Interim Report for Duni AB (publ)
1 January – 30 September 2014

(compared with the same period of the previous year)

22 October 2014

Growth and strong operating margin

1 July – 30 September 2014

- Net sales amounted to SEK 1 100 m (936). Adjusted for exchange rate changes, net sales increased by 12.1 %.
- Organic growth in the core business, currency-adjusted net sales (excluding acquisitions and the hygiene products business) increase by 5.5%.
- Earnings per share, after dilution amounted to SEK 1.85 (1.25).
- Improved operating margin within the three dominant business areas.
- Strengthened position on most markets.
- Decision to concentrate Rexcell Tissue & Airlaid AB's production in a single locality.

1 January – 30 September 2014

- Net sales amounted to SEK 3 037 m (2 701). Adjusted for exchange rate changes, net sales increased by 8.2 %
- Earnings per share, after dilution amounted to SEK 4.48 (3.43).
- Acquisition of Paper+Design, which is reported within the Consumer business area as from the middle of June.

Key financials

SEK m	3 months July-September 2014	3 months July-September 2013	9 months January-September 2014	9 months January-September 2013	12 months October-September 2013/2014	12 months January-December 2013
Net sales	1 100	936	3 037	2 701	4 139	3 803
Operating income[1)]	132	88	306	234	458	385
Operating margin[1)]	12.0 %	9.4 %	10.1 %	8.6 %	11.1 %	10.1 %
Income after financial items	117	75	285	212	423	350
Net income	87	59	211	161	317	267

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

CEO's comments

"Duni's third quarter is historically strong and includes improvements in all major business areas. Growth – which reached 18% in the quarter – is being driven primarily by the acquisition of Paper+Design, volume increases in the core business, and positive currency effects. Excluding currency and structural effects, the organic growth is in line with our financial target of 5%, and with a good end of the year we see that the growth target can be achieved. Net invoicing amounts to SEK 1,100 m (936) and the operating income increased to SEK 132 m (88). The net debt is SEK 1,061 m (673).

In addition to volume increases, efficiency improvements are also contributing to improved operating income. The operating margin for the quarter increased to 12.0% (9.4%), driven by Paper+Design and by improvements within the production and logistics units as well as within our business areas. We have a lower percentage of indirect costs compared with the preceding quarter, as well as more efficient logistics flows. Our assessment is that the disruptions reported within logistics in the preceding quarterly report will be entirely made up for during the final quarter of 2014.

Since hygiene product production will terminate after the first quarter 2015, a decision has been taken to concentrate all remaining production in Dalsland at the plant in Skåpafors. Accordingly, the operations in Dals Långed will be shut down during the autumn of 2015. The concentration will lead to efficiency improvements and an increase in capacity within important product segments, and is expected to be fully implemented during the autumn of 2015.

With the exception of Materials & Services, all business areas grew in the quarter; our largest business area, *Table Top*, increased sales by 9.7% compared with the same quarter last year. The increase in sales is due to positive currency effects and also increased market shares and improved efficiency in sales operation. During the year, several successful products and concepts have been launched and Table Top is continuing to grow despite a continued cautious market.

The *Meal Service* business area, which is operating in a more favorable market climate, generated high growth figures also in the third quarter. Net revenues increased by 10.7% and amounted to SEK 140 m (126). Growth had a leverage effect on income and the operating margin increased to 5.4% (2.2%). The improvement is being driven by the business area's consistent focus on more environmentally adapted segments and products with unique functionality.

Paper+Design is now integrated in *Consumer* and the acquisition generated most of the business area's increase in earnings and sales in the quarter. The takeover has been carried out without operational disruptions, and both sales and income are in line with the plan adopted during the acquisition process. Paper+Design has a somewhat earlier sales cycle than Duni, entailing that the third quarter is normally stronger than other quarters. Consumer achieved net sales of SEK 249 m (123) and operating income of SEK 22 m (-4).

During the quarter, the *New Markets* business area experienced a lower rate of growth than other business areas. Net sales amounted to SEK 50 m (47), with an operating income of SEK 1 m (2). The business area was negatively affected primarily by developments in Russia, where an increasingly weak Ruble is leading to a decrease in demand for imported products. Growth on other export markets has been positive, in line with previous quarters.

Within *Materials & Services*, we are following the phase-out plan regarding the production of hygiene articles which was adopted at the beginning of the year. Sales for the quarter amounted to SEK 116 m (142) and operating income fell to SEK 4 m (9).

The third quarter results are historically strong and it is pleasing that both structural effects and improvements in the core business are contributing to growth and an increase in operating income," says Thomas Gustafsson, President and CEO, Duni.

