



Year - End Report for Duni AB (publ)

1 January – 31 December 2014

(compared with the same period of the previous year)

13 February 2015

Full year operating margin in excess of 11%

1 October – 31 December 2014

- Net sales amounted to SEK 1,211 m (1,102). Adjusted for exchange rate changes, net sales increased by 5.8 %.
- Earnings per share, after dilution amounted to SEK 2.31 (2.25).
- Operating income improved within all business areas except New Markets, which was negatively affected by Russia.
- Continued positive cash flow contributes to a strengthened balance sheet.

1 January – 31 December 2014

- Net sales amounted to SEK 4,249 m (3,803). Adjusted for exchange rate changes, net sales increased by 7.5 %.
- Organic growth in core business, currency-adjusted net sales excluding acquisitions and hygiene product operations increase by 3.9%.
- Operating margin exceeds 11% for the first time.
- Earnings per share, after dilution amounted to SEK 6.80 (5.68).
- Acquisition of Paper+Design, which is reported within the Consumer business area as from the middle of June.
- The Board proposes a dividend of SEK 4.50 (4.00) per share.

Key financials

	3 months October- December 2014	3 months October- December 2013	12 months January- December 2014	12 months January- December 2013
SEK m				
Net sales	1 211	1 102	4 249	3 803
Operating income ¹⁾	169	152	475	385
Operating margin ¹⁾	14.0 %	13.8 %	11.2 %	10.1 %
Income after financial items	152	138	437	350
Net income	109	106	319	267

¹⁾ For bridge to EBIT, see the section entitled "Operating income - Non-recurring items".

CEO's comments

"The concluding quarter of the year follows the trend from earlier quarters, with growth and higher earnings compared with last year. The increase in sales totaling SEK 109 m was positively affected by currency movements and acquisitions, but should also be viewed in light of growing uncertainty in the world around us. Net invoicing for the period was SEK 1,211 m (1,102) and operating profit increased to SEK 169 m (152). The operating margin strengthened to 14.0% (13.8%).

For the year as a whole, sales increased by 7.5% in comparable currencies. Net sales amounted to SEK 4,249 m (3,803) and the operating margin strengthened to 11.2% (10.1%). Excluding currency and structuring effects, organic growth was approximately 4%. The fourth quarter began somewhat weaker in terms of sales, but ended with growth well in line with previous quarters. During the past two quarters, we have witnessed increased uncertainty in the world around us. The turbulence in and around Russia has a direct impact on our Russian operations, and also had a tempering effect on other markets. In addition, delivery capability to customers has stabilized and, during the quarter, we reached a satisfactory level on all markets. The logistics disruptions reported previously have now been completely resolved.



The Table Top business area increased sales to SEK 604 m (576), with an operating income of SEK 126 m (116). Following a weak start, the quarter ended significantly stronger thanks, among other things, to an attractive Christmas collection. All in all, the business area grew by 0.3% at fixed exchange rates. Southern Europe and the UK demonstrated strong local growth, while Eastern and Central Europe showed a slight downturn.

Meal Service's growth is continuing to outstrip the market. During the quarter, sales increased to SEK 144 m (132) and operating income increased to SEK 6 m (4). Meal Service is benefiting from an expanding catering and take-away market, with successful investments in concept and product development leading to increases in our market shares.

The Consumer business area grew by 39% in the quarter, with the growth mainly generated by the acquisition of Paper+Design. Sales increased to SEK 322 m (220) and the operating income was SEK 32 m (27). The takeover of Paper+Design is now fully completed and focus is now being placed on further efficiency improvements in the cooperation between the companies. During the second half of 2014, a synergy program was initiated affecting, among other things, purchasing, product range and administration.

New Markets was affected by the turbulence in Russia, with the weakened ruble leading, among other things, to a sharp increase in the Russian company's purchasing costs. The market situation is being assessed regularly and further measures — in addition to the price increases to customers already initiated — cannot be ruled out. The business area's sales amounted to SEK 54 m (56) and operating income declined to SEK 0 m (3).

Within Materials & Services, we are following the previously announced phase out plan. Manufacture of hygiene products will be discontinued after the first quarter of 2015, and production in Dals Långed will thereafter be transferred to the unit in Skåpafors. The business area's sales in the quarter fell to SEK 87 m (118), at the same time as operating income increased to SEK 6 m (2).

During 2014, we have implemented a series of important changes which make us well prepared for 2015. At the same time, we are witnessing increased instability in the world around us, which can affect both purchasing power and the desire to consume," says Thomas Gustafsson, President and CEO, Duni.

Net sales for the quarter amounted to SEK 1 211 m

1 October – 31 December

Compared with the same period of last year, net sales increased by SEK 109 m, to SEK 1,211 m (1,102). Adjusted for exchange rate changes, net sales increased by 5.8%. Duni's core business continued to grow in the quarter, despite a more uncertain economic climate. The Russian operations were negatively affected by the deteriorating economic situation which accelerated during the fourth quarter and explains the downturn in the New Markets business area. Table Top demonstrated stability in the fourth quarter, but compared with the previous year was somewhat weaker on major markets such as Germany. Industry statistics indicate that the restaurant sector has retreated somewhat, while the hotel industry continues to demonstrate a degree of growth. The fourth quarter confirms the uncertainty in general demand that began during the third quarter. Despite this, Duni has achieved success on several segments and markets.

