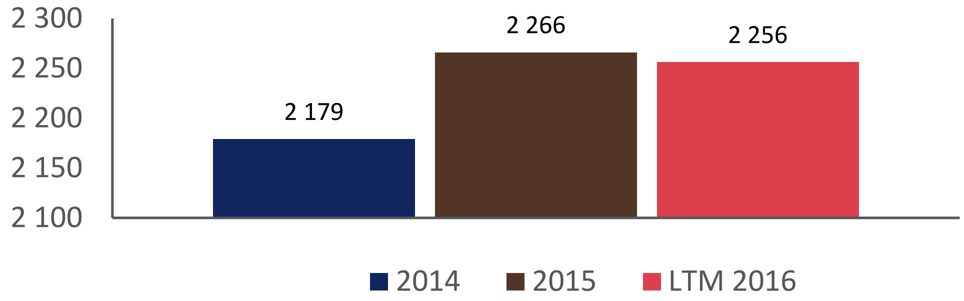
Table Top

Flat development in sales and headwind from FX rates.

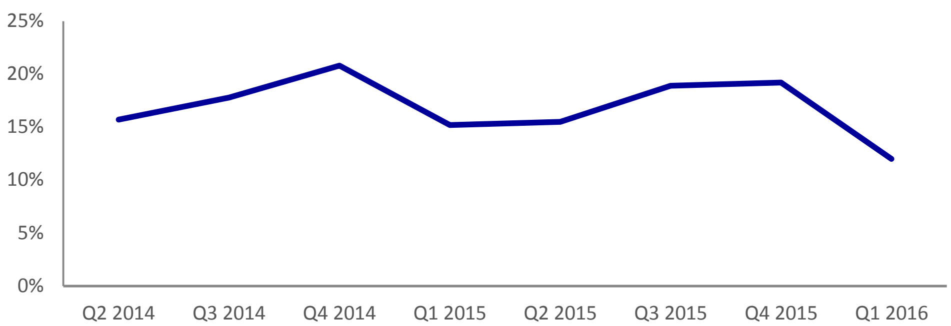
Table Top

SALES & OPERATING MARGIN 1)

NET SALES, SEK m



OPERATING MARGIN, %



1) Operating margin adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

Q1, 2016

- South & East with solid sales development in the quarter >10%, but decrease in mature markets like Germany & Nordics.
- Table cover segment continue to decrease its relative share of sales, but premium napkins strengthen its position in the markets.
- Weak GBP and NOK burdened result in first quarter from lower gross margins.
- Lower capacity utilization in factories compared to previous year with negative effect in result.
- Stronger EUR vs USD resulted in downward pressure on pulp prices.

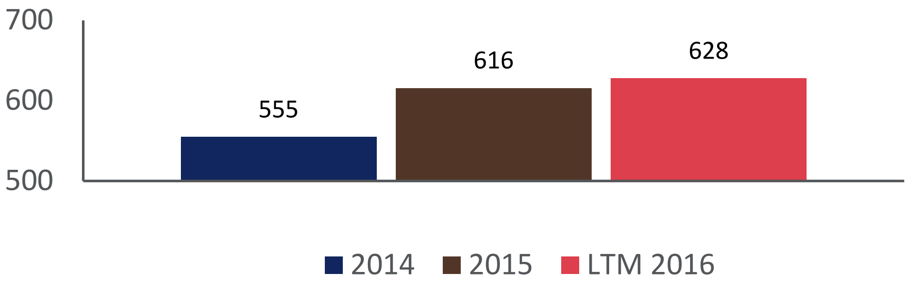
Meal Service

Growth close to 10%.