Net sales for the quarter amounted to SEK 1 100 m

1 July – 30 September

Net sales increased by SEK 164 m compared with the same period of last year, to SEK 1,100 m (936). Adjusted for exchange rate changes, net sales increased by 12.1%. During the quarter, the acquisition of Paper+Design made a positive contribution and accounts for most of the increase in sales. Adjusted for currency effects and the hygiene products business which is being phased out, Duni reports organic growth in line with the financial target of 5%. Despite a continued uncertain economic trend, during the quarter Duni enjoyed positive growth on most markets. Duni's position has strengthened within the premium segment (primarily napkins), and success has also been achieved within the standard range.

1 January – 30 September

Net sales increased by SEK 336 m compared with the same period of last year, to SEK 3,037 m (2,701). Adjusted for exchange rate changes, net sales increased by 8.2%. 2014 has been characterized by a degree of optimism within both the retail trade and within the HoReCa segment, but increased unease was discernible during the third quarter. Consumer confidence in the economy and the propensity to consume are considered to be stable, or to have weakened slightly. Nevertheless, thanks to active market measures Duni continued to grow within most segments. The acquisition of Paper+Design enhances Duni's possibilities to offer additional unique and attractive solutions for the customer.

Net sales, currency effect

SEK m	3 months July-September 2014	3 months July-September 2014[1] recalculated	3 months July-September 2013	Change in fixed exchange rates	9 months January-September 2014	9 months January-September 2014[1] recalculated	9 months January-September 2013	Change in fixed exchange rates
Table Top	545	515	497	3.6 %	1 575	1 502	1 464	2.6 %
Meal Service	140	136	126	7.2 %	411	400	377	6.2 %
Consumer	249	234	123	90.0 %	567	538	382	40.7 %
New Markets	50	49	47	3.0 %	142	141	94	49.3 %
Materials & Services	116	116	142	-18.2 %	343	343	384	-10.6 %
Duni	**1 100**	**1 049**	**936**	**12.1 %**	**3 037**	**2 924**	**2 701**	**8.2 %**

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

Operating margin of 12.0 % in the quarter

1 July – 30 September

Operating income amounted to SEK 132 m (88), with a gross margin of 27.5% (25.5%). The operating margin for the Group was 12.0% (9.4%). Adjusted for exchange rate changes, operating income increased by SEK 35 m compared with the preceding year. The third quarter was the strongest yet, with a positive effect from the acquisition of Paper+Design. The improved volumes within the business areas are contributing to continued healthy capacity utilization, with positive absorption effects. A lower percentage of indirect costs has also contributed to a strengthened operating margin.

Income after financial items was SEK 117 m (75). Income after tax was SEK 87 m (59).

1 January – 30 September

Operating income amounted to SEK 306 m (234), with a gross margin of 26.5% (25.8%). The operating margin was 10.1% (8.6%). Adjusted for exchange rate changes, operating income increased by SEK 52 m compared with last year. Duni's structural changes in the form of the acquisition in Singapore during 2013 and the acquisition of the German company Paper+Design at the end of the second quarter of 2014 have made an ongoing positive contribution to operating income during the year. Synergies are visible primarily in the form of a stronger position within most distribution channels and markets. Likewise increased opportunities are visible within purchasing, as well as an expanded customer offering.

Income after financial items was SEK 285 m (212). Income after tax was SEK 211 m (161).

Operating income, currency effect

SEK m	3 months July-September 2014	3 months July-September 2014[1)] recalculated	3 months July-September 2013	9 months January-September 2014	9 months January-September 2014[1)] recalculated	9 months January-September 2013
Table Top	97	90	78	247	232	224
Meal Service	8	7	3	14	13	9
Consumer	22	20	-4	22	20	-14
New Markets	1	1	2	1	0	0
Materials & Services	4	4	9	21	21	15
Duni	**132**	**123**	**88**	**306**	**286**	**234**

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

Operating income – Non-recurring items

Duni manage 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. SEK 11 m of these costs relates to a restructuring program aimed at dividing the sales and marketing departments between Table Top and Meal Service. In addition, SEK 6 m relates 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 July-September 2014	3 months July-September 2013	9 months January-September 2014	9 months January-September 2013	12 months October-September 2013/2014	12 months January-December 2013
Operating income	**132**	**88**	**306**	**234**	**458**	**385**
Restructuring costs	0	-5	-1	-5	-12	-17
Unrealized value changes, derivative instruments	-	0	0	0	0	0
Amortization of intangible assets identified in connection with business acquisitions	-5	-	-7	-	-7	-
Fair value allocation in connection with acquisitions	-4	-	-4	-	-4	-
EBIT	**122**	**83**	**294**	**228**	**434**	**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 52% (54%) of Duni's net sales during the period 1 January – 30 September 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% (14%) 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 19% (14%) 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 approximately 90% of Materials & Services' sales in 2013. The business area accounted for approximately 11% (14%) 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