1 January – 31 December

Compared with the same period of last year, net sales increased by SEK 446 m, to SEK 4,249 m (3,803). Adjusted for exchange rate changes, net sales increased by 7.5%. Despite the slowdown in the economy during the second half of the year – with statistics indicating unchanged volumes compared with the preceding year – Duni continues to expand within several areas. Meal Service has regularly demonstrated growth levels of around 6-7%. This is despite only a moderate increase in the dominant Nordic region. 2014 has also felt the impact of structural effects. The acquisitions of Duni Song Seng and Paper+Design had a positive impact during the first and second halves of the year, respectively. In addition, the hygiene products business is being phased out, with a negative impact on sales within Materials & Services. When corrected for structural and currency effects, Duni achieved organic growth of 3.9%, which is just short of the financial target of 5% over a business cycle.

Net sales, currency effect

SEK m	3 months October- December 2014	3 months October- December 2014 ¹⁾ recalculated	3 months October- December 2013	Change in fixed exchange rates	12 months January- December 2014	12 months January- December 2014 ¹⁾ recalculated	12 months January- December 2013	Change in fixed exchange rates
Table Top	604	578	576	0.3 %	2 179	2 079	2 040	1.9 %
Meal Service	144	140	132	6.8 %	555	541	509	6.3 %
Consumer	322	306	220	39.0 %	889	844	603	40.1 %
New Markets	54	54	56	-3.8 %	195	194	150	29.6 %
Materials & Services	87	87	118	-26.1 %	431	430	502	-14.2 %
Duni	1 211	1 165	1 102	5.8 %	4 249	4 090	3 803	7.5 %

¹⁾ Reported net sales for 2014 recalculated at 2013 exchange rates.

Operating margin of 14.0 % in the quarter

1 October – 31 December

Operating income was SEK 169 m (152), with a gross margin of 29.6% (28.0%). The operating margin for the Group was 14.0% (13.8%). Adjusted for exchange rate changes, operating income increased by SEK 6 m compared with the previous year. The fourth quarter was positively affected by the acquisition of Paper+Design, and also by a weaker Swedish krona. Despite accounting for a relatively small portion of Duni's business, the sharp fall in the value of the Russian ruble resulted in negative reappraisal affects compared with the previous year, impacting on both the financial net and operating income. With the exception of New Markets, all business areas reported higher earnings in the fourth quarter compared with the preceding year.

Income after financial items was SEK 152 m (138). Income after tax was SEK 109 m (106).

1 January – 31 December

Operating income amounted to SEK 475 m (385), with a gross margin of 27.3% (26.4%). The operating margin was 11.2% (10.1%). Adjusted for exchange rate changes, operating income increased by SEK 59 m compared with the previous year. Similarly to the fourth quarter, operating income strengthened within all business areas with the exception of New Markets. This trend is attributable to a weaker Swedish krona, structural effects, and a positive development of marketing and sales activities which is in line with the business plan adopted at the end of last year. Parallel with continued efficiency improvements within production and logistics in order to strengthen our competitiveness, significant investments have also been made to strengthen Duni's brand by means of clearer profiling. The financial target of achieving at least 10% operating income has once again been realized during 2014.

Operating income, currency effect

SEK m	3 months October- December 2014	3 months October- December 2014 ¹⁾ recalculated	3 months October- December 2013	12 months January- December 2014	12 months January- December 2014 ¹⁾ recalculated	12 months January- December 2013
Table Top	126	119	116	373	351	339
Meal Service	6	5	4	19	18	13
Consumer	32	30	27	54	49	13
New Markets	0	-1	3	1	-1	3
Materials & Services	6	6	2	27	27	17
Duni	169	158	152	475	444	385

¹⁾ Reported net sales for 2014 recalculated at 2013 exchange rates.

Operating income – Non-recurring items

Duni manages its operations based on what Duni refers to as operating income. 'Operating income' means operating income before restructuring costs, non-realized valuation effects of currency derivatives, fair value allocations and amortization of intangible assets identified in connection with business acquisitions. See the table below.

'Operating income' is a designation which is being used as from 1 January 2014 and corresponds to Duni's previously communicated 'underlying operating income'. For all periods up to and including 31 December 2013, operating income corresponds to the previously communicated 'underlying operating income'.

During the 2013 financial year, restructuring costs were incurred totaling SEK 17 m, of which SEK 11 m relate to a restructuring program aimed at dividing the sales and marketing departments between Table Top and Meal Service. In addition, SEK 6 m relate to efficiency improvements within the logistics operations.

In those cases where derivative instruments have a value, they are reported in the income statement under 'Other Income' or 'Other Expenses'. For details of restructuring costs, see Note 4.

Bridge between operating income and EBIT

SEK m	3 months October- December 2014	3 months October- December 2013	12 months January- December 2014	12 months January- December 2013
Operating income	169	152	475	385
Restructuring costs	0	-12	0	-17
Unrealized value changes, derivative instruments	-	0	0	0
Amortization of intangible assets identified in connection with business acquisitions	-8	-	-14	-
Fair value allocation in connection with acquisitions	0	-	-4	-
EBIT	162	140	456	369

Reporting of operating segments

Since 1 January 2014, Duni's operations are divided into five operating segments, which are referred to by Duni as business areas.

The **Table Top** business area offers Duni's concepts and products primarily to hotels, restaurants and the catering industry. Table Top primarily markets napkins, tablecoverings and candles for the set table. Duni is the market leader within the premium segment in Europe. The business area accounted for approximately 51% (54%) of Duni's net sales during the period 1 January – 31 December 2014.