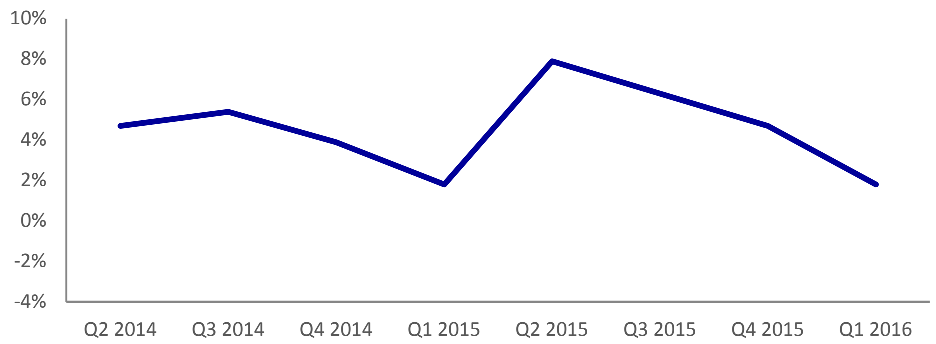
Meal Service

SALES & OPERATING MARGIN [1)]

NET SALES, SEK m



OPERATING MARGIN, %



1) Operating margin adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

Q1, 2016

- Broad increase with growth >5% in almost all markets.
- Germany now second biggest market with growth level close to 20%.
- Norway, an important market, influenced by weak currency.
- Investment in sales force during quarter with higher indirect cost which mitigated the additional gross profit from higher volumes.

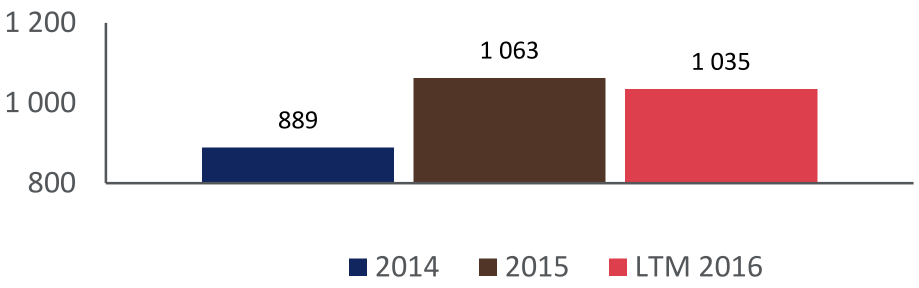
Consumer

Sales drop from lost contracts in Nordics and Central Europe.

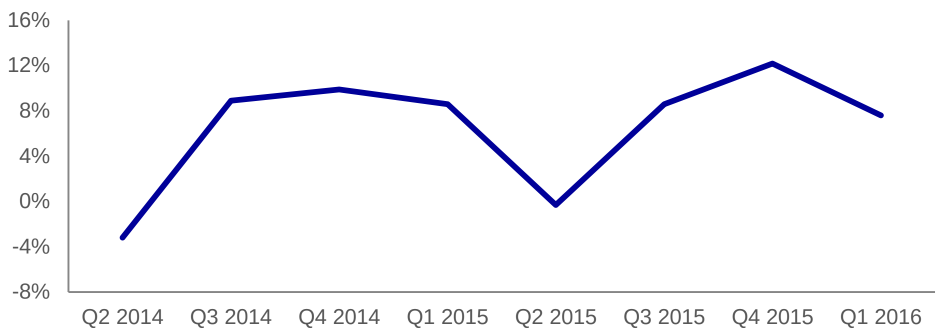
Consumer

SALES & OPERATING MARGIN [1)]