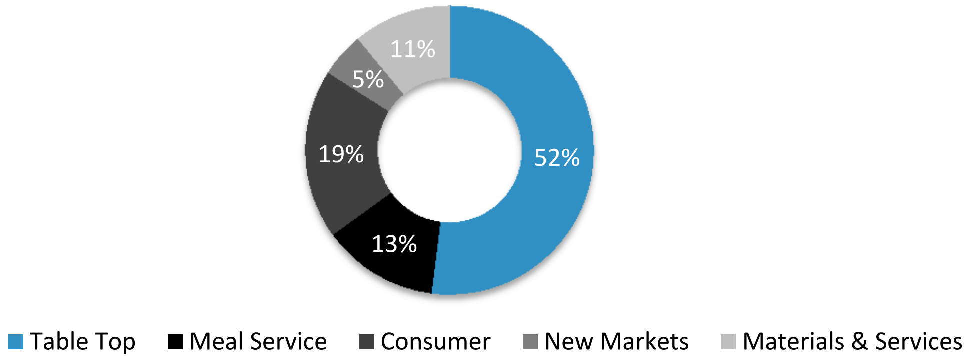


Table Top business area

1 July – 30 September

Net sales amounted to SEK 545 m (497). At fixed exchange rates this corresponds to an increase in sales of 3.6%. The third quarter showed broad growth within all regions. Seasonally adjusted sales, such as various autumn collections and the start of the Christmas sales, have enjoyed positive growth and been well received on the market. The delivery situation which negatively affected sales from the third quarter of last year has now been normalized and has returned to satisfactory levels.

Operating income was SEK 97 m (78) and the operating margin was 17.8% (15.7%). Growth has created the conditions for increased cost efficiency and absorption profits in production. In addition, marketing activities and costs associated therewith have been lower than in previous quarters. The pulp price in Euro increased during the third quarter, and as a consequence compensatory price increases aimed at customers were gradually implemented after the end of the first half of the year.

1 January – 30 September

Net sales amounted to SEK 1,575 m (1,464). At fixed exchange rates this corresponds to an increase in sales of 2.6%. The low, but nevertheless positive, macro-statistics reported in 2014 were also reported during the third quarter. At the same time, the economic situation is fragile and consumer demand is demonstrating varying trends. Sweden remains positive, but many European countries are experiencing weak demand.

Operating income was SEK 247 m (224) and the operating margin was 15.7% (15.3%). The operational leverage from increased volumes which arose in 2014 is the individually most important component of the strengthened operating income. The increased cost efficiency has also contributed to a strengthened operating margin.

Net sales, Table Top

SEK m	3 months July-September 2014	3 months July-September 2014[1] recalculated	3 months July-September 2013	9 months January-September 2014	9 months January-September 2014[1] recalculated	9 months January-September 2013	12 months October-September 2013/2014	12 months January-December 2013
Nordic region	84	84	79	246	246	239	353	346
Central Europe	370	345	331	1 066	1 006	980	1 452	1 366
South & East Europe	91	86	87	262	249	245	345	327
Total	**545**	**515**	**497**	**1 575**	**1 502**	**1 464**	**2 151**	**2 040**

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

Meal Service business area

1 July – 30 September

Net sales amounted to SEK 140 m (126). At fixed exchange rates this corresponds to an increase in sales of 7.2%. Meal Service, which is primarily focused on customers within catering and take-away food solutions, is continuing to grow at a faster rate than the HoReCa segment as a whole. The Nordic region showed a degree of recovery during the quarter, after having experienced tougher competition in recent years, especially on the Swedish market. Germany continues to grow faster than average for the business area and is an important future market.

Operating income was SEK 8 m (3), and the operating margin was 5.4% (2.2%). The gross margin strengthened during the quarter, attributable to a satisfactory product mix. Raw materials prices have stabilized, at the same time as purchases continue to play a very important part in securing long-term cost-efficient solutions in, primarily, Europe and Asia.

1 January – 30 September

Net sales amounted to SEK 411 m (377). At fixed exchange rates this corresponds to an increase in sales of 6.2%. Largely speaking, all markets on which Meal Service operates demonstrated growth during the year. One of the most important success factors is being constantly at the forefront in terms of customized solutions with unique concepts. The pace of innovation is high, and will remain so, in order to maintain a leading position, especially within environmentally adapted product solutions.

Operating income was SEK 14 m (9) and the operating margin was 3.3% (2.3%). Within Meal Service too, measures for increasing cost efficiency have been important for strengthening the operating margin. These measures were implemented at the end of last year and have resulted in a healthy platform for future expansion.

Net sales, Meal Service

SEK m	3 months July-September 2014	3 months July-September 2014[1)] recalculated	3 months July-September 2013	9 months January-September 2014	9 months January-September 2014[1)] recalculated	9 months January-September 2013	12 months October-September 2013/2014	12 months January-December 2013
Nordic region	68	68	65	202	202	195	269	263
Central Europe	47	44	39	134	127	118	176	160
South & East Europe	24	23	22	75	72	64	97	86
Total	**140**	**136**	**126**	**411**	**400**	**377**	**543**	**509**

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

Consumer business area

1 July – 30 September

Net sales amounted to SEK 249 m (123). At fixed exchange rates this corresponds to an increase in sales of 90.0%. The increase in sales is primarily attributable to the acquisition of Paper+Design. At the same time, most of Duni's markets are continuing to show growth, in most cases far above the average for the retail grocery trade, which is showing only a slight increase. The Nordic region in particular has grown strongly, with contracts secured during the latter part of 2013 continuing to make a positive contribution.