The **Meal Service** business area offers concepts for meal packaging and serving products for, e.g. take-away, ready-to-eat meals, and various types of catering. Customers mainly comprise companies operating within the restaurant sector, catering or food production. As a niche player, Duni enjoys a leading position within this area in the Nordic region and has a clear growth agenda on identified markets in Europe. The business area accounted for approximately 13% (13%) of Duni's net sales during the period.

The **Consumer** business area offers consumer products to, primarily, the retail trade in Europe. Customers mainly comprise grocery retail chains, but also other channels such as various types of specialty stores, for example garden centers, home furnishing stores, and DIY stores. The business area accounted for approximately 21% (16%) of Duni's net sales during the period. As from June 2014, the Paper+Design acquisition is included as part of the Consumer business area.

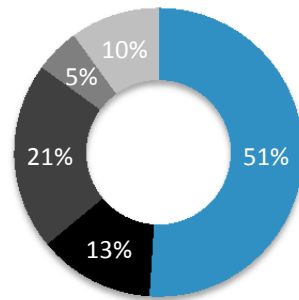
The **New Markets** business area offers Duni's concepts regarding attractive quality products and table top concepts as well as packaging, with a focus on new markets outside Europe. In addition to customer segments such as hotels, restaurants and catering, the business area also aims its offering at the retail trade. The business area accounted for approximately 5% (4%) of Duni's net sales during the period.

The **Materials & Services** business area comprises those parts which are not accommodated within the other business areas. Most of the business area comprises external sales of tissue, where Duni has previously decided to discontinue sales of hygiene products during the first quarter of 2015. Hygiene products accounted for 88% (91%) of Materials & Services' sales for the year. The business area accounted for approximately 10% (13%) of Duni's net sales during the period.

With the exception of Materials & Services, the business areas largely have a joint product range. However, design and packaging solutions are adapted to suit the different sales channels. Production and support functions are largely shared by these business areas.

Group management, which is the highest executive and decision-making body in Duni, decides on the allocation of resources within Duni and evaluates the results of the operations. The business areas are directed based on operating income after shared costs have been allocated between the business areas. For further information, see Note 3.

Split on net sales between business areas



■ Table Top ■ Meal Service ■ Consumer ■ New Markets ■ Materials & Services

Table Top business area

1 October – 31 December

Net sales amounted to SEK 604 m (576). Growth in the fourth quarter is primarily attributable to exchange rate changes. At fixed exchange rates, sales grew by 0.3%. Southern Europe and the UK grew by almost 8% in local currency, while Central and Eastern Europe fell back somewhat. Christmas is Table Top's single most important period. The Christmas range was generally well received by the market and contributed to growth on most markets. The fourth quarter began weaker than expected, but during the second half a return was noted to the growth levels established during the first half of the year.

Operating income was SEK 126 m (116) and the operating margin was 20.8% (20.1%). The targeted price increases that were implemented during the second half of the year compensated for the increase in the price of pulp prevailing since August/September. In addition, efficiency programs within production have resulted in a lower cost, which contributed to strengthening the gross margin somewhat during the quarter. However, a challenge remains when an ever stronger US dollar leads to a higher cost level since underlying raw material prices and traded goods are priced in dollars, while Duni's revenues are largely denominated in EUR and other European currencies.

1 January – 31 December

Net sales amounted to SEK 2,179 m (2,040). At fixed exchange rates this represents a sales increase of 1.9%. The most recent statistics from Germany indicate a slight downturn within the restaurant sector, while HoReCa as a whole demonstrates a modest upturn. In line with the economy as a whole, demand in the Nordic countries continues to be stronger than in continental Europe. A clear feature during the year has been that Table Top has turned around a negative trend within the table setting segment, where Duni enjoys a unique position on the market with several exclusive materials.

Operating income was SEK 373 m (339) and the operating margin was 17.1% (16.6%). The increase in sales continues to be an important explanatory factor for the year's improved result within Table Top. Duni has enjoyed satisfactory operational leverage on increased volumes. 2014 has also demonstrated that the success within Table Top is, to a large extent, explained by the ability to offer both unique customized premium concepts as well as cost-efficient solutions for simpler products.

Net sales, Table Top

	3 months October- December 2014	3 months October- December 2014 ¹⁾ recalculated	3 months October- December 2013	12 months January- December 2014	12 months January- December 2014 ¹⁾ recalculated	12 months January- December 2013
SEK m						
Nordic region	106	106	107	352	352	346
Central Europe	412	389	386	1 478	1 395	1 366
South & East Europe	86	83	83	348	332	327
Total	604	578	576	2 179	2 079	2 040

¹⁾ Reported net sales for 2014 recalculated at 2013 exchange rates.

Meal Service business area

1 October – 31 December

Net sales amounted to SEK 144 m (132). At fixed exchange rates this represents an increase in sales of 6.8%. The fourth quarter is in line with the trend from recent quarters, with stable growth of around 6-7%. Meal Service is benefiting from increased demand within catering and takeaway compared with the traditional restaurant industry. The Nordic region is dominant in terms of size, but in relative terms above-average growth is being achieved in Central Europe.

Operating income was SEK 6 m (4) and the operating margin was 3.9% (3.1%). During the year, Meal Service succeeded in handling its increased sales by optimizing the product mix and offsetting the high raw materials cost which dominated 2014. Plastics prices fell somewhat during the latter part of the fourth quarter, but the strong US dollar partially counteracted the effect of the fall.

