



Interim Report for Duni AB (publ) 1 January – 30 June 2012

(compared with the same period of the previous year)

13 July 2012

Improved operating income in the quarter

1 January – 30 June 2012

- Net sales amounted to SEK 1 790 m (1 827). Adjusted for exchange rate changes, net sales fell by 2.1%.
- Earnings per share, after dilution, amounted to SEK 1.97 (2.12).
- Stable sales in an uncertain economic climate.

1 April – 30 June 2012

- Net sales amounted to SEK 934 m (960). Adjusted for exchange rate changes, net sales fell by 2.7%.
- Earnings per share, after dilution, amounted to SEK 1.19 (1.25).
- Improved operating margin within the Professional and Consumer business areas.
- The new, more market oriented organization implemented.

Key financials

	6 months January- June 2012	6 months January- June 2011	3 months April – June 2012	3 months April – June 2011	12 months July – June 2011/2012	12 months January – December 2011
SEK m	2012	2011	2012	2011	2011/2012	2011
Net sales	1 790	1 827	934	960	3 769	3 807
Operating income ¹⁾	150	155	90	88	398	404
Operating margin ¹⁾	8.4%	8.5%	9.6%	9.1%	10.6%	10.6%
Income after financial items	128	134	77	79	352	358
Net income	93	99	56	59	254	261

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

CEO's comments

“During the second quarter, Duni's sales performance continued to reflect the weak economy in Europe. Sales were 2.7% lower at fixed exchange rates.

The Professional business area achieved sales of SEK 699 m, representing a decline of 2.2% at fixed exchange rates. This reflects a somewhat weaker trend in Germany than during the first quarter of the year, especially within the cash and carry segment. In addition, we lost rather important sales in the UK; however, these related to a couple of volume contracts with weak profitability. In other respects, the trend in Professional was characterized by stability, with a continued shift in the mix towards premium products. Our new premium tablecover, Evolin[®], is growing on a conservative market, but had only a marginal impact on sales during the quarter.



The Consumer business area experienced a clear improvement during the second quarter compared with the weak first quarter. Sales were SEK 126 m, which is 7.2% lower than last year. The drop in sales is related to the loss of the big international private label-contract during 2011. Beyond this we are witnessing an overall improvement, particularly on the important German market. In light of the fact that the impact of a number of new contracts will be felt during the second half of the year, we believe that Consumer will enjoy a positive trend during the rest of the year.

During the second quarter, business area Tissue achieved sales of SEK 109 m, which was the same as last year. Capacity utilization has improved compared with the preceding quarter, but production was affected by trial runs and the running in of new equipment.

In total, Duni posted an operating income of SEK 90 m, compared with SEK 88 m last year. This represents an operating margin of 9.6% (9.1%). The improvement in income is mainly due to an improved gross margin resulting from the price increases carried out last year, combined with relative stability in raw materials prices.

1 April saw the launch of the new organizational structure which is aimed at creating a clearer focus on the various lines of business and providing improved conditions for growth. During the quarter, the recruitments resulting from the organizational change were also finalized.

In the coming quarters, the European sovereign debt crisis may have the effect of curbing economic growth. Thus, we anticipate, and are prepared for, continued uncertainty as regards demand on the market”, says Fredrik von Oelreich, President and CEO, Duni.

Net sales amounted to SEK 1 790 m

1 January – 30 June

Compared with the same period last year, net sales declined by SEK 37 m, to SEK 1 790 m (1 827). Adjusted for exchange rate changes, net sales fell by 2.1%. The Professional business area demonstrated stable sales in a Europe in which economic activity is slowing down. Consumer's sales were 14.4% lower, with most of the reduction attributable to the private label contract which was lost last year.

1 April – 30 June

Net sales amounted to SEK 934 m (960). Adjusted for exchange rate changes, net sales fell by 2.7%. The Consumer business area has strengthened its position since the previous quarter. Professional, on the other hand, reported somewhat lower sales, largely attributable to reduced sales of low margin volumes on the UK market.