Operating income was SEK 22 m (-4) and the operating margin was 8.9% (-3.2%). The improved income in the quarter is attributable entirely to the acquisition of Paper+Design. Income strengthened on most of Duni's consumer markets with the exception of Germany, where the product mix during July and August was less favorable than last year, with a lower percentage of sales of Duni's own brand, thereby resulting in a lower gross margin.

1 January – 30 September

Net sales amounted to SEK 567 m (382). At fixed exchange rates this corresponds to an increase in sales of 40.7%. 2014 has been characterized by intensive work on strengthening competitiveness within those segments experiencing strong price pressure, at the same time as Designs for Duni® is continuing to be a key feature of Duni's own brand. The acquisition of Paper+Design has laid the foundation to provide customers to both Duni and Paper+Design a stronger range including unique customized products in smaller volumes.

Operating income was SEK 22 m (-14) and the operating margin was 4.0% (-3.6%). Despite being subject to price pressure, the Consumer business area demonstrates that the growth which has dominated 2014 has created sound conditions for increased efficiency within production. 2014 demonstrates that the possibilities for the retail trade's private labels, together with a premium segment with attractive designs and customized solutions, create potential for improved profitability.

Net sales, Consumer

SEK m	3 months July-September 2014	3 months July-September 2014[1)] recalculated	3 months July-September 2013	9 months January-September 2014	9 months January-September 2014[1)] recalculated	9 months January-September 2013	12 months October-September 2013/2014	12 months January-December 2013
Nordic region	41	39	22	99	97	69	135	104
Central Europe	163	152	97	397	374	304	570	478
South & East Europe	23	22	3	43	40	8	54	20
Rest of the World	22	20	0	27	26	1	28	1
Total	**249**	**234**	**123**	**567**	**538**	**382**	**787**	**603**

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

New Markets business area

1 July – 30 September

Net sales amounted to SEK 50 m (47). At fixed exchange rates this corresponds to an increase in sales of 3.0%. Duni Russia stabilized during the third quarter and has delivered a slight, positive increase in sales. Operating income remains burdened by the economic trend in Russia. Although demand is slowly improving, a weak Russian Ruble is leading to substantially diminished gross margins, since the majority of costs of goods sold are located outside Russia. Other markets (including Duni Singapore) have grown during the year and quarter in line with, or better than, last year. Duni Singapore was incorporated in the accounts in the third quarter of 2013 and is thus comparable with the preceding year.

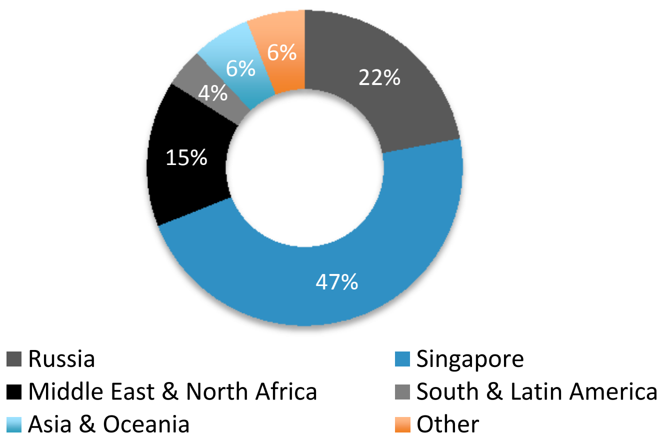
Operating income was SEK 1 m (2), and the operating margin was 2.2% (4.4%).

1 January – 30 September

Net sales amounted to SEK 142 m (94). At fixed exchange rates this corresponds to an increase in sales of 49.3%. The Russian market continues to be characterized by hesitancy, which has had a negative impact on demand. During the year, some customers were phased out in Duni Singapore; this had a negative impact on sales, but limited impact on income. At the same time, during the year Duni has begun to approach the Asian market in order to reach out with Duni's range and product solutions. Other markets are continuing to develop well. However, volatility in demand is considerably greater than on the European continent, and will thus continue to represent a challenge.

Operating income was SEK 1 m (0) and the operating margin was 0.8% (0.4%).

Net sales, geographical split, New Markets



Materials & Services business area

1 July – 30 September

Net sales amounted to SEK 116 m (142). At fixed exchange rates this corresponds to a decrease in sales of 18.2%. As previously communicated, Duni is concentrating its production in Skåpafors, and consequently the operations in Dals Långed will be discontinued in October 2015. The hygiene products business, which is being phased out, has had lower sales during the quarter, but in line with the adopted plan.

