

ELANDERS Q4 2012

..... YOUR WORLDWIDE PRINTING PARTNER

YEAR-END REPORT 2012

This document is a translation of the Swedish original. In the event of any discrepancies between this translation and the Swedish original, the latter shall prevail



//
**WE ARE PLEASED TO SEE
THAT ELANDERS FINISHED
THE YEAR WITH A QUARTER
WHERE THE OPERATING
MARGIN, CLEARED OF
ONE-OFF ITEMS, WAS
NEARLY NINE PERCENT**
//



//
**MIDLAND INFORMATION RESOURCES
COMPANY IN DAVENPORT, USA,
WAS
ACQUIRED AT THE END OF DECEMBER.**
//

5



3 BULLETPPOINTS

4 COMMENTS BY THE CEO

4 THREE YEAR OVERVIEW

4 GROUP

6 PARENT COMPANY

6 OTHER INFORMATION

8 CONSOLIDATED FINANCIAL
STATEMENTS

14 PARENT COMPANY'S FINANCIAL
STATEMENTS

16 QUARTERLY DATA

17 FIVE YEAR OVERVIEW

18 SPECIFIC TERMS & DEFINITIONS

19 ELANDERS' OFFER &
PRODUCT AREAS

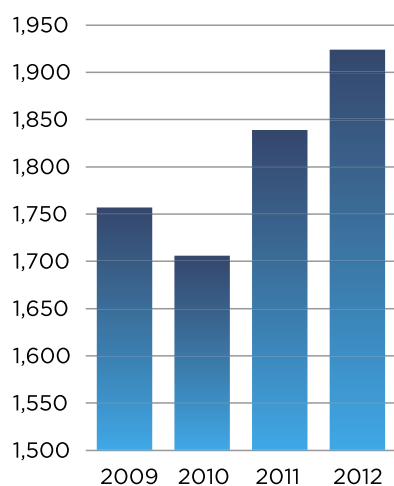
JANUARY – DECEMBER

- Net sales increased by 5 % totaling MSEK 1,924 (1,839).
- Operating result increased to MSEK 119 (110) and was affected positively by one-off items of MSEK 15 (25) net.
- Result before tax increased to MSEK 93 (80), which was an improvement of 41% not including one-off items.
- Net result amounted to MSEK 45 (60) or SEK 2.05 (3.09) per share. Included in the net result is a tax expense of MSEK -22 attributable to a reevaluation of deferred tax assets due to that the Swedish company tax rate has been lowered.
- Operating cash flow amounted to MSEK 67 (93), of which acquisitions were MSEK -126 (-10).
- In December Elanders made an important strategic acquisition in the USA of Midland Information Resources Company.
- The Board proposes a dividend of SEK 0.60 (0.50) per share.

THE FOURTH QUARTER

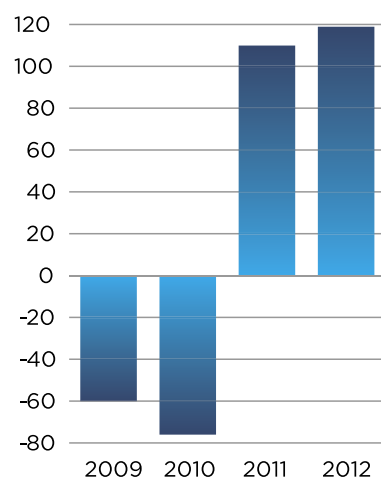
- Net sales were MSEK 527 (538).
- The operating result amounted to MSEK 48 (57). The result included positive one-off items of MSEK 2 (25) net. Cleared of one-off items this was an improvement by 43 %.
- The result before tax amounted to MSEK 41 (49).
- The net result was MSEK 8 (37) or SEK 0.36 (1.92) per share. Included in the net result is a tax expense of MSEK -22 attributable to a reevaluation of deferred tax assets due to that the Swedish company tax rate has been lowered.
- Operating cash flow totaled MSEK -20 (75), of which acquisitions were MSEK -126 (4).

NET SALES, MSEK



January - December

OPERATING RESULT, MSEK



January - December

COMMENTS BY THE CEO

We are pleased to see that Elanders finished the year with a quarter where the operating margin, cleared of one-off items, was nearly nine percent. This is an improvement over last year for the fourth quarter as was the entire year. Another positive factor is that our new acquisitions, fotokasten and dolm, lived up to our high expectations. However, this was the first quarter in quite some time that there was no organic growth compared to the same period the previous year. Nonetheless there has been a good influx of new customers during the quarter and several of our most significant customers have given us reason to believe they will renew their existing contracts. What is more difficult to determine is what direction the general economic situation will take. One indication of this is that some of our customers have announced redundancies during the quarter.