NET SALES, SEK m



OPERATING MARGIN, %



1) Operating margin adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

Q1, 2016

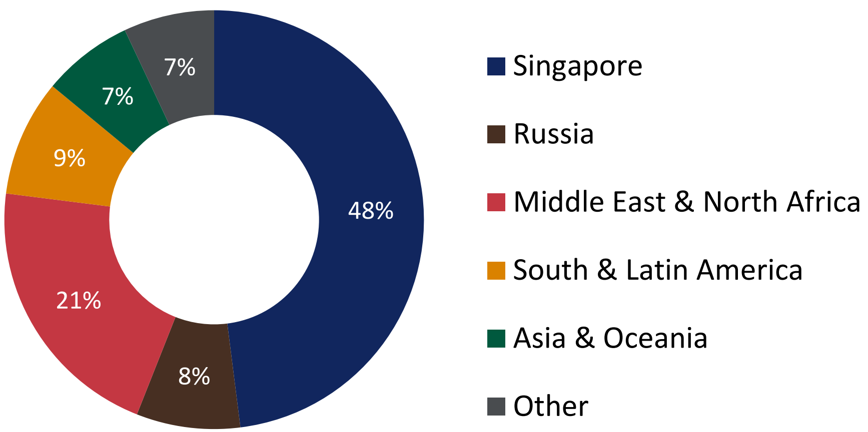
- Some volume campaigns in Germany in Q1 2015 not replaced in 2016.
- Easter season with less importance and lower sales.
- Paper+Design solid performance and with positive contribution to the Business Area.
- Lost contracts in 2015 not fully replaced.
- Good cost control and dynamic organization mitigated volume decline. Profit margin only with minor decrease.

New Markets

Good development in many markets and stabilization in Russia.

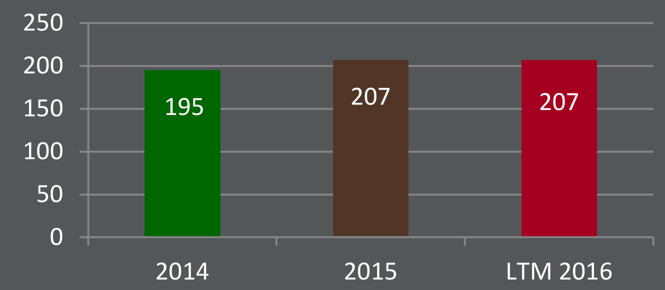
New Markets

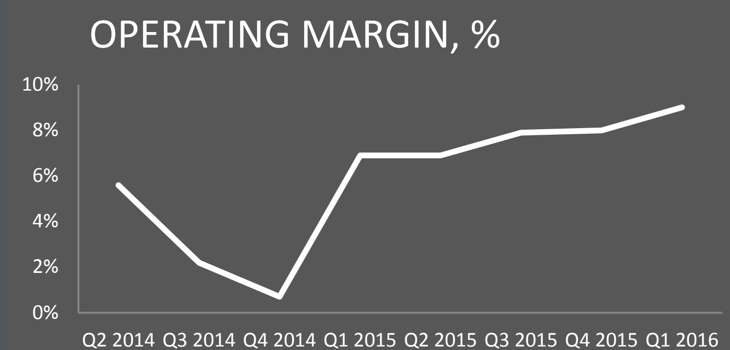
- Operative margin continue to strengthen as a result from activity program in Russia and sales growth in distributor managed markets.
- Duni premium products with stable development in Singapore, but still on modest levels.



Net sales, geographical split

SALES & OPERATING MARGIN 1)





1) Operating margin adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

Materials & Services

- Hygiene is no longer included in Materials & Services, but reported as discontinued operations below net profit.
- Remaining businesses are mainly external sales of tissue and airlaid plus some external services.

Financials

Currency and calendar effects impact profit

SEK m Continuing operations	Q1 2016	Q1 2015	LTM 2015/2016	FY 2015
Net sales	959	985	4 174	4 200
Gross profit	273	287	1 226	1 241
Gross margin	28.4%	29.1%	29.4%	29.5%
Selling expenses	-126	-125	-476	-476
Administrative expenses	-57	-58	-239	-240
R & D expenses	-2	-2	-10	-10
Other operating net	-8	-2	-30	-24
EBIT	80	101	469	490
Adjustments	-7	-7	-38	-38
Operating income [1)]	87	107	507	528
Operating margin	9.0%	10.9%	12.1%	12.6%
Financial net	-6	-6	-32	-31
Taxes	-19	-25	-107	-113
Net income	54	70	330	346
Earnings per share	1.16	1.50	7.02	7.37