1 January – 31 December

Net sales amounted to SEK 555 m (509). At fixed exchange rates this represents an increase in sales of 6.3%. During the year, Meal Service experienced a strong upturn on all markets. The sales activities of recent years have confirmed that there is strong demand for customized solutions, especially when combined with environmentally conscious alternatives. Within this area, Meal Service offers a competitive advantage with a unique concept, which to a large extent explains its success.

Operating income was SEK 19 m (13) and the operating margin was 3.5% (2.5%). Income was up on last year. The gross margin continues to strengthen and is also the primary explanation for the improvement in earnings. Purchases of environmentally conscious materials represented a challenge earlier in the year when general demand on the global market outstripped available capacity. During the year, initiatives have been taken to secure purchases going forward and thereby the ability to offer a continued attractive product range within this area.

Net sales, Meal Service

SEK m	3 months October- December 2014	3 months October- December 2014 ¹⁾ recalculated	3 months October- December 2013	12 months January- December 2014	12 months January- December 2014 ¹⁾ recalculated	12 months January- December 2013
Nordic region	68	68	67	270	270	263
Central Europe	50	47	42	184	174	160
South & East Europe	26	25	22	101	97	86
Total	144	140	132	555	541	509

¹⁾ Reported net sales for 2014 recalculated at 2013 exchange rates.

Consumer business area

1 October – 31 December

Net sales amounted to SEK 322 m (320). At fixed exchange rates this represents an increase in sales of 39.0%. The fourth quarter produced a marginal organic increase in sales. Growth was mainly attributable to the acquisition of Paper+Design. The retail trade in Europe demonstrated weak growth in the fourth quarter, which has leveled off somewhat from the upturn discernible at the beginning of the year. This trend also applies to Duni. In addition, the strong fourth quarter of last year was positively affected by a number of new contracts.

Operating income was SEK 32 m (27) and the operating margin was 9.9% (12.4%). Income improved in absolute terms, but the operating margin was somewhat lower. The quarter has been characterized by increased intensity in market activities in preparation for future launchings. The Designs for Duni® concept has been well received by the market and the next launching will focus on the German market.

1 January – 31 December

Net sales amounted to SEK 889 m (603). At fixed exchange rates this represents an increase in sales of 40.1%. The start to 2014 showed strong growth derived from contracts mainly secured during the second half of 2013. This is also the main reason why the increase in sales slowed down somewhat during the second half of the year. The business area is continuing to gain new, but smaller, contracts. Despite operating in a highly competitive industry, thanks to the high quality of its materials and good delivery capability, Duni is maintaining its position as market leader in Europe.

Operating income was SEK 54 m (13) and the operating margin was 6.1% (2.2%). Duni is continuing to offer competitive prices on high-volume products as well as attractive design and quality within the premium segment. The acquisition of Paper+Design provides an additional advantage over competitors by offering high quality in an attractive design, thereby creating conditions for improved margins in the long term.

Net sales, Consumer

SEK m	3 months October- December 2014	3 months October- December 2014 ¹⁾ recalculated	3 months October- December 2013	12 months January- December 2014	12 months January- December 2014 ¹⁾ recalculated	12 months January- December 2013
Nordic region	47	47	35	147	144	104
Central Europe	233	220	173	630	594	478
South & East Europe	26	25	12	69	65	20
Rest of the World	16	15	0	43	41	1
Total	322	306	220	889	844	603

1) Reported net sales for 2014 recalculated at 2013 exchange rates.

New Markets business area

1 October – 31 December

Sales amounted to SEK 54 m (56). At fixed exchange rates this represents a decline in sales of 3.8%. The fourth quarter was strongly affected by the increased global instability, especially in Russia. Despite accounting for a relatively modest share of sales compared with Europe, Russia is one of Duni's main markets outside Europe and has a strong effect on the business area. Other markets continued to develop positively with growth outstripping the average for Duni as a whole.

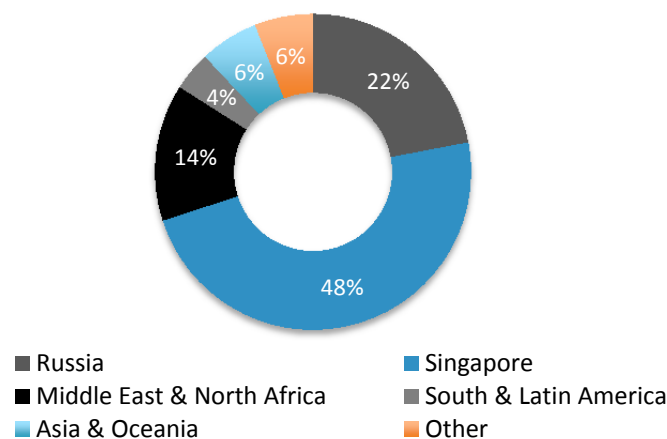
Operating income was SEK 0 m (3) and the operating margin was 0.7% (5.4%). The situation in Russia has negatively affected results for the quarter due to reduced sales, but also due to negative reappraisal affects since the Russian ruble has fallen in value. A program of activities has been initiated to mitigate the impact going forward, since Duni generally enjoys a well-established position in Russia.

1 January – 31 December

Net sales amounted to SEK 195 m (150). At fixed exchange rates this represents an increase in sales of 29.6%. Duni's position in Asia continues to strengthen, not least due to the acquisition carried out at the end of the first half of 2013. Table setting continues to be less developed within this region, but successes during 2014 have demonstrated that premium products are also held in high esteem, a factor which has led to new contracts being won on a regular basis, albeit from low levels.