In addition to the positive effect on Elanders' results from book VAT taken up as revenue the oper-

ating result has also been charged with consultation costs in connection with acquisitions, severance pay and restructuring costs. The latter refers primarily to operations in the US, Sweden and Germany. All together these one-off items generated a net positive effect on the operating result of MSEK 2 for the quarter and MSEK 15 for the year.

The acquisition in December of Midland Information Resources Company in the US was an important step for Elanders. This acquisition is right in line with our strategy to be a global supplier to global customers that need local deliveries in different parts of the world while it strengthens our offer to existing customers with operations in the US. It also opens the door to further expansion on the American market as well as global expansion based on American companies.



Magnus Nilsson
President and Chief Executive Officer

■ THREE YEAR OVERVIEW

MSEK	Full year		
	2012	2011	2010
Net sales	1,924	1,839	1,706
Operating expenses	-1,805	-1,729	-1,782
OPERATING RESULT	119	110	-76
Net financial items	-25	-30	-29
RESULT AFTER FINANCIAL ITEMS	93	80	-105

MSEK	Fourth quarter		
	2012	2011	2010
Net sales	527	538	491
Operating expenses	-479	-481	-485
OPERATING RESULT	48	57	6
Net financial items	-6	-8	-7
RESULT AFTER FINANCIAL ITEMS	41	49	-1

GROUP

OPERATIONS

Elanders is a global printing group with production units in nine countries on four continents. Our product areas are Commercial Print, Packaging and Web2Business (W2B). Elanders also offers services in Web-to-Print (W2P), EDI, advanced premedia, fulfilment and logistics within these areas. Elanders also sells photo products directly to consumers primarily in Germany under the brand fotokasten.

The Group's production units are located in Brazil (São Paulo), Italy (Treviso), China (Beijing), Poland (Płońsk), Great Britain (Newcastle), Sweden (Falköping, Gothenburg, Malmö and Stockholm), Germany (Stuttgart), Hungary (Zalalövő and Jászberény) as well as the USA (Atlanta and Davenport). Elanders is also represented through sales offices in a number of other locations.

NET SALES AND RESULTS

January – December

Consolidated net sales for the year increased by 5 % to MSEK 1,924 (1,839). With comparable units and the same exchange rates the turnover was in line with last year.

Operations in Germany, China and Great Britain have developed very positively during the year and Elanders has won market shares and increased sales in several countries. The new acquisitions, fotokasten and dolm which were acquired in the first quarter, lived up to our high expectations and increased volumes and net sales while maintaining good profitability compared to last year. During the fourth quarter our business in Norway was sold to the minority owners of the company.

The operating result for the period increased to MSEK 119 (110), which is an operating margin of 6 (6) %. The result for 2012 was affected positively by one-off items of MSEK 15 (25) net. These one-off items consisted primarily of book VAT taken up as revenue, restructuring costs primarily in operations in the US, Sweden and Germany, severance pay and consultation costs in connection with acquisitions. Cleared of one-off items the operating margin was 5 (5) %.

The result after tax dropped from MSEK 60 to 45. This was primarily an effect of the decision by the Swedish Parliament in November to reduce company tax from 26,3 % to 22 % and the effect, MSEK -22, it had on Elanders' deferred tax assets stemming from loss carry forwards.

The fourth quarter has seen indications that the general economic situation is increasingly uncertain and some of Elanders' customers have announced major redundancies.

From 2010 to 2012 Elanders has submitted claims for VAT refunds to the Swedish Tax Agency pertaining to 2004 through 2007. In 2011 and 2012 the Swedish Tax Agency made consequential amendments regarding many of Elanders' customers who have then demanded compensation from

Elanders. It is Elanders' position that the Swedish Tax Agency cannot make consequential amendments and a judgment on May 16th 2012 from the Court of Appeals in Stockholm supported that position. The Swedish Tax Agency has now appealed the Court of Appeals decision and sought reconsideration by the Supreme Administrative Court. Until this judgment has become legally binding Elanders believes there is still a great deal of uncertainty regarding the rest of the amounts for 2004 and 2007 and therefore it is difficult to assess what effect they will have on Elanders' result.