Operating income was SEK 4 m (9) and the operating margin was 3.6% (6.4%). The lower operating income reflects the lower sales during the quarter. The quarter has also been marginally negatively affected by accruals made in connection with production being concentrated in Skåpafors. This will take place by gradually transferring production during 2015. Duni reports write-ups and write-downs in the period in which it is established that the transfer has been implemented, during the second half of 2015, and the project is completed. The investments planned in connection with the transfer are deemed to be accommodated within Duni's normal investment levels.

1 January – 30 September

Net sales amounted to SEK 343 m (384). At fixed exchange rates this corresponds to a decrease in sales of 10.6%. Other external sales excluding the hygiene products business accounted for 12.1% (9.4%) of the business area's total sales.

Operating income was SEK 21 m (15) and the operating margin was 6.2% (3.8%). The increase in income is temporary in nature and will diminish in conjunction with significantly lower production volumes as from the third quarter.

Cash flow

The Group's operating cash flow for the period 1 January – 30 September was SEK 271 m (212). Cash flow, including investing activities associated with the acquisition of Paper+Design, amounted to SEK -177 m (113). The operating cash flow continues to be positive, due in part to strong earnings but also due to lower capital expenditures. Inventory build-up, which seasonally begins during the third quarter and continues into the fourth quarter, has not been as noticeable as last year. Delivery capability has normalized, with lower buffer stock as a consequence.

Accounts receivable amount to SEK 758 m (632); accounts payable amount to SEK 342 m (285); and inventories are valued at SEK 559 m (488). Net capital expenditures for the period amounted to SEK 52 m (43). Amortization/depreciation for the period amounted to SEK 95 m (89).

The Group's interest-bearing net debt as of 30 September 2014 amounted to SEK 1,061 m, compared with SEK 673 m as of 30 September 2013.

Financial net

The financial net for the period 1 January – 30 September was SEK -9 m (-16). Currency effects have been positive in the period, whereas they were negative in the same period of last year.

Taxes

The total reported tax expense for the period 1 January – 30 September amounted to SEK 75 m (51), yielding an effective tax rate of 26.2% (24.1%). The tax expense for the year includes adjustments from the previous year of SEK -4.3 m (0.0). The deferred tax asset relating to loss carryforwards was utilized in the amount of SEK 40 m (29).

Earnings per share

The earnings per share before and after dilution amounted to SEK 4.48 (3.43).

Duni's share

As per 30 September 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 OMX Stockholm under the ticker name "DUNI". Duni's three largest shareholders are Mellby Gård Investerings AB (29.99%), Carnegie fonder (9.47%) and Polaris Capital Management, LLC (9.12%).

Personnel

On 30 September 2014 there were 2,103 (1,919) employees. 947 (791) 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.

The acquisition analysis is preliminary; a final allocation of the purchase price is in progress and is expected to be completed during the fourth quarter of 2014.

Acquired net assets, SEK ’000

Intangible fixed assets	429 357
Tangible fixed assets	112 445
Deferred tax asset/liabilities net	-54 904
Inventories	60 858
Accounts receivable	35 848
Other operating receivables	4 141
Prepaid income and expenditures	-19 229
Cash and bank	28 526
Loans	-454 104
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 30 September 2014 is reported as short term. During the fourth quarter of 2014 Duni will commence a procurement procedure aimed at having a new long-term facility in place during the first half of 2015.

Duni has had no significant changes in contingent liabilities since 31 December 2013.

Transactions with related parties

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

Major events during the quarter

In a press release issued on 30 September 2014 it was announced that Duni will concentrate the production in Dalsland at the plant in Skåpafors. The transfer to Skåpafors of the operations in Dals Långed is expected to be completed in October 2015.

Major events since 30 September

No significant events have occurred since the balance sheet date.

Interim reports

Quarter IV	13 February, 2015
Quarter I	24 April, 2015

Annual General Meeting 2015

The Annual General Meeting of Duni AB will be held in Malmö at 3pm on 5 May, 2015. For further information, kindly refer to Duni's website.

Parent Company

Net sales for the period 1 January – 30 September amounted to SEK 842 m (784). Income after financial items amounted to SEK -7 m (-20). The net debt was SEK -500 m (-384), of which a net claim of SEK 1,471 m (987) is held by subsidiaries. Net investments amounted to SEK 9 m (6).

Accounting principles

The interim 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 22 October at 8.00 AM CET.

The interim report will be presented on Wednesday, 22 October 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)8 519 993 61. To follow the presentation via the web, please visit this link:

http://event.onlineseminarsolutions.com/r.htm?e=861401&s=1&k=41C51742CB0095A5BB5D600149BB5BB6

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.