<i>Net sales, currency effect</i>	6 months January- June 2012	6 months January- June 2012 ¹⁾ recalculated	6 months January- June 2011	Change in fixed exchange rates	3 months April – June 2012	3 months April – June 2012 ¹⁾ recalculated	3 months April – June 2011	Change in fixed exchange rates
<i>SEK m</i>								
Professional	1 324	1 324	1 320	0.3%	699	701	717	-2.2%
Consumer	253	251	293	-14.4%	126	125	135	-7.2%
Tissue	213	213	214	-0.5%	109	109	109	-0.2%
Duni	1 790	1 788	1 827	-2.1%	934	935	960	-2.7%

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

Operating margin of 8.4 %

1 January – 30 June

Operating income (EBIT) adjusted for non-recurring items amounted to SEK 150 m (155). The gross margin strengthened from 25.6% to 26.4%. The Group's underlying operating margin was 8.4% (8.5%). Adjusted for exchange rate changes, operating income was SEK 7 m lower than last year. The price increases carried out during the second half of 2011, together with stable raw material costs, resulted in a stronger gross margin. In addition, Duni is continuing to increase the share of sales of premium products, which is contributing to a positive mix effect and improved income. Income after financial items was SEK 128 m (134). Income after tax was SEK 93 m (99).

1 April – 30 June

Operating income (EBIT) adjusted for non-recurring items increased by SEK 2 m, to SEK 90 m (88), while the gross margin improved to 26.2% (25.1%). The operating margin strengthened to 9.6% (9.1%). Adjusted for exchange rate changes, the operating income is SEK 1 m higher than last year. Income after financial items was SEK 77 m (79). Income after tax was SEK 56 m (59).

Capacity utilization was somewhat higher than in the preceding quarter and in line with last year. Exchange rate changes during the second quarter have had a negative impact on income compared with last year.

<i>Underlying operating income, currency effect</i>	6 months January- June 2012	6 months January- June 2012 ¹⁾ recalculated	6 months January- June 2011	3 months April- June 2012	3 months April- June 2012 ¹⁾ recalculated	3 months April- June 2011
<i>SEK m</i>						
Professional	151	150	144	90	90	91
Consumer	-1	-2	1	0	0	-4
Tissue	0	0	10	0	0	1
Duni	150	148	155	90	89	88

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

Non-recurring items

Non-recurring items means restructuring costs as well as non-realized valuation effects of currency and energy derivatives due to the fact that hedge accounting is not applied in respect of these financial instruments. To date, provisions of SEK 6 m have been made in 2012 within the scope of the restructuring program which was announced at the end of last year.

Reported income for the period 1 January – 30 June 2012 is affected by non-realized valuation effects of derivatives in the amount of SEK 1 m (-8). For further information see Note 3.

<i>Non-recurring items</i>	6 months January- June 2012	6 months January- June 2011	3 months April- June 2012	3 months April- June 2011	12 months July – June 11/12	12 months January – December 2011
<i>SEK m</i>						
Underlying operating income	150	155	90	88	398	404
Unrealized value changes, derivative instruments	1	-8	0	-2	-1	-10
Restructuring costs	-6	-	-2	-	-11	-6
Reported operating income	145	147	87	86	386	388

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 74% (72%) of Duni's net sales during the period 1 January – 30 June 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 (formerly Retail, focused primarily on the grocery retail trade), accounted for 14% (16%) of net sales during the period.

Duni		
<i>Professional</i> 74%	<i>Consumer</i> 14%	<i>Tissue</i> 12%



Split on Net sales between business areas

The Tissue business area (airlaid and tissue-based material for tabletop products and hygiene applications) accounted for 12% (12%) 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.

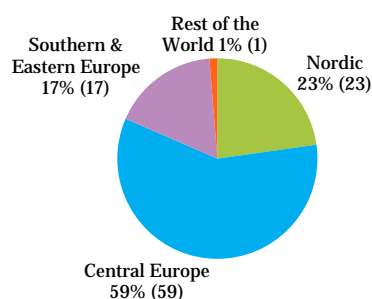
Duni management team, which decides upon the allocation of resources within Duni and evaluates results from the business operations, is the highest executive decision-making body in Duni. Duni controls the business areas on the underlying operating income, after shared costs have been allocated to each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

Professional business area

1 January – 30 June

Net sales were SEK 1 324 m (1 320). At fixed exchange rates, this represents an increase in sales of 0.3%. The first half of the year showed stability on our main markets, while demand in southern Europe in particular has gradually weakened.