On 7 July 2011 the Swedish Tax Agency presented its position regarding income tax for graphic companies that have claimed a refund of outgoing VAT. The Swedish Tax Agency position is that the graphic companies that have made a claim for the refund of outgoing VAT must recognize this revenue as income in the year the claim is made to the Swedish Tax Agency and not, as Elanders believes, the year the refund has been paid or at least when payment can be reliably expected. As a result the Swedish Tax Agency has raised Elanders' taxable income for the fiscal year of 2010 by MSEK 70. Elanders is in the opinion that Elanders is right in this matter and it will be taken to the Administrative Court. The total exposure is around MSEK 16, since only some of the refund can be set off against the loss carry forwards Elanders has. Elanders has not made any provisions for this amount.

Fourth quarter

During the fourth quarter net sales amounted to MSEK 527 (538). The operating result was lower than last year and amounted to MSEK 48 (57), which corresponded to an operating margin of 9 (11) %. The result was affected positively by one-off items of MSEK 2 (25) net. These one-off items consisted primarily of book VAT taken up as revenue, restructuring costs in operations in Sweden, Germany and the US, severance pay and consultation costs in connection with acquisitions. Cleared of one-off items the operating margin was 9 (6) %.

The result after tax dropped from MSEK 37 to 8 primarily due to the effect of the change in Swedish company tax and the ensuing reevaluation of deferred tax assets.

IMPORTANT EVENTS IN THE FOURTH QUARTER

The MD for Elanders Swedish operations gave notice in November.

Midland Information Resources Company in Davenport, Iowa, USA, which in 2012 had net sales of MUSD 29, was acquired at the end of December. The purchase price was MUSD 23 on a cash- and debt free basis. The business was consolidated as of 31 December, 2012 and is expected to contribute positively to Group results in 2013.

PERSONNEL

January – December

The average number of employees during the period was 1,587 (1,546), of which 406 (395) were in

Sweden. At the end of the period the Group had 1,780 (1,582) employees.

Fourth quarter

The average number of employees during the period was 1,614 (1,570), of which 416 (404) were in Sweden.

INVESTMENTS AND DEPRECIATION

January – December

Net investments for the period were MSEK 197 (28). In addition to this a non-cash issue was implemented in connection with the acquisition of fotokasten and dlolm where shares for a value of MSEK 70.4 were issued. Group depreciation and write-downs for the period amounted to MSEK 91 (86). Apart from acquisitions amounting to MSEK 126 most of the investments for the period have been made in production equipment located in Eastern Europe in order to handle growing volumes in Sweden and Germany.

Fourth quarter

Investments for the period totaled MSEK 161 (2). Group depreciation and write-downs of fixed assets for the period amounted to MSEK 24 (22). In addition to MSEK 126 for acquisitions, investments have been made in Eastern Europe in order to handle growing volumes in Sweden and Germany and replacement investments have been made in Great Britain.

FINANCIAL POSITION, CASH FLOW,

EQUITY RATIO AND FINANCING

Group net debt on 31 December 2012 amounted to MSEK 688 (676) and operating cash flow for all twelve months was MSEK 67 (93). Not including acquisitions, operating cash flow amounted to MSEK 193 (103).

Operating cash flow in the fourth quarter was MSEK -20 (75) and not including acquisitions amounted to MSEK 106 (79). At the end of the period equity was MSEK 954 (880), which resulted in an equity ratio of 42 % (44 %). A non-cash issue was implemented during the second quarter that contributed MSEK 68.8 after issue expenses. Issue expenses amounted to around MSEK 1.6.

PARENT COMPANY

The Parent company has provided joint Group services during the period. The average number of employees during the year was 8 (8) and in the fourth quarter 9 (8). At the end of the period there were 9 (8) employees.

OTHER INFORMATION

THE GROUP AT A GLANCE

Elanders is a global printing group with production units in nine countries on four continents. Our product areas are Commercial Print, Packaging and Web2Business (W2B). Elanders also offers services in Web-to-Print (W2P), EDI, advanced premedia, fulfillment and logistics within these areas. Elanders also sells photo products directly to consumers primarily in Germany under the brand fotokasten.

Our customers can handle all their printing logistics through a single contact at Elanders, no matter how extensive they are or where in the world their products are delivered. Elanders has developed global Web-based order interfaces to support this process.

Elanders' vision is to be one of the leading graphic companies in the world. By leading we do not necessarily mean largest. We mean a company that best meets customer demands on effectiveness and delivery capability.