Malmö, 21 October 2014

Thomas Gustafsson, President and CEO

Additional information is provided by:

Thomas Gustafsson, President and CEO, +46 40 10 62 00
Mats Lindroth, CFO, +46 40 10 62 00
Tina Andersson, Corporate Marketing & Communication Director, +46 734 19 62 24

Duni AB (publ)
Box 237
201 22 Malmö
Tel.: +46 40-10 62 00
www.duni.com
Registration no: 556536-7488

Report of Review of Interim Financial Information

Introduction

We have reviewed this report for the period 1 January 2014 to 30 September 2014 for Duni AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, 21 October 2014
PricewaterhouseCoopers AB

……………………..

Eva Carlsvi
Authorized Public Accountant

Consolidated Income Statements

SEK m (Note 1)	3 months July-September 2014	3 months July-September 2013	9 months January-September 2014	9 months January-September 2013	12 months October-September 2013/2014	12 months January-December 2013
Net sales	**1 100**	**936**	**3 037**	**2 701**	**4 139**	**3 803**
Cost of goods sold	-803	-697	-2 238	-2 005	-3 031	-2 798
Gross profit	**298**	**239**	**800**	**697**	**1 108**	**1 005**
Selling expenses	-108	-103	-334	-320	-451	-437
Administrative expenses	-58	-45	-154	-125	-202	-173
Research and development expenses	-3	-4	-10	-15	-14	-19
Other operating incomes	1	0	6	1	7	2
Other operating expenses	-7	-3	-14	-9	-14	-10
EBIT	**122**	**83**	**294**	**228**	**434**	**369**
Financial income	1	2	4	5	6	7
Financial expenses	-6	-9	-13	-21	-18	-26
Net financial items	**-5**	**-7**	**-9**	**-16**	**-11**	**-19**
Income after financial items	**117**	**75**	**285**	**212**	**423**	**350**
Income tax	-30	-17	-75	-51	-107	-83
Net income	**87**	**59**	**211**	**161**	**317**	**267**
Income attributable to:						
Equity holders of the Parent Company	87	59	211	161	317	267
Earnings per share, attributable to equity holders of the Parent Company, SEK						
Before and after dilution	1.85	1.25	4.48	3.43	6.73	5.68
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	3 months July-September 2014	3 months July-September 2013	9 months January-September 2014	9 months January-September 2013	12 months October-September 2013/2014	12 months January-December 2013
Net income of the period	**87**	**59**	**211**	**161**	**317**	**267**
Other comprehensive incomes:						
Items that will not be reclassified to profit or loss:						
Actuarial loss on post-employment benefit obligations	-16	18	-33	20	-38	15
Total	**-16**	**18**	**-33**	**20**	**-38**	**15**
Items that may be reclassified subsequently to profit or loss:						
Exchange rate differences – translation of subsidiaries	3	2	5	-5	5	-5
Cash flow hedge	-3	0	-3	1	-3	1
Total	**0**	**2**	**2**	**-4**	**2**	**-4**
Other comprehensive income of the period, net after tax:	**-16**	**20**	**-31**	**16**	**-36**	**11**
Sum of comprehensive income of the period	**71**	**79**	**180**	**177**	**281**	**278**
Sum of comprehensive income of the period attributable to:						
Equity holders of the Parent Company	71	79	180	177	281	278

Consolidated Quarterly Income Statements in brief

SEK m	2014			2013				2012
Quarter	Jul - Sep	Apr - Jun	Jan - Mar	Oct - Dec	Jul - Sep	Apr - Jun	Jan - Mar	Oct - Dec
Net sales	**1 100**	**1 017**	**921**	**1 102**	**936**	**914**	**852**	**1 031**
Cost of goods sold	-803	-755	-680	-794	-697	-675	-633	-764
Gross profit	**298**	**262**	**241**	**308**	**239**	**239**	**219**	**267**
Selling expenses	-108	-112	-113	-117	-103	-102	-115	-111
Administrative expenses	-58	-50	-46	-48	-45	-41	-39	-54
Research and development expenses	-3	-2	-4	-5	-4	-5	-5	-5
Other operating incomes	1	7	0	4	0	3	0	3
Other operating expenses	-7	-4	-5	-3	-3	-3	-6	-78
EBIT	**122**	**100**	**72**	**140**	**83**	**91**	**55**	**23**
Financial income	1	2	1	2	2	2	1	1
Financial expenses	-6	-3	-4	-4	-9	-5	-7	-6
Net financial items	**-5**	**-1**	**-3**	**-2**	**-7**	**-3**	**-6**	**-5**
Income after financial items	**117**	**99**	**69**	**138**	**75**	**88**	**49**	**18**
Income tax	-30	-26	-18	-32	-17	-22	-13	-32
Net income	**87**	**73**	**51**	**106**	**59**	**66**	**36**	**-15**