Operating income was SEK 151 m (144) and the operating margin was 11.4% (10.9%). The launch of Evolin® has led to increased costs during the first half of the year as regards marketing and the running in of new production equipment.



Sales, Geographical split, Professional

1 April – 30 June

Net sales declined by SEK 18 m, to SEK 699 m (717). At fixed exchange rates, this represents a fall in sales of 2.2%. The weak sales trend is, to a significant extent, attributable to the discontinuation of non-profitable contracts in the UK. To a certain extent, the increasingly severe economic situation in Europe is having a negative impact on consumer behavior. Overall, Duni's market shares, except in the UK, are considered to be intact.

Operating income declined to SEK 90 m (91), with an operating margin of 12.9% (12.7%). Sound cost control and a strong gross margin have contributed to a somewhat higher operating margin.

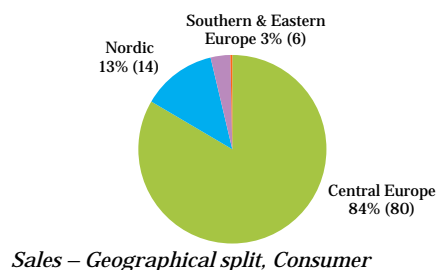
Net Sales, Professional	6 months January-June 2012	6 months January-June 2012 ¹⁾ recalculated	6 months January-June 2011	3 months April - June 2012	3 months April-June 2012 ¹⁾ recalculated	3 months April - June 2011	12 months July - June 11/12	12 months January - December 2011
SEK m								
Nordic region	300	300	304	160	160	162	631	635
Central Europe	779	776	777	402	402	418	1 662	1 640
Southern & Eastern Europe	227	230	227	128	131	131	462	462
Rest of the World	18	18	13	8	8	6	34	29
Total	1 324	1 324	1 320	699	701	717	2 770	2 766

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

Consumer business area

1 January – 30 June

Net sales amounted to SEK 253 m (293), representing a decrease in sales of 14.4% at fixed exchange rates. The year started very weakly, but a recovery has occurred during the latter part of the first semester. A number of important new contracts have been secured, the impact of which is expected to be felt commencing the third quarter. Operating income is affected by the low volumes at the start of the year, but is in line with last year. Operating income was SEK -1 m (1). The operating margin weakened to -0.6% (0.5%).



1 April – 30 June

Net sales amounted to SEK 126 m (135). At fixed exchange rates, this represents a decrease in sales of 7.2%. When corrected for the loss of the major private label contract last year, the Consumer business area is demonstrating underlying growth, which is a significant improvement compared with the preceding quarter. The UK has clearly increased its market shares, while the Nordic Region has continued to perform weakly. In Germany an improvement occurred during the quarter and it is expected to strengthen during the remainder of the year.

As a logical consequence of an improved sales trend, operating income strengthened somewhat compared with last year in what is, for Consumer, a seasonally weak quarter. The explanation can be traced to continuous cost efficiency improvement and optimization of the product range. Operating income was SEK 0 m (-4) and the operating margin was -0.2% (-3.0%).

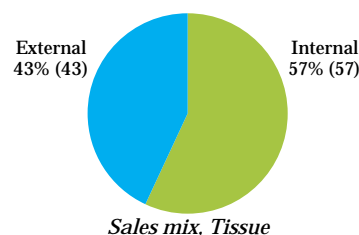
Net Sales, Consumer	6 months January- June 2012	6 months January- June 2012 ¹⁾ recalculated	6 months January- June 2011	3 months April- June 2012	3 months April – June 2012 ¹⁾ recalculated	3 months April - June 2011	12 months July – June 2011/2012	12 months January – December 2011
SEK m								
Nordic region	33	33	41	18	18	21	74	82
Central Europe	211	210	235	103	102	104	478	502
Southern & Eastern Europe	8	8	17	4	4	9	17	26
Rest of the World	1	1	1	0	0	1	2	2
Total	253	251	293	126	125	135	572	612

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

Tissue business area

1 January – 30 June

External net sales were on a par with last year and amounted to SEK 213 m (214). Inventory reduction, with low capacity utilization as a consequence, had a negative impact on operating income during the year. Operating income was SEK 0 m (10). The operating margin declined to 0.0% (4.5%).