Elanders' strategies to fulfill our vision and support our business concept are:

- Develop local customers with global needs into global customers.
- Optimize use of the Group's global production and delivery capacity.
- Create uniform and automated processes in the Group.
- Develop products for future needs that can be used in our current business.
- Continue developing Web-to-print (W2P) and EDI solutions.
- Strong expansion in packaging and solutions for personalized products.
- Broaden our customer base and product offer to lower sensitivity to fluctuations in the business cycle.

Historically the major part of Elanders' sales has been in the Commercial Print product area. The investments made in packaging, Web2Business and personalized products are a conscious effort made to compensate for the inherent loss in volume in Commercial Print due to the tough competition printed media is facing from digital media. The production units used for Commercial Print can also be used to produce packaging and personalized products such as photo products.

RISKS AND UNCERTAINTIES

Elanders divides risks into circumstantial risks (the future of printing, business cycles, structure and the competition), financial risks (currency, interest, financing and credit) as well as operational risks (customer concentration, operations, operating costs as well as contracts and disputes). These risks, together with a sensitivity analysis, are described in detail on pages 62–65 and 96–98 in the Annual

Report 2011. Circumstances in the world around us since the Annual Report was published are not believed to have caused any new significant risks or influenced the way in which the Group works with these compared to the description in the Annual Report 2011.

SEASONAL VARIATIONS

The Group's net sales, and thereby income, are affected by the seasonal variations described in the Annual Report 2011. Elanders normally has a strong fourth quarter.

EVENTS AFTER THE BALANCE SHEET DATE

No significant events have taken place after the balance sheet date up to the date this report was signed.

FORECAST

The company continues to increase efficiency, integrate acquired operations and generate global business. The company expects continued positive improvements in the result.

REVIEW AND ACCOUNTING PRINCIPLES

The company auditors have not reviewed this report. The quarterly report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting and for the parent company in accordance with the Annual Accounts Act.

The same accounting principles and calculation methods as those in the last Annual Report have been used.

It is Elanders assessment that amendments in IAS 19 "Employee benefits", which will be applied as of 1 January, 2013, will not have any significant effect on Elanders' financial position.

NOMINATION COMMITTEE

The nomination committee for the Annual General Meeting on 7 May 2013 is as follows:


Carl Bennet (Chairman)	Carl Bennet AB
Hans Hedström	Carnegie Funds
Göran Erlandsson	Representative for the smaller shareholders

Information regarding how to contact the nomination committee can be found on the company website, www.elanders.com, under "Corporate Governance".

FUTURE REPORTS FROM ELANDERS

Q1 2013 7 May 2013
 Q2 2013 11 July 2013
 Q3 2013 23 October 2013
 Q4 2013 27 January 2014

Mölnlycke 28 January 2013



Magnus Nilsson
 President and Chief Executive Officer

CONTACT INFORMATION

Further information can be found on Elanders' website www.elanders.com or via e-mail info@elanders.com.

Questions concerning this report can be made to:

Magnus Nilsson
 President and CEO
 Phone: +46 31 750 07 50

Andreas Wikner
 CFO
 Phone: +46 31 750 07 50

Elanders AB (publ)
 (Company ID 556008-1621)
 P.O. Box 137
 SE-435 23 Mölnlycke, Sweden
 Phone: +46 31 750 00 00

CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENTS

MSEK	Full year	
	2012	2011
Net sales	1,924.2	1,838.8
Cost of products and services sold	-1,557.2	-1,486.3
GROSS PROFIT	367.0	352.5
Sales and administrative expenses	-313.9	-284.7
Other operating income	78.5	54.0
Other operating expenses	-13.1	-12.0
OPERATING RESULT	118.5	109.8
Net financial items	-25.1	-29.8
RESULT AFTER FINANCIAL ITEMS	93.4	80.0
Income tax	-48.9	-19.6
RESULT FOR THE YEAR	44.5	60.3
Result for the year attributable to:		
- parent company shareholders	44.6	60.2
- non-controlling interests	-0.1	0.1
<i>Earnings per share, SEK ^{1) 2)}</i>	<i>2.05</i>	<i>3.09</i>
<i>Average number of shares, in thousands</i>	<i>21,646</i>	<i>19,530</i>
<i>Outstanding shares at the end of the year, in thousands</i>	<i>22,730</i>	<i>19,530</i>
MSEK	Fourth quarter	
	2012	2011
Net sales	527.3	538.4
Cost of products and services sold	-425.6	-427.1
GROSS PROFIT	101.6	111.3
Sales and administrative expenses	-93.4	-82.7
Other operating income	44.5	35.3
Other operating expenses	-5.1	-6.6
OPERATING RESULT	47.6	57.3
Net financial items	-6.4	-8.4
RESULT AFTER FINANCIAL ITEMS	41.2	48.9
Income tax	-32.9	-11.4
RESULT FOR THE PERIOD	8.2	37.5
Result for the period attributable to:		
- moderbolagets aktieägare	8.2	37.4
- aktieägare utan bestämmande inflytande	-	0.1
<i>Earnings per share, SEK ^{1) 2)}</i>	<i>0.36</i>	<i>1.92</i>
<i>Average number of shares, in thousands</i>	<i>22,730</i>	<i>19,530</i>
<i>Outstanding shares at the end of the year, in thousands</i>	<i>22,730</i>	<i>19,530</i>

