

BOX, Sweden--( [BUSINESS WIRE](#) )--Regulatory News:

Growth and higher earnings in a strong third quarter

Duni AB(STO:DUNI):

1 July – 30 September 2013

Net sales amounted to SEK 936 m (849). Adjusted for exchange rate changes, net sales increased by 9.1%.

- Earnings per share, after dilution, amounted to SEK 1.25 (1.01).
- Higher earnings within all business areas.
- Continued strong cash flow and a low net debt.

1 January – 30 September 2013

- Net sales amounted to SEK 2,701 m (2,638). Adjusted for exchange rate changes, net sales increased by 4.1%.
- Earnings per share, after dilution, amounted to SEK 3.43 (2.98).
- Growth within all business areas.

*Key financials*

3 months July- September

3

SEK m	2013	2012
Net sales	936	849
Operating income 1) 2)	88	63
Operating margin 1) 2)	9.4%	7.4%
Income after financial items	75	59
Net income 2)	59	47

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

2) Comparison figures for 2012 recalculated in accordance with IAS19R; see further in Note 2.

#### CEO's comment regarding the quarter

“The third quarter of the year shows growth and improved profitability in all business areas. Sales in the quarter amounted to SEK 936 m (849), corresponding to an increase of 9.1% at fixed exchange rates. Operating income, before structural costs, improved to SEK 88 m (63). Cash flow for the period is strong and, at the end of the quarter, net debt (including also acquisition expenditures of SEK 57 m) amounted to SEK 673 m (819).

Demand remains weak on the European HoReCa market and follows the same pattern as in the previous quarter. The trend is continuing whereby more easily available concepts (such as take-away and fast food) are growing at the expense of the traditional market. This trend benefits our Meal Service product category within Professional, where we are witnessing somewhat improved growth, but also results in challenges to the traditional restaurant and hotel market. In total, the business area increased its sales during the quarter to SEK 671 m (635), an increase (excluding exchange rate effects) of 4%. Growth as a whole is driven by the fact that the acquired Song Seng business in Singapore is now included in the business area. European sales follow the market and ended on a par with last year.

Sales on our export markets are continuing to grow by double figures. A great deal of focus has been placed on the takeover of Song Seng, where the administrative part of the acquisition has been completed. The next step is to commence launch of Duni's premium range, and our ambition is to develop the market in the same way as we have previously done in Europe.

During the year, the Consumer business area has carried out a number of measures which, among other things, have resulted in successful product launches and sales successes among both existing as well as new customers. The market, which is not growing in volume, is being driven to an ever increasing degree by relatively short term contracts. Several customer contracts have been secured during 2012 and 2013, and thus we are witnessing an improved sales trend. Sales during the quarter increased to SEK

123 m (101), representing an increase of 21% in comparable currency. Operating income improved to SEK -3 m (-12).

The decision to discontinue the hygiene products business after the first quarter 2014 has resulted in a temporary increase in volume demand. The higher rate of production in the quarter, with improved product mix, has significantly strengthened capacity utilization compared with last year. The Tissue business area's external sales during the quarter increased to SEK 141 m (112), and the operating income was SEK 9 m (-2).

As a consequence of the efficiency program announced in the previous report, structural costs of SEK 5 m were incurred in the quarter. The structural program primarily involves efficiency improvements within our commercial organization and is estimated to cost in total approximately SEK 20 m. The program is expected to generate annual savings on par with the structural costs and the full impact on earnings is expected to be generated during the second half of 2014.

Despite a continued weak market, it is pleasing that the rate of growth from the previous quarters has been further strengthened, albeit that the improvement in operating income must be seen in light of a weak quarter last year. We are now entering into the most intensive months of the year, with large scale Christmas deliveries. Just as in previous years, the coming quarter will have a major impact on Duni's income for the year," says Thomas Gustafsson, President and CEO, Duni.

Duni is a leading supplier of attractive and convenient products for table setting and takeaway. The Duni brand is sold in more than 40 markets and enjoys a number one position in Central and Northern Europe. Duni has some 1,900 employees in 18 countries, headquarters in Malmö and production units in Sweden, Germany and Poland. Duni is listed on NASDAQ OMX Stockholm under the ticker name "DUNI". ISIN-code is SE 0000616716.

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