Operating income was SEK 1 m (3) and the operating margin was 0.8% (2.2%).

Net sales, geographical split, New Markets



Materials & Services business area

1 October – 31 December

Net sales amounted to SEK 87 m (118). At fixed exchange rates this represents a decline in sales of 26.1%. Materials & Services is following the phase-out plan adopted at the beginning of the year. As previously announced, Duni will be discontinuing production at Dals Långed during 2015 and relocating it to Skåpafors. This step will lead to increased optimization within production, with greater possibilities to ensure capacity needs going forward.

Operating income was SEK 6 m (2) and the operating margin was 6.7% (1.6%). Although sales during the past two quarters have been lower than last year, income strengthened thanks to an improved product mix.

1 January – 31 December

Net sales amounted to SEK 431 m (502). At fixed exchange rates this represents a decline in sales of 14.2%. The hygiene products business, which will be discontinued after the first quarter of 2015, had lower sales during the year but is adhering to the adopted plan. Other external sales (excluding the hygiene products business) accounted for 12.1% (9.5%) of the business area's total sales. Operating income was SEK 27 m (17) and the operating margin was 6.3% (3.3%).

Cash flow

The Group's operating cash flow for the period 1 January – 31 December was SEK 533 m (463). Accounts receivable amount to SEK 743 m (658); accounts payable amount to SEK 341 m (348); and inventory is valued at SEK 503 m (434). The strong earnings continue to contribute to a positive cash flow. The fourth quarter is Duni's seasonally strongest quarter and 2014 follows the positive trend noticeable over the past three years, thereby continuing to strengthen the balance sheet. In addition, the trend has also been favorable as regards working capital.

Cash flow, including investing activities with the acquisition of Paper+Design, amounted to SEK 49 m (325). Net capital expenditures for the period amounted to SEK 87 m (82). Amortization/depreciation for the period was SEK 121 m (117).

The Group's interest-bearing net debt as of 31 December 2014 was SEK 888 m, compared with SEK 491 on 31 December 2013.

Financial net

The financial net for the period 1 January – 31 December was SEK -19 m (-19). During the fourth quarter, the financial net was affected by SEK -7 m as an unrealized effect of an internal EUR-denominated loan in Russia.

Taxes

The total reported tax expense for the period 1 January – 31 December amounted to SEK 118 m (83), yielding an effective tax rate of 27.0% (23.7%). The tax expense for the year includes adjustments and non-recurring effects from the previous year of SEK -8.2 m (-0.3). The deferred tax asset relating to loss carryforwards was utilized in the amount of SEK 40 m (40).

Earnings per share

The earnings per share before and after dilution amounted to SEK 6.80 (5.68).

Duni's share

As per 31 December 2014 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 Stockholm under the ticker name "DUNI". Duni's three largest shareholders are Mellby Gård Investering AB (29.99%), Carnegie fonder (9.36%) and Polaris Capital Management, LLC (8.66%).

Personnel

On 31 December 2014 there were 2,092 (1,902) employees. 916 (783) of the employees were engaged in production. Duni's production units are located in Bramsche and Wolkenstein in Germany, Poznan in Poland and Bengtsfors in Sweden.

Acquisitions

On 11 June, Duni acquired all of the shares and voting rights in Paper+Design Group, a business with a strong position in the premium segment for designed, printed napkins, primarily for the consumer market. The products mainly comprise napkins produced in-house, which are sold primarily to specialty retail stores, such as home furnishing stores, garden centers and florists.

Paper+Design is based in Wolkenstein in eastern Germany and has some 200 employees, mainly engaged in production, logistics and sales. In 2013, revenues amounted to EUR 38 m with an operating margin of approximately 20%. Paper+Design is consolidated in the Consumer business area. The business comprises four legal entities.

The purchase price was paid in cash in a one-time payment in connection with the takeover. As a consequence of the acquisition, Duni's net debt increased by approximately EUR 63 m, which is accommodated within the scope of current loan agreements.

Acquisition costs amounted to SEK 6 m, of which SEK 4 m are reported in the income statement for 2014, among "Other operating expenses" in both the parent company and the Group.

The fair value of acquired net assets amounts to SEK 111 m. Apart from goodwill, intangible assets also comprise customer contracts and, to a certain extent, also brands. The goodwill corresponds to the synergies described under the 'Consumer business area' section in Duni's six-month interim report. No part of the reported goodwill or intangible fixed assets is expected to be deductible in conjunction with income taxation.

Acquired net assets, SEK '000

Intangible fixed assets	436 452
Tangible fixed assets	120 021
Deferred tax asset/liabilities net	-69 575
Inventories	60 858
Accounts receivable	35 848
Other operating receivables	4 141
Prepaid income and expenditures	-118
Cash and bank	28 526
Loans	-473 215
Leasing debts	-5 238
Accounts payable	-8 898
Other short-term liabilities	-17 154
Other liabilities	-906
Total acquired net assets	110 742

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 2013.

The long-term financing agreement expires in July 2015. Accordingly, Duni's borrowing as of 31 December 2014 is reported as short term. During the fourth quarter of 2014, Duni commenced a tender process aimed at having a new long-term facility in place during the first quarter of 2015.

Contingent liabilities have increased by SEK 1 m since 31 December 2013.