Consolidated Balance Sheet in brief

SEK m	30 September 2014	31 December 2013	30 September 2013
ASSETS			
Goodwill	1 488	1 249	1 245
Other intangible fixed assets	264	78	76
Tangible fixed assets	824	723	699
Financial fixed assets	155	180	183
Total fixed assets	**2 732**	**2 230**	**2 203**
Inventories	559	434	488
Accounts receivables	758	658	632
Other operating receivables	116	148	146
Cash and cash equivalents	210	225	151
Total current assets	**1 643**	**1 465**	**1 416**
TOTAL ASSETS	**4 375**	**3 695**	**3 619**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	**2 091**	**2 099**	**1 998**
Long-term loans	-	493	604
Other long-term liabilities	363	264	251
Total long-term liabilities	**363**	**757**	**855**
Accounts payable	342	348	285
Short-term loans	1 007	-	-
Other short-term liabilities	572	491	481
Total short-term liabilities	**1 921**	**839**	**766**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**4 375**	**3 695**	**3 619**

Change in the Group's shareholders' equity

	Attributable to equity holders of the Parent Company						
SEK m	Share capital	Other injected capital	Reserves	Cash flow reserves	Fair value reserve[1)]	Profit carried forward incl. net income for the period	TOTAL EQUITY
Opening balance 1 January 2013	**59**	**1 681**	**54**	**-2**	**13**	**180**	**1 985**
Sum of comprehensive income of the period	-	-	-5	1	-	181	177
Dividend paid to shareholders	-	-	-	-	-	-164	-164
Closing balance 30 September 2013	**59**	**1 681**	**49**	**-1**	**13**	**197**	**1 998**
Sum of comprehensive income of the period	-	-	0	0	-	101	101
Closing balance 31 December 2013	**59**	**1 681**	**49**	**-1**	**13**	**298**	**2 099**
Sum of comprehensive income of the period	-	-	5	-3	-	178	180
Dividend paid to shareholders	-	-	-	-	-	-188	-188
Closing balance 30 September 2014	**59**	**1 681**	**54**	**-4**	**13**	**288**	**2 091**

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 September 2014	1 January – 30 September 2013
Current operation		
Operating income	294	228
Adjusted for items not included in cash flow etc.	70	73
Paid interest and tax	-14	-51
Change in working capital	-80	-38
Cash flow from operations	**271**	**212**
Investments		
Acquisitions of fixed assets	-52	-43
Sales of fixed assets	0	0
Acquisitions	-397	-57
Change in interest-bearing receivables	0	1
Cash flow from investments	**-448**	**-99**
Financing		
Taken up loans[1)]	967	164
Amortization of debt[1)]	-618	-138
Dividend paid	-188	-164
Change in borrowing	0	-5
Cash flow from financing	**161**	**-143**
Cash flow from the period	**-17**	**-30**
Liquid funds, operating balance	225	181
Exchange difference, cash and cash equivalents	2	-1
Cash and cash equivalents, closing balance	**210**	**151**

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 – 30 September 2014	1 January -30 September 2013
Net sales, SEK m	3 037	2 701
Gross profit, SEK m	800	697
Operating income, SEK m [1)]	306	234
EBITDA, SEK m [1)]	394	322
Net debt	1 061	673
Number of employees	2 103	1 919
Sales growth	12,4 %	2,4 %
Gross margin	26,3 %	25,8 %
Operating margin[1)]	10,1 %	8,6 %
EBITDA margin[1)]	13,0 %	11,9 %
Return on capital employed[1) 2)]	15,3 %	14,6 %
Net debt / equity ratio	50,7 %	33,7 %
Net debt / EBITDA[1) 2)]	1,85	1,40

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 July-September 2014	3 months July-September 2013	9 months January-September 2014	9 months January-September 2013
Net sales	**290**	**271**	**842**	**784**
Cost of goods sold	-258	-243	-750	-684
Gross profit	**32**	**28**	**92**	**100**
Selling expenses	-27	-28	-92	-90
Administrative expenses	-33	-31	-100	-89
Research and development expenses	-1	-2	-4	-6
Other operating incomes	55	42	159	142
Other operating expenses	-39	-43	-118	-120
EBIT	**-13**	**-35**	**-63**	**-63**
Revenue from participations in Group Companies	2	-	41	40
Other interest revenue and similar income	11	8	25	23
Interest expenses and similar expenses	-5	-11	-10	-20
Net financial items	**8**	**-3**	**56**	**43**
Income after financial items	**-5**	**-37**	**-7**	**-20**
Taxes on income for the period	-4	2	-12	-4
Net income for the period	**-9**	**-35**	**-19**	**-24**

Parent Company Statement of Comprehensive Income

SEK m	3 months July-September 2014	3 months July-September 2013	9 months January-September 2014	9 months January-September 2013
Net income of the period	**-9**	**-35**	**-19**	**-24**
Other comprehensive income:				
Items that will not be reclassified to profit or loss:	-	-	-	-
Items that may be reclassified subsequently to profit or loss:	-	-	-	-
Exchange rate differences – translation of subsidiaries	0	2	-1	3
Cash flow hedge	-3	0	-3	1
Total	**-3**	**2**	**-4**	**4**
Other comprehensive income of the period, net after tax:	**-3**	**2**	**-4**	**4**
Sum of comprehensive income of the period	**-12**	**-33**	**-23**	**-20**
Sum of comprehensive income of the period attributable to:				
Equity holders of the Parent Company	-12	-33	-23	-20