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1 April – 30 June

External net sales amounted to SEK 109 m (109). Operating income was SEK 0 m (1) and the operating margin thereby fell from 0.5% to -0.3%. Inventory reduction continued during the second quarter, which was also the case last year. Income for the period was negatively affected to some extent by a number of trial runs to develop new qualities, as well as the running in of new equipment.

Cash flow

The Group's operating cash flow for the period 1 January – 30 June was SEK 124 m (85). The improvement is partly due to that the seasonal inventory buildup has been lower than last year and that a clear focus also has been placed on accounts receivable. Inventory value amounted to SEK 469 m (467). Accounts receivable are SEK 68 m lower at SEK 636 m (704). Accounts payable amount to SEK 282 m (311).

A low level of capital expenditures – which were significant last year – constitutes the primary factor behind a seasonally strong cash flow. Cash flow including investing activities amounted to SEK 59 m (-33). Net capital expenditures for the period amounted to SEK 68 m (119). Depreciation for the period was SEK 57 m (53).

The Group's interest-bearing net debt as per 30 June 2012 was SEK 830 m, compared with SEK 793 m as per 30 June 2011.

Financial net

The financial net for the period 1 January – 30 June amounted to SEK -17 m (-12). The financial net was affected by negative translation effects on cash balances as well as realized exchange rate results, which for the same period last year were marginal.

Taxes

The total reported tax expense for the period 1 January – 30 June was SEK 35 m (35), yielding an effective tax rate of 27.3% (26.0%). The tax expense for the year includes adjustments from previous periods of SEK -0.4 m (0.4). The deferred tax asset relating to loss carry-forwards was utilized in the amount of SEK 14 m (19).

One of Duni's subsidiaries in Germany is subject of an ongoing tax audit relating, among other things, to intra-group dealings and transfer prices. At present, it is not possible to make any reasonable assessment as to the outcome, and thus no provision therefore has been made in the accounts.

Earnings per share

The earnings per share before and after dilution amounted to SEK 1.97 (2.12).

Duni's share

As per 30 June 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 Investering AB (29.99%), Polaris Capital Management, LLC (10.58%) and Lannebo fonder (8.25%).

Personnel

On 30 June 2012 there were 1,840 (1,917) employees. 788 (815) 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.

Since 2007, Duni's long-term financing has been secured through a financing agreement which extends to November 2012. Accordingly, Duni's borrowing as per 30 June 2012 is reported as short-term. Duni has now completed the process of procuring a new agreement.

Contingent liabilities have been reduced by SEK 16 m since 31 December 2011 because the trade with forward electricity contracts has ceased.

Transactions with related parties

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

Major events since 30 June

On 5 July 2012, Duni signed a new financing agreement valid for three years.

Interim reports

Quarter III 24 October, 2012

Quarter IV 14 February, 2013

Duni's Board

At the annual general meeting held on 3 May 2012, Anders Bülow, Tomas Gustafsson, Pia Rudengren, Magnus Yngen and Tina Andersson were re-elected to serve on Duni's board. Anders Bülow was re-elected as chairman of the board.

Employee representatives on the board are Thomas Erlandsson (with Inge Larsson as alternate) and Per-Åke Halvordsson (with Åsa Lundqvist as alternate).

Group Management

Following the reorganization on 1 April 2012, two positions in Duni's group management have been vacant. As previously announced in press releases, the recruitments have now been finalized. Robert Dackeskog will become the new head of the Consumer business area, taking up the position on 6 August 2012. Maria Wahlgren has been appointed as Director Table Top, within the Professional business area, and will take up the position in the autumn of 2012.

Parent Company

Net sales for the period 1 January – 30 June amounted to SEK 505 m (548). Income after financial items was SEK 52 m (-16). The increase is due to the timing for internal dividends from subsidiaries were some have been received earlier this year than last year.

The net debt amounted to SEK -334 m (-198), of which a net asset of SEK 1 129 m (954) relates to subsidiaries. Net capital expenditures amounted to SEK 7 m (26).

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 13 July at 8.00 AM CET.

The interim report will be presented on Friday, 13 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)8 505 598 16. To follow the presentation via the web, please visit this link:

<https://www.anywhereconference.com/?Conference=108273627&PIN=511362>

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.