Transactions with related parties

No transactions with related parties took place during the fourth quarter of 2014.

Major events since 31 December

No significant events have occurred since the balance sheet date.

Interim reports

Quarter I	24 April, 2015
Quarter II	10 July, 2015
Quarter III	21 October, 2015

Proposed dividend

The Board of Directors proposes a dividend of SEK 4.50 (4.00) per share, or SEK 211 m (188). The Board makes the assessment that Duni has a strong balance sheet and that, after the proposed dividend, there will be scope for the Group to perform its obligations and implement planned investments. There is also scope for acquisition possibilities. 7 May 2015 is proposed as the record date for the right to receive dividends.

Annual General Meeting 2015

Duni AB's Annual General Meeting will be held in Malmö at 3pm on 5 May 2015 at Skånes Dansteater. For further information, please see Duni's website. The Annual Report will be available on Duni's website during the week of 30 March 2015. Shareholders who wish to present proposals to Duni's Nomination Committee or wish to have a matter addressed at the Annual General Meeting may do so by e-mail to valberedning@duni.com or bolagsstamma@duni.com, or by letter to: Duni AB, Att: Nomination Committee or AGM, Box 237, 201 22 Malmö, not later than 17 March 2015.

Nomination Committee

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

Duni's Nomination Committee for the 2015 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 Hans Hedström (Carnegie fonder).

Parent Company

Net sales for the period 1 January – 31 December amounted to SEK 1,166 m (1,113). Income after financial items amounted to SEK 180 m (176). The net debt was SEK -744 m (-627), of which a net asset of SEK 1,529 m (1,062) is held by subsidiaries. Net investments amounted to SEK 14 m (9).

Accounting principles

The year-end report for the Group has been prepared in accordance with IAS 34 and the Swedish Annual Reports Act. The parent company' reporting is prepared in accordance with RFR 2, Reporting for Legal Entities, and the Swedish Annual Reports Act. Accounting principles have been applied as reported for the Annual Report per 31 December 2013 with a supplementation regarding subsidies as a consequence of acquisitions, see Note 1.

There is no holding without controlling influence 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 February at 7.45 AM CET.

The year-end report will be presented on Friday, 13 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)8 566 427 01. To follow the presentation via the web, please visit this link:
<http://event.onlineseminarsolutions.com/r.htm?e=925077&s=1&k=5BA0C552D5813849DBC8879D905C7BAF>

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.

Malmö, 12 February 2015

Thomas Gustafsson, President and CEO

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Consolidated Income Statements

SEK m (Note 1)	3 months October- December 2014	3 months October- December 2013	12 months January- December 2014	12 months January- December 2013
Net sales	1 211	1 102	4 249	3 803
Cost of goods sold	-853	-794	-3 091	-2 798
Gross profit	358	308	1 158	1 005
Selling expenses	-122	-117	-456	-437
Administrative expenses	-57	-48	-211	-173
Research and development expenses	-2	-5	-12	-19
Other operating incomes	0	4	4	2
Other operating expenses	-15	-3	-28	-10
EBIT	162	140	456	369
Financial income	1	2	5	7
Financial expenses	-11	-4	-24	-26
Net financial items	-10	-2	-19	-19
Income after financial items	152	138	437	350
Income tax	-43	-32	-118	-83
Net income	109	106	319	267
Income attributable to:				
Equity holders of the Parent Company	109	106	319	267
Earnings per share, attributable to equity holders of the Parent Company, SEK				
Before and after dilution	2.31	2.25	6.80	5.68
Average number of shares before and after dilution ('000)	46 999	46 999	46 999	46 999

Statement of Comprehensive Income

SEK m	3 months October- December 2014	3 months October- December 2013	12 months January- December 2014	12 months January- December 2013
Net income of the period	109	106	319	267
Other comprehensive incomes:				
<i>Items that will not be reclassified to profit or loss:</i>				
Actuarial loss on post-employment benefit obligations	-7	-5	-40	15
Total	-7	-5	-40	15
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange rate differences – translation of subsidiaries	1	0	6	-5
Cash flow hedge	-1	0	-4	1
Total	0	0	2	-4
Other comprehensive income of the period, net after tax:	-7	-5	-38	11
Sum of comprehensive income of the period	102	101	281	278
Sum of comprehensive income of the period attributable to:				
Equity holders of the Parent Company	102	101	281	278

Consolidated Quarterly Income Statements in brief

SEK m	2014				2013			
	Oct - Dec	Jul - Sep	Apr - Jun	Jan - Mar	Oct - Dec	Jul - Sep	Apr - Jun	Jan - Mar
Net sales	1 211	1 100	1 017	921	1 102	936	914	852
Cost of goods sold	-853	-803	-755	-680	-794	-697	-675	-633
Gross profit	358	298	262	241	308	239	239	219
Selling expenses	-122	-108	-112	-113	-117	-103	-102	-115
Administrative expenses	-57	-58	-50	-46	-48	-45	-41	-39
Research and development expenses	-2	-3	-2	-4	-5	-4	-5	-5
Other operating incomes	0	1	7	0	4	0	3	0
Other operating expenses	-15	-7	-4	-5	-3	-3	-3	-6
EBIT	162	122	100	72	140	83	91	55
Financial income	1	1	2	1	2	2	2	1
Financial expenses	-11	-6	-3	-4	-4	-9	-5	-7
Net financial items	-10	-5	-1	-3	-2	-7	-3	-6
Income after financial items	152	117	99	69	138	75	88	49
Income tax	-43	-30	-26	-18	-32	-17	-22	-13
Net income	109	87	73	51	106	59	66	36