1) Operating income adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

Strong momentum in Meal Service

SEK m		Q1 2016	Q1 2015	LTM 2015/2016	FY 2015
Table Top	Net Sales	503	513	2 256	2 266
	Operating income 1)	60	78	374	392
	Operating margin	12.0%	15.2%	16.6%	17.3%
Meal Service	Net Sales	148	136	628	616
	Operating income 1)	3	2	33	33
	Operating margin	1.8%	1.8%	5.2%	5.3%
Consumer	Net Sales	248	276	1 035	1 063
	Operating income 1)	19	24	79	84
	Operating margin	7.6%	8.6%	7.7%	7.9%
New Markets	Net Sales	47	47	207	207
	Operating income 1)	4	3	16	15
	Operating margin	9.0%	6.9%	7.9%	7.4%
Materials & Services	Net Sales	14	13	49	48
	Operating income 1)	1	1	4	4
	Operating margin	5.3%	7.6%	7.6%	8.2%
Continuing operations	**Net Sales**	**959**	**985**	**4 174**	**4 200**
	Operating income 1)	87	107	507	528
	Operating margin	**9.0%**	**10.9%**	**12.1%**	**12.6%**
Discontinued operations	Net Sales	0	61	22	83
	Operating income 1)	0	4	1	5
	Operating margin	0.0%	6.8%	5.9%	6.0%
Duni Total	**Net Sales**	**959**	**1 046**	**4 197**	**4 283**
	Operating income 1)	87	112	508	533
	Operating margin	**9.0%**	**10.7%**	**12.1%**	**12.4%**

1) Operating income adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

Increased capex

SEK m Continuing operations	Q1 2016	Q1 2015	LTM 2015/2016	FY 2015
EBITDA from continuing operations [1)]	**118**	**139**	**635**	**656**
Capital expenditure	**-33**	**-19**	**-175**	**-161**
Change in; Inventory	-34	-35	-23	-23
Accounts receivable	51	11	58	18
Accounts payable	-54	2	-5	51
Other operating working capital	-32	-38	-17	-23
Change in working capital	**-69**	**-61**	**14**	**23**
Operating cash flow	**16**	**60**	**474**	**518**

Cash flow for continuing operations.

1) Operating income adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

Improved financial position vs Q1 2015

SEK m	March 2016	December 2015	March 2015
Goodwill	1 459	1 455	1 462
Tangible and intangible fixed assets	1 135	1 132	1 128
Net financial assets 1)	-29	-72	-4
Inventories	538	500	536
Accounts receivable	612	660	710
Accounts payable	-301	-352	-341
Other operating assets and liabilities 3)	-365	-394	-398
Net assets	**3 050**	**2 929**	**3 092**
Net debt	659	584	836
Equity	2 391	2 345	2 255
Equity and net debt	**3 050**	**2 929**	**3 092**
ROCE 2)	17%	19%	17%
ROCE 2) w/o Goodwill	34%	38%	33%
Net debt / Equity	28%	25%	37%
Net debt / EBITDA 2)	1.04	0.89	1.37

1) Deferred tax assets and liabilities + Income tax receivables and payables.
2) Operating income adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives. Calculated based on the last twelve months, continuing operations.
3) Including restructuring provision and derivatives.

Sales growth

> 5%

Organic growth of 5% over a business cycle

Consider acquisitions to reach new markets or to strengthen current market positions

LTM

0.3%

at fixed exchange rates, excluding hygiene business1)

Operating margin

> 10%

Top line growth – premium focus

Improvements in manufacturing, sourcing and logistics

LTM

12.1%

Dividend payout ratio

40+%

Target at least 40% of net profit

2015

5.00 SEK per share

(proposal)

Thank you!