Parent Company Balance Sheet in Brief

SEK m	30 September 2014	31 December 2013	30 September 2013
ASSETS			
Goodwill	225	300	325
Other intangible fixed assets	27	35	37
Total intangible fixed assets	**251**	**335**	**362**
Tangible fixed assets	36	32	32
Financial fixed assets	2 553	1 975	2 012
Total fixed assets	**2 840**	**2 342**	**2 406**
Inventories	99	91	104
Accounts receivable	113	94	105
Other operating receivables	198	290	229
Cash and bank	137	164	95
Total current assets	**547**	**640**	**533**
TOTAL ASSETS	**3 387**	**2 982**	**2 939**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Total restricted shareholders' equity	83	83	83
Total unrestricted shareholders' equity	1 657	1 868	1 704
Shareholders' equity	**1 740**	**1 951**	**1 787**
Provisions	**108**	**109**	**110**
Long-term financial liabilities	-	490	588
Total long-term liabilities	**0**	**490**	**588**
Accounts payable	54	52	45
Short-term loans	1 000	-	-
Other short-term liabilities	484	380	408
Total short-term liabilities	**1 538**	**432**	**453**
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	**3 387**	**2 982**	**2 939**

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

July – September

2014-07-01 – 2014-09-30	**Table Top**	**Meal Service**	**Consumer**	**New Markets**	**Materials & Services**	**Total**
Total net sales	545	140	249	50	265	**1 249**
Net sales from other segments	-	-	0	-	149	**149**
Net sales from external customers	**545**	**140**	**249**	**50**	**116**	**1 100**
Operating income	**97**	**8**	**22**	**1**	**4**	**132**
EBIT	97	8	13	0	4	**122**
Net financial items						**-5**
Income after financial items						**117**

2013-07-01 – 2013-09-30	Table Top	Meal Service	Consumer	New Markets	Materials & Services	Total
Total net sales	497	126	123	47	286	**1 080**
Net sales from other segments	0	-	-	0	145	**145**
Net sales from external customers	**497**	**126**	**123**	**47**	**142**	**936**
Operating income	**78**	**3**	**-4**	**2**	**9**	**88**
EBIT	77	0	-6	2	9	**83**
Net financial items						**-7**
Income after financial items						**75**

January - September

2014-01-01 – 2014-09-30	Table Top	Meal Service	Consumer	New Markets	Materials & Services	Total
Total net sales	1 575	411	567	142	764	**3 459**
Net sales from other segments	-	-	0	-	421	**421**
Net sales from external customers	**1 575**	**411**	**567**	**142**	**343**	**3 037**
Operating income	**247**	**14**	**22**	**1**	**21**	**306**
EBIT	247	14	11	-1	23	**294**
Net financial items						**-9**
Income after financial items						**285**

2013-01-01 – 2013-09-30	Table Top	Meal Service	Consumer	New Markets	Materials & Services	Total
Total net sales	1 465	377	382	95	800	**3 119**
Net sales from other segments	1	-	-	1	417	**418**
Net sales from external customers	**1 464**	**377**	**382**	**94**	**384**	**2 701**
Operating income	**224**	**9**	**-14**	**0**	**15**	**234**
EBIT	222	7	-16	0	15	**228**
Net financial items						**-16**
Income after financial items						**212**

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:

Net sales SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Table Top	545	552	477	576	497	517	450	572
Meal Service	140	148	123	132	126	137	114	124
Consumer	249	161	157	220	123	119	140	197
New Markets	50	48	43	56	47	26	21	26
Materials & Services	116	107	120	118	142	115	127	112
Duni	**1 100**	**1 017**	**921**	**1 102**	**936**	**914**	**852**	**1 031**

Operating income SEK m	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Table Top	97	87	64	116	78	90	56	107
Meal Service	8	7	-1	4	3	9	-3	3
Consumer	22	-5	6	27	-4	-8	-2	19
New Markets	1	3	-3	3	2	-2	0	0
Materials & Services	4	10	7	2	9	2	3	1
Duni	**132**	**101**	**73**	**152**	**88**	**91**	**55**	**130**

Note 4 • Reporting of restructuring costs

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

Restructuring costs SEK m	3 months July- September 2014	3 months July- September 2013	9 months January- September 2014	9 months January- September 2013	12 months October- September 2013/2014	12 months January- December 2013
Cost of goods sold	-	-	-1	-	0	1
Selling expenses	0	-5	-2	-5	-8	-11
Administrative expenses	-	-	-	0	-	0
Other operating expenses	0	-	2	-	-5	-7
Total	**0**	**-5**	**-1**	**-5**	**-12**	**-17**