Consolidated Balance Sheet in brief

SEK m	31 December 2014	31 December 2013
ASSETS		
Goodwill	1 463	1 249
Other intangible fixed assets	311	78
Tangible fixed assets	851	723
Financial fixed assets	140	180
Total fixed assets	2 765	2 230
Inventories	503	434
Accounts receivables	743	658
Other operating receivables	112	148
Cash and cash equivalents	205	225
Total current assets	1 563	1 465
TOTAL ASSETS	4 328	3 695
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	2 193	2 099
Long-term loans	11	493
Other long-term liabilities	388	264
Total long-term liabilities	399	757
Accounts payable	341	348
Short-term loans	818	-
Other short-term liabilities	578	491
Total short-term liabilities	1 737	839
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4 328	3 695

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 2013	59	1 681	54	-2	13	180	1 985
Sum of comprehensive income of the period	-	-	-5	1	-	282	278
Dividend paid to shareholders	-	-	-	-	-	-164	-164
Closing balance							
31 December 2013	59	1 681	49	-1	13	298	2 099
Sum of comprehensive income of the period	-	-	6	-4	-	279	281
Dividend paid to shareholders	-	-	-	-	-	-188	-188
Closing balance							
30 September 2014	59	1 681	55	-5	13	389	2 193

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 2014	1 January – 31 December 2013
Current operation		
Operating income	456	369
Adjusted for items not included in cash flow etc.	98	106
Paid interest and tax	-13	-61
Change in working capital	-8	50
Cash flow from operations	533	463
Investments		
Acquisitions of fixed assets	-90	-83
Sales of fixed assets	3	1
Acquisitions	-397	-57
Change in interest-bearing receivables	0	1
Cash flow from investments	-484	-138
Financing		
Taken up loans ¹⁾	967	164
Amortization of debt ¹⁾	-834	-254
Dividend paid	-188	-164
Change in borrowing	-17	-28
Cash flow from financing	-72	-283
Cash flow from the period	-23	42
Liquid funds, operating balance	225	181
Exchange difference, cash and cash equivalents	3	1
Cash and cash equivalents, closing balance	205	225

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

*Acquisition of subsidiaries comprises acquisition of shares and repayment of shareholder loans.

Key ratios in brief

	1 January – 31 December 2014	1 January -31 December 2013
Net sales, SEK m	4 249	3 803
Gross profit, SEK m	1 158	1 005
Operating income, SEK m ¹⁾	475	385
EBITDA, SEK m ¹⁾	596	503
Net debt	888	491
Number of employees	2 092	1 902
Sales growth	11.7 %	3.7 %
Gross margin	27.2 %	26.4 %
Operating margin ¹⁾	11.2 %	10.1 %
EBITDA margin ¹⁾	14.0 %	13.2 %
Return on capital employed ^{1) 2)}	16.2 %	16.0 %
Net debt / equity ratio	40.5 %	23.4 %
Net debt / EBITDA ^{1) 2)}	1.49	0.97

1) Calculated based on operating income.

2) Calculated based on the last twelve months.

Parent Company Income Statements in brief

SEK m (Note 1)	3 months October- December 2014	3 months October- December 2013	12 months January- December 2014	12 months January- December 2013
Net sales	324	329	1 166	1 113
Cost of goods sold	-269	-297	-1 020	-980
Gross profit	55	32	147	133
Selling expenses	-38	-28	-130	-118
Administrative expenses	-37	-34	-137	-122
Research and development expenses	-1	-2	-6	-8
Other operating incomes	71	57	233	198
Other operating expenses	-46	-49	-163	-168
EBIT	3	-23	-56	-86
Revenue from participations in Group Companies	172	215	213	255
Other interest revenue and similar income	15	8	36	31
Interest expenses and similar expenses	-2	-4	-13	-24
Net financial items	185	219	237	262
Income after financial items	187	196	180	176
Taxes on income for the period	-35	-33	-46	-37
Net income for the period	153	163	134	138

Parent Company Statement of Comprehensive Income

SEK m	3 months October- December 2014	3 months October- December 2013	12 months January- December 2014	12 months January- December 2013
Net income of the period	153	163	134	138
Other comprehensive income¹⁾:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange rate differences – translation of subsidiaries	-1	1	-2	3
Cash flow hedge	-1	0	-4	1
Total	-2	1	-6	4
Other comprehensive income of the period, net after tax:	-2	1	-6	4
Sum of comprehensive income of the period	151	164	128	143
Sum of comprehensive income of the period attributable to:				
Equity holders of the Parent Company	151	164	128	143

¹⁾ The Parent company does not have any items that will “not be reclassified to profit or loss”.

Parent Company Balance Sheet in Brief

SEK m	31 December 2014	31 December 2013
ASSETS		
Goodwill	200	300
Other intangible fixed assets	29	35
Total intangible fixed assets	229	335
Tangible fixed assets	31	32
Financial fixed assets	2 513	1 975
Total fixed assets	2 773	2 342
Inventories	93	91
Accounts receivable	96	94
Other operating receivables	186	290
Cash and bank	140	164
Total current assets	515	640
TOTAL ASSETS	3 288	2 982
SHAREHOLDERS' EQUITY AND LIABILITIES		
Total restricted shareholders' equity	83	83
Total unrestricted shareholders' equity	1 808	1 868
Shareholders' equity	1 891	1 951
Provisions	107	109
Long-term financial liabilities	-	490
Total long-term liabilities	0	490
Accounts payable	64	52
Short-term loans	818	-
Other short-term liabilities	408	380
Total short-term liabilities	1 290	432
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	3 288	2 982

Definitions

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

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

Operating income: operating income adjusted for restructuring costs, non-realized valuation effects of currency derivatives, fair value allocations and amortization of intangible assets identified in connection with business acquisitions.