¹⁾ Earnings per share before and after dilution.

²⁾ Earnings per share calculated by dividing the result for the year by the average number of outstanding shares during the year.

■ STATEMENTS OF COMPREHENSIVE INCOME

MSEK	Full year	
	2012	2011
RESULT FOR THE YEAR	44.5	60.3
Translation differences, net after tax	-30.4	2.9
Cash flow hedges, net after tax	-0.8	-3.1
Hedging of net investment abroad, net after tax	1.9	0.2
OTHER COMPREHENSIVE INCOME, NET AFTER TAX	-29.3	0.0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	15.2	60.3
Total comprehensive income attributable to:		
- parent company shareholders	15.3	60.2
- non-controlling interests	-0.1	0.1

MSEK	Fourth quarter	
	2012	2011
RESULT FOR THE PERIOD	8.2	37.5
Translation differences, net after tax	10.8	-11.0
Cash flow hedges, net after tax	-0.4	-3.2
Hedging of net investment abroad, net after tax	-1.1	1.9
OTHER COMPREHENSIVE INCOME, NET AFTER TAX	9.3	-12.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	17.5	25.2
Total comprehensive income attributable to:		
- parent company shareholders	17.5	25.1
- non-controlling interests	-	0.1

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW

MSEK	Full year	
	2012	2011
RESULT AFTER FINANCIAL ITEMS	93.4	80.0
Adjustments for items not included in cash flow	97.6	58.7
Paid tax	-23.3	-6.8
Changes in working capital	47.0	-47.6
CASH FLOW FROM OPERATING ACTIVITIES	214.7	84.3
Net investments in intangible and tangible assets	-71.9	-19.3
Acquisition and disposal of operations	-126.3	-10.1
Changes in long-term receivables	1.7	1.8
CASH FLOW FROM INVESTING ACTIVITIES	-196.5	-27.6
Changes in long- and short-term borrowing	82.4	-27.6
Dividend to parent company share holders	-9.8	-
CASH FLOW FROM FINANCING ACTIVITIES	72.6	-27.6
CASH FLOW FOR THE YEAR	90.8	29.1
Liquid funds at the beginning of the year	81.2	50.1
Translation difference	-4.0	2.0
LIQUID FUNDS AT THE END OF THE YEAR	168.0	81.2
NET DEBT AT THE BEGINNING OF THE YEAR	675.5	732.2
Translation difference in net debt	-3.6	-0.2
Net debt in acquisitions	-7.8	-
Change in net debt	24.2	-56.5
NET DEBT AT THE END OF THE YEAR	688.3	675.5
OPERATING CASH FLOW	66.6	93.3
	Fourth quarter	
MSEK	2012	2011
RESULT AFTER FINANCIAL ITEMS	41.2	48.9
Adjustments for items not included in cash flow	35.3	21.1
Paid tax	-7.1	0.5
Changes in working capital	57.4	-0.8
CASH FLOW FROM OPERATING ACTIVITIES	126.8	69.7
Net investments in intangible and tangible assets	-35.3	1.8
Acquisition and disposal of operations	-126.8	-4.0
Changes in long-term receivables	1.2	0.1
CASH FLOW FROM INVESTING ACTIVITIES	-160.9	-2.1
Changes in long- and short-term borrowing	55.5	-53.1
CASH FLOW FROM FINANCING ACTIVITIES	55.5	-53.1
CASH FLOW FOR THE YEAR	21.4	14.5
Liquid funds at the beginning of the year	146.4	66.3
Translation difference	0.2	0.4
LIQUID FUNDS AT THE END OF THE YEAR	168.0	81.2
NET DEBT AT THE BEGINNING OF THE YEAR	626.5	750.4
Translation difference in net debt	3.2	-7.4
Net debt in acquisitions	0.4	-
Change in net debt	58.2	-67.5
NET DEBT AT THE END OF THE YEAR	688.3	675.5
OPERATING CASH FLOW	-20.5	75.5