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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, 12 July 2012

Anders Bülow, Chairman of the Board

Tina Andersson, Board Member

Tomas Gustafsson, Board Member

Pia Rudengren, Board Member

Magnus Yngen, Board Member

Fredrik von Oelreich, President and CEO

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Consolidated Income Statements

SEK m (Note 1)	6 months January - June 2012	6 months January - June 2011	3 months April- June 2012	3 months April - June 2011	12 months July - June 2011/2012	12 months January- December 2011
Net Sales	1 790	1 827	934	960	3 769	3 807
Cost of goods sold	-1 318	-1 360	-689	-720	-2 734	-2 776
Gross profit	472	468	245	241	1 035	1 031
Selling expenses	-230	-227	-108	-110	-444	-441
Administrative expenses	-83	-85	-40	-43	-170	-172
Research and development expenses	-15	-14	-8	-7	-31	-30
Other operating incomes (Note 1, 3)	4	12	2	11	12	15
Other operating expenses (Note 1, 3)	-3	-8	-3	-6	-15	-15
Operating income (Note 2)	145	147	87	86	386	388
Financial income	3	1	1	1	4	3
Financial expenses, etc.	-20	-14	-11	-7	-39	-33
Net financial items	-17	-12	-10	-7	-34	-30
Income after financial items	128	134	77	79	352	358
Income tax	-35	-35	-21	-20	-98	-98
Net Income	93	99	56	59	254	261
Income attributable to:						
Equity holders of the Parent Company	93	99	56	59	254	261
Earnings per share, attributable to equity holders of the Parent Company, SEK						
Before and after dilution	1.97	2.12	1.19	1.25	5.40	5.54
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 2012	6 months January- June 2011	3 months April – June 2012	3 months April- June 2011	12 months July- June 2011/2012	12 months January- December 2011
Net income of the period	93	99	56	59	254	261
Comprehensive income, net after tax:						
Exchange rate differences - translation of subsidiaries	8	-4	3	-2	7	-6
Cash flow hedge	-1	0	-1	0	-1	0
Comprehensive income of the period, net after tax:	7	-4	2	-2	6	-6
Sum of comprehensive income of the period	99	95	58	57	259	255
Comprehensive income of the period attributable to:						
Equity holders of the Parent Company	99	95	58	57	259	255

Consolidated Quarterly Income Statements in brief

SEK m	2012		2011			2010		
	Apr - Jun	Jan - Mar	Oct- Dec	Jul- Sep	Apr- Jun	Jan- Mar	Oct- Dec	Jul- Sep
Net Sales	934	856	1 063	917	960	867	1 097	943
Cost of goods sold	-689	-629	-747	-669	-720	-640	-785	-698
Gross profit	245	227	315	248	241	227	312	245
Selling expenses	-108	-122	-109	-105	-110	-118	-107	-99
Administrative expenses	-40	-42	-45	-43	-43	-42	-45	-43
Research and development expenses	-8	-8	-9	-7	-7	-6	-9	-5
Other operating incomes (Note 1)	2	4	1	5	11	5	65	11
Other operating expenses (Note 1)	-3	-2	-10	-1	-6	-6	-48	-7
Operating income	87	57	144	98	86	61	169	102
Financial income	1	1	1	1	1	1	0	0
Financial expenses etc.	-11	-8	-10	-9	-7	-6	-6	-3
Net financial items	-10	-7	-9	-8	-7	-6	-6	-3
Income after financial items	77	50	134	90	79	55	163	99
Income tax	-21	-13	-36	-26	-20	-15	-46	-27
Net Income	56	37	98	63	59	41	117	72

Consolidated Balance Sheets in brief

SEK m	30 June 2012	31 December 2011	30 June 2011
ASSETS			
Goodwill	1 199	1 199	1 199
Other intangible fixed assets	57	57	49
Tangible fixed assets	834	830	654
Financial fixed assets	226	243	266
Total fixed assets	2 316	2 329	2 168
Inventories	469	470	467
Accounts receivable	636	663	704
Other operating receivables	138	134	142
Cash and cash equivalents	107	85	91
Total current assets	1 350	1 352	1 404
TOTAL ASSETS	3 666	3 681	3 572
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	2 017	2 082	1 922
Long-term loans	17	26	710
Other long-term liabilities	210	212	209
Total long-term liabilities	227	238	919
Accounts payable	282	302	311
Short-term loans	754	635	-
Other short-term liabilities	386	424	419
Total short-term liabilities	1 422	1 361	731
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3 666	3 681	3 572