EBIT: Reported operating income.

EBIT margin: EBIT as a percentage of net sales.

EBITA: Operating income before amortization of intangible assets.

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

EBITDA margin: EBITDA as a percentage of net sales.

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 2014 are calculated at exchange rates for 2013. 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 2013, with the supplementation below regarding government subsidies as a consequence of acquisitions. A reallocation between interest income and interest expenses has taken place in the amount of SEK 1-2 m per quarter in the 2014 figures; however, this has no effect on the total net financial items.

Government subsidies is reported at fair value since there is reasonable certainty that the subsidy will be received and that Duni will satisfy the conditions associated with the subsidies. Government subsidies with respect to costs is allocated over periods and reported in the income statement over the same periods as the costs which the subsidies is intended to cover. When government subsidies is received for investments in fixed assets, it is reported net among the fixed assets and reduces the depreciation carried out over the period of use.

Note 2 • Financial assets and liabilities

Duni has derivative instruments valued at fair value and held for hedging purposes; all derivative instruments are classified on level 2. Level 2 derivative instruments consist of currency forward contracts and interest rate swaps, which are used for hedging purposes. Valuation of currency forward contracts at fair value is based on published futures prices on an active market. The valuation of interest rate swaps is based on futures interest rates produced based on observable yield curves. The discounting has no material impact on the valuation of derivative instruments on level 2. No financial assets or liabilities have been moved between the valuation categories. The valuation techniques are unchanged during the year.

As described in greater detail in the Annual Report per 31 December 2013, the financial assets and liabilities comprise items with short terms to maturity. Thus, the fair value is considered in all essential respects to correspond to the book value.

Note 3 • Segment reporting, SEK m

October – December

2014-10-01 – 2014-12-31	Table Top	Meal Service	Consumer	New Markets	Materials & Services	Total
Total net sales	604	144	323	54	224	1 349
Net sales from other segments	-	-	1	0	138	139
Net sales from external customers	604	144	322	54	87	1 211
Operating income	126	6	32	0	6	169
EBIT	126	6	25	0	6	162
Net financial items						-10
Income after financial items						152

2013-10-01 – 2013-12-31	Table Top	Meal Service	Consumer	New Markets	Materials & Services	Total
Total net sales	577	132	220	56	257	1 242
Net sales from other segments	1	-	-	-	139	140
Net sales from external customers	576	132	220	56	118	1 102
Operating income	116	4	27	3	2	152
EBIT	112	4	25	4	-4	140
Net financial items						-2
Income after financial items						138

January - December

2014-01-01 – 2014-12-31	Table Top	Meal Service	Consumer	New Markets	Materials & Services	Total
Total net sales	2 179	555	890	195	989	4 808
Net sales from other segments	-	-	1	0	558	559
Net sales from external customers	2 179	555	889	195	431	4 249
Operating income	373	19	54	1	27	475
EBIT	373	19	36	-1	29	456
Net financial items						-19
Income after financial items						437

2013-01-01 – 2013-12-31	Table Top	Meal Service	Consumer	New Markets	Materials & Services	Total
Total net sales	2 041	509	603	151	1 058	4 361
Net sales from other segments	1	0	-	1	556	558
Net sales from external customers	2 040	509	603	150	502	3 803
Operating income	339	13	13	3	17	385
EBIT	334	11	10	4	10	369
Net financial items						-19
Income after financial items						350

No material changes have taken place in the segments' assets compared with the annual report of 31 December 2013. The goodwill in Duni Song Seng is allocated within New Markets. The acquisition of Paper+Design has effects on the assets of the Consumer business area; see the table under the section 'Acquisitions'.

Quarterly overview, by segment:

<i>Net sales</i>	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
SEK m	2014	2014	2014	2014	2013	2013	2013	2013
Table Top	604	545	552	477	576	497	517	450
Meal Service	144	140	148	123	132	126	137	114
Consumer	322	249	161	157	220	123	119	140
New Markets	54	50	48	43	56	47	26	21
Materials & Services	87	116	107	120	118	142	115	127
Duni	1 211	1 100	1 017	921	1 102	936	914	852
<i>Operating income</i>	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
SEK m	2014	2014	2014	2014	2013	2013	2013	2013
Table Top	126	97	87	64	116	78	90	56
Meal Service	6	8	7	-1	4	3	9	-3
Consumer	32	22	-5	6	27	-4	-8	-2
New Markets	0	1	3	-3	3	2	-2	0
Materials & Services	6	4	10	7	2	9	2	3
Duni	169	132	101	73	152	88	91	55

Note 4 • Reporting of restructuring costs

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

<i>Restructuring costs</i>	3 months	3 months	12 months	12 months
SEK m	October-	October-	January-	January-
	December	December	December	December
	2014	2013	2014	2013
Cost of goods sold	-	1	-1	1
Selling expenses	0	-7	-2	-11
Administrative expenses	-	0	-	0
Other operating expenses/income	0	-6	2	-7
Total	0	-12	0	-17