■ STATEMENTS OF FINANCIAL POSITION

TILLGÅNGAR

MSEK	December 31	
	2012	2011
Intangible assets	1,031.3	869.5
Tangible assets	347.1	320.3
Other fixed assets	140.1	159.1
TOTAL FIXED ASSETS	1,518.6	1,348.9
Inventories	115.7	125.6
Accounts receivable	392.5	385.3
Other current assets	66.4	63.6
Cash and cash equivalents	168.0	81.2
TOTAL CURRENT ASSETS	742.6	655.7
TOTAL ASSETS	2,261.2	2,004.6

EQUITY AND LIABILITIES

MSEK	December 31	
	2012	2011
EQUITY	953.8	879.6
LIABILITIES		
Non-interest-bearing long-term liabilities	56.5	40.3
Interest-bearing long-term liabilities	46.9	36.3
TOTAL LONG-TERM LIABILITIES	103.4	76.6
Non-interest-bearing current liabilities	394.6	327.9
Interest-bearing current liabilities	809.4	720.5
TOTAL CURRENT LIABILITIES	1,204.0	1,048.4
TOTAL EQUITY AND LIABILITIES	2,261.2	2,004.6

■ STATEMENTS OF CHANGES IN EQUITY

MSEK	Equity attributable to parent company shareholders	Equity attributable to non-controlling interests	Total equity
OPENING BALANCE ON 1 JAN. 2011	819.3	-	819.3
Total comprehensive income for the year	60.2	0.1	60.3
CLOSING BALANCE ON 31 DEC. 2011	879.5	0.1	879.6
OPENING BALANCE ON 1 JAN. 2012	879.5	0.1	879.6
Dividend to parent company shareholders	-9.8	-	-9.8
New share issue	68.8	-	68.8
Total comprehensive income for the year	15.3	-0.1	15.2
CLOSING BALANCE ON 31 DEC. 2012	953.8	-	953.8

CONSOLIDATED FINANCIAL STATEMENTS

SEGMENT REPORTING

Group operations are reported as one reportable segment, since this is how the Group is governed. The units in each country or sometimes groups of countries are identified as operating segments. The operating segments have then been merged to create a single reportable segment, consisting of the entire Group, since the units have similar economic characteristics and resemble each other regarding the nature of their products and services, production processes, customer types etc. The President has been identified as the highest executive decision-maker. Regarding the financial information for the reportable segment please see the consolidated income statements and the statements of financial position along with related notes.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS – ACQUISITION OF OPERATIONS IN 2012

SPECIFICATION OF ACQUISITIONS

Company	Acquisition date	Country	Number of employees
d o m Deutsche Online Medien GmbH	3 May 2012	Germany	28
fotokasten GmbH	3 May 2012	Germany	4
Midland Information Resources Company	31 December 2012	USA	180

ASSETS AND LIABILITIES IN ACQUISITIONS

D|O|M DEUTSCHE ONLINE MEDIEN GMBH AND FOTOKASTEN GMBH

In May 2012 Elanders acquired all the shares in d|o|m Deutsche Online Medien GmbH (“d|o|m”) and fotokasten GmbH (“fotokasten”), both located outside Stuttgart in Germany. d|o|m develops technical solutions for digital photo and print services. fotokasten is a strong and well known brand on the growing German market in personalized consumer photo products such as photo books and calendars. The acquisitions have been made through a preferential new share issue of 3.2 million class B shares in Elanders AB. A smaller additional purchase price may also be paid.

MSEK	Recorded value in acquired operations	Adjustments to fair value	Recorded value in the Group
Intangible assets	12.8	9.0	21.8
Tangible assets	0.7	-	0.7
Accounts receivable	12.5	-	12.5
Other current assets	8.8	-	8.8
Cash and cash equivalents	8.2	-	8.2
Non-interest bearing short-term liabilities	-32.3	-2.6	-34.9
IDENTIFIABLE NET ASSETS	10.7	6.4	17.1
Goodwill			64.5
TOTAL PURCHASE SUMS			81.6
Less:			
Non-cash issue			70.4
Unpaid purchase sums			3.5
Cash and cash equivalents in acquisitions			8.2
TOTAL DEDUCTIBLE ITEMS			82.1
POSITIVE EFFECT ON CASH AND CASH EQUIVALENTS FOR THE GROUP			0.5

CONSOLIDATED FINANCIAL STATEMENTS

MIDLAND INFORMATION RESOURCES COMPANY

In December 2012 Elanders acquired all shares in Midland Information Resources Company. Midland is located in Davenport, Iowa, USA, and is a leader in global print management with its innovative solutions for content management services, just-in-time-deliveries in digital print as well as fulfillment and distribution. The acquisition was financed with cash and loans.