Change in the Group's shareholders' equity

SEK m	Attributable to equity holders of the parent company						TOTAL EQUITY
	Share capital	Other injected capital	Reserves	Cash flow reserves	Fair value reserve ¹⁾	Profit carried forward incl. net income for the period	
Opening balance 1 January 2011	59	1 681	49	-	13	189	1 991
Sum of comprehensive income of the period	-	-	-4	0	-	99	95
Dividend paid to shareholders	-	-	-	-	-	-164	-164
Closing balance 30 June 2011	59	1 681	45	0	13	124	1 922
Sum of comprehensive income of the period	-	-	-2	0	-	162	160
Closing balance 31 December 2011	59	1 681	43	0	13	286	2 082
Sum of comprehensive income of the period	-	-	8	-1	-	93	99
Dividend paid to shareholders	-	-	-	-	-	-164	-164
Closing balance 30 June 2012	59	1 681	51	-1	13	215	2 017

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 2012	1 January- 30 June 2011
Current operation		
Operating income	145	147
Adjustment for items not included in cash flow etc.	41	50
Paid interest and tax	-31	-35
Change in working capital	-30	-77
Cash flow from operations	124	85
Investments		
Acquisition of fixed assets	-69	-121
Sales of fixed assets	3	2
Change in interest-bearing receivables	1	1
Cash flow from investments	-65	-118
Financing		
Taken up loans ¹⁾	134	125
Amortization of debt ¹⁾	-	-
Dividend paid	-164	-164
Change in borrowing	-6	41
Cash flow from financing	-37	2
Cash flow from the period	22	-31
Liquid funds, opening balance	85	122
Exchange difference, cash and cash equivalents	0	1
Cash and cash equivalents, closing balance	107	91

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 2012	1 January- 30 June 2011
Net Sales, SEK m	1 790	1 827
Gross Profit, SEK m	472	468
EBIT ¹⁾ , SEK m	150	155
EBITDA ¹⁾ , SEK m	206	208
Net debt	830	793
Number of Employees	1 840	1 917
Sales growth	-2.1%	-5.3%
Gross margin	26.4%	25.6%
EBIT ¹⁾ margin	8.4%	8.5%
EBITDA ¹⁾ margin	11.5%	11.4%
Return on capital employed ^{1) 2)}	15.2%	17.2%
Net debt/equity ratio	41.2%	41.2%
Net debt/EBITDA ^{1) 2)}	1.63	1.51

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)	6 months January - June 2012	6 months January - June 2011	3 months April - June 2012	3 months April - June 2011
Net Sales	505	548	268	290
Cost of goods sold	-448	-498	-236	-263
Gross profit	56	51	31	28
Selling expenses	-66	-58	-28	-27
Administrative expenses	-64	-71	-32	-40
Research and development expenses	-7	-6	-4	-3
Other operating incomes	110	103	59	51
Other operating expenses	-77	-72	-39	-38
Operating income	-48	-53	-12	-29
Revenue from participations in Group Companies	98	34	98	34
Other interest revenue and similar income	16	14	7	7
Interest expenses and similar expenses	-13	-11	-9	-5
Net financial items	101	37	96	37
Income after financial items	52	-16	84	7
Taxes on income for the period	-2	0	-3	0
Net income for the period	51	-16	81	7

Parent Company Statement of Comprehensive Income

SEK m	6 months January - June 2012	6 months January - June 2011	3 months April - June 2012	3 months April - June 2011
Net income of the period				
Comprehensive income, net after tax:	51	-16	81	7
Exchange rate differences - translation of subsidiaries	-1	2	-1	1
Cash flow hedge	-1	0	-1	0
Comprehensive income of the period, net after tax	-2	2	-2	1
Sum of comprehensive income of the period	49	-14	80	8
Comprehensive income of the period attributable to:				
Equity holders of the Parent Company	49	-14	80	8