MSEK	Recorded value in acquired operations	Adjustments to fair value	Recorded value in the Group
Intangible assets	-	16.8	16.8
Tangible assets	22.5	16.4	38.9
Financial assets	1.1	-	1.1
Inventory	7.8	-	7.8
Accounts receivable	39.7	-	39.7
Other current assets	2.0	-	2.0
Cash and cash equivalents	13.9	-	13.9
Interest bearing liabilities	-23.9	-	-23.9
Non-interest bearing liabilities	-42.8	-11.3	-54.1
IDENTIFIABLE NET ASSETS	20.3	21.9	42.2
Goodwill			97.8
TOTAL PURCHASE SUMS			140.0
Less:			
Cash and cash equivalents in acquisitions			13.9
TOTAL DEDUCTIBLE ITEMS			13.9
NEGATIVE EFFECT ON CASH AND CASH EQUIVALENTS FOR THE GROUP			126.1

PARENT COMPANY'S FINANCIAL STATEMENTS

INCOME STATEMENTS

MSEK	Full year	
	2012	2011
Net sales	-	-
Cost of products and services sold	-	-
GROSS PROFIT	-	-
Operating expenses	-29.4	-26.0
OPERATING RESULT	-29.4	-26.0
Net financial items	68.9	68.0
RESULT AFTER NET FINANCIAL ITEMS	39.5	42.0
Income tax	-22.2	-34.3
RESULT FOR THE YEAR	17.3	7.7

MSEK	Fourth quarter	
	2012	2011
Net sales	-	-
Cost of products and services sold	-	-
GROSS PROFIT	-	-
Operating expenses	-9.8	-11.7
OPERATING RESULT	-9.8	-11.7
Net financial items	58.3	73.9
RESULT AFTER NET FINANCIAL ITEMS	48.5	62.2
Income tax	-27.5	-40.7
RESULT FOR THE PERIOD	21.0	21.5

STATEMENTS OF COMPREHENSIVE INCOME

MSEK	Full year	
	2012	2011
RESULT FOR THE YEAR	17.3	7.7
Other comprehensive income	-2.6	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	14.7	7.7

MSEK	Fourth quarter	
	2012	2011
RESULT FOR THE PERIOD	21.0	21.5
Other comprehensive income	-0.3	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	20.7	21.5

PARENT COMPANY'S FINANCIAL STATEMENTS

■ BALANCE SHEETS

MSEK	December 31	
	2012	2011
ASSETS		
Fixed assets	1,442.1	1,222.5
Current assets	132.3	106.0
TOTAL ASSETS	1,574.4	1,328.6
EQUITY, PROVISIONS AND LIABILITIES		
Equity	782.1	708.4
Provisions	6.4	3.9
Long-term liabilities	70.7	65.1
Current liabilities	715.2	551.2
TOTAL EQUITY AND LIABILITIES	1,574.4	1,328.6

■ STATEMENTS OF CHANGES IN EQUITY

MSEK	Share capital	Statutory reserve	Retained earnings and result for the period	Total equity
OPENING BALANCE ON 1 JAN. 2011	195.3	332.4	173.0	700.7
Total comprehensive income for the year	-	-	7.7	7.7
CLOSING BALANCE ON 31 DEC. 2011	195.3	332.4	180.7	708.4
OPENING BALANCE ON 1 JAN. 2012	195.3	332.4	180.7	708.4
Dividend to parent company shareholders	-	-	-9.8	-9.8
New share issue	32.0	-	36.8	68.8
Total comprehensive income for the year	-	-	14.7	14.7
CLOSING BALANCE ON 31 DEC. 2012	227.3	332.4	222.4	782.1