Parent Company Balance Sheets in Brief

SEK m	30 June 2012	31 December 2011	30 June 2011
ASSETS			
Goodwill	450	500	550
Other intangible fixed assets	48	49	41
Total intangible fixed assets	497	548	590
Tangible fixed assets	67	69	74
Financial fixed assets	990	992	1 031
Total fixed assets	1 554	1 610	1 106
Inventories	92	88	91
Accounts receivable	107	96	110
Other operating receivables	1 329	1 298	1 022
Cash and bank	68	43	41
Total current assets	1 595	1 526	1 264
TOTAL ASSETS	3 150	3 135	2 960
SHAREHOLDERS' EQUITY AND LIABILITIES			
Total restricted shareholders equity	83	83	83
Total unrestricted shareholders equity	1 877	1 993	1 816
Shareholders' equity	1 960	2 076	1 899
Provisions	113	114	115
Long-term financial liabilities	8	9	647
Total long-term liabilities	8	9	647
Accounts payable	49	56	54
Short-term financial liabilities	753	635	-
Other short-term liabilities	266	245	245
Total short-term liabilities	1 068	936	299
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	3 150	3 135	2 960

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 2012 are calculated at exchange rates for 2011.

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.

Note 2 • Segment reporting, SEK m

January - June

2012-01-01 – 2012-06-30	Professional	Consumer	Tissue	Group's Total
Total net sales	1 324	253	492	2 069
Net sales from other segments	-	-	279	279
Net sales from external customers	1 324	253	213	1 790
Underlying operating income	151	-1	0	150
Non-recurring items	-	-	-	-5
Operating income	-	-	-	145
Net financial items	-	-	-	-17
Income after financial items	-	-	-	128

2011-01-01 – 2011-06-30	Professional	Consumer	Tissue	Group's Total
Total net sales	1 320	293	502	2 115
Net sales from other segments	-	-	288	288
Net sales from external customers	1 320	293	214	1 827
Underlying operating income	144	1	10	155
Non-recurring items	-	-	-	-8
Operating income	-	-	-	147
Net financial items	-	-	-	-12
Income after financial items	-	-	-	134

April - June

2012-04-01 – 2012-06-30	Professional	Consumer	Tissue	Group's Total
Total net sales	699	126	250	1 074
Net sales from other segments	-	-	141	141
Net sales from external customers	699	126	109	934
Underlying operating income	90	0	0	90
Non-recurring items	-	-	-	-2
Operating income	-	-	-	87
Net financial items	-	-	-	-10
Income after financial items	-	-	-	77

2011-04-01 – 2011-06-30	Professional	Consumer	Tissue	Group's Total
Total net sales	717	135	252	1 103
Net sales from other segments	-	-	142	142
Net sales from external customers	717	135	109	960
Underlying operating income	91	-4	1	88
Non-recurring items	-	-	-	-2
Operating income	-	-	-	86
Net financial items	-	-	-	-7
Income after financial items	-	-	-	79

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:

<i>Net sales</i>								
SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Professional	699	626	750	696	717	604	758	681
Consumer	126	127	209	110	135	159	231	138
Tissue	109	104	104	111	109	104	109	124
Duni	934	856	1 063	917	960	867	1 097	943
<i>Underlying operating income</i>								
SEK m	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Professional	90	61	121	93	91	53	124	97
Consumer	0	-1	24	-5	-4	6	33	-1
Tissue	0	0	6	10	1	9	6	7
Duni	90	60	151	98	88	67	163	103

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.

<i>Derivative instruments</i> <i>SEK m</i>	6 months January- June 2012	6 months January- June 2011	3 months April - June 2012	3 months April - June 2011	12 months July - June 11/12	12 months January - December 2011
Other operating incomes	1	-	0	-	0	-
Other operating expenses	-	-8	0	-2	-1	-10
Total	1	-8	0	-2	-1	-10

<i>Restructuring cost</i> <i>SEK m</i>	6 months January- June 2012	6 months January- June 2011	3 months April - June 2012	3 months April - June 2011	12 months July - June 11/12	12 months January- December 2011
Cost of goods sold	-	-	-	-	-2	-2
Selling expenses	-5	-	-2	-	-5	-
Administrative expenses	-	-	-	-	-2	-2
Other operating expenses	0	-	0	-	-2	-2
Total	-6	0	-2	0	-11	-6