QUARTERLY DATA

■ QUARTERLY DATA

MSEK	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4
Net sales	527	456	481	460	538	423	434	443	491
Operating result	48	13	39	20	57	13	21	19	6
Operating margin, %	9.0	2.8	8.0	4.2	10.6	3.0	4.8	4.3	1.1
Result after financial items	41	7	32	14	49	4	14	12	-1
Result after tax	8	4	22	10	37	3	9	11	-1
Earnings per share, SEK ¹⁾	0.36	0.19	1.03	0.50	1.92	0.15	0.44	0.58	-0.07
Operating cash flow	-21	18	42	27	76	-12	12	18	-5
Cash flow per share, SEK ²⁾	5.58	1.01	1.59	1.57	3.57	-0.90	0.49	1.15	0.60
Depreciation	23	23	23	22	22	22	22	21	25
Net investments	161	16	5	14	2	8	8	10	22
Goodwill	977	872	890	828	834	847	840	831	836
Total assets	2,261	2,086	2,049	1,979	2,005	2,037	1,952	1,956	2,012
Equity	954	936	964	882	880	854	831	811	819
Equity per share, SEK	41.96	41.19	42.42	45.15	45.03	43.75	42.55	41.53	41.94
Net debt	688	627	642	660	676	750	721	718	732
Capital employed	1,642	1,563	1,606	1,542	1,555	1,605	1,551	1,529	1,552
Return on total assets, % ³⁾	9.0	2.5	10.2	4.8	14.0	4.0	5.8	5.5	1.7
Return on equity, % ³⁾	3.5	1.8	9.7	4.4	17.3	1.4	4.2	5.5	-0.6
Return on capital employed, % ³⁾	11.9	3.2	9.8	5.0	14.5	3.2	5.4	4.9	1.4
Debt/equity ratio	0.7	0.7	0.7	0.7	0.8	0.9	0.9	0.9	0.9
Equity ratio, %	42.2	44.9	47.1	44.6	43.9	42.0	42.6	41.5	40.7
Interest coverage ratio ⁴⁾	5.6	5.8	5.4	4.5	4.4	2.4	neg.	neg.	neg.
Number of employees at the end of the period	1,780	1,600	1,599	1,551	1,582	1,562	1,554	1,523	1,564

¹⁾ There is no dilution.

²⁾ Cash flow per share refers to cash flow from operating activities.

³⁾ Return ratios have been annualized.

⁴⁾ Interest coverage ratio calculation is based on a moving 12 month period.

FIVE YEAR OVERVIEW - FULL YEAR

	2012	2011	2010	2009	2008
Net sales, MSEK	1,924	1,839	1,706	1,757	2,191
Result after financial items, MSEK	93	80	-105	-96	-34
Result after tax, MSEK	45	60	-84	-74	-26
Earnings per share, SEK ¹⁾	2.05	3.09	-6.79	-7.57	-2.62
Cash flow from operating activities per share, SEK	9.92	4.32	-4.68	5.60	12.35
Equity per share, SEK	41.96	45.03	41.94	78.34	89.88
Dividends per share, SEK	0.60 ²⁾	0.50	0.00	0.00	0.00
Operating margin, %	6.2	6.0	-4.5	-3.4	0.7
Return on total assets, %	7.4	7.3	-3.2	-2.2	1.7
Return on equity, %	4.8	7.1	-10.6	-9.1	-3.0
Return on capital employed, %	7.4	7.1	-4.8	-3.6	0.9
Debt/equity ratio	0.7	0.8	0.9	1.1	1.0
Equity ratio, %	42.2	43.9	40.7	36.2	36.8
Average number of shares, in thousands ³⁾	21,646	19,530	12,342	9,765	9,765

Key ratios correspond to those presented in the Annual Report for each year.

¹⁾ There is no dilution.

²⁾ Proposed by the board.

³⁾ No adjustment of the historic number of shares has been made since the new share issues in 2010 and 2012 did not entail any bonus issue element.

FIVE YEAR OVERVIEW - FOURTH QUARTER

	2012 Q4	2011 Q4	2010 Q4	2009 Q4	2008 Q4
Net sales, MSEK	527	538	491	455	621
Result after tax, MSEK	8	37	-1	-37	-30
Earnings per share, SEK ¹⁾	0.36	1.92	-0.07	-3.79	-3.03
Cash flow from operating activities per share, SEK	5.58	3.57	0.60	3.22	11.08
Equity per share, SEK	41.96	45.03	41.94	78.34	89.88
Return on equity, % ²⁾	3.5	17.3	-0.06	-19.3	-13.9
Return on capital employed, % ²⁾	11.9	14.5	1.4	-7.0	-7.2
Operating margin, %	9.0	10.6	1.1	-6.2	-5.0
Average number of shares, in thousands ³⁾	22,730	19,530	19,530	9,765	9,765

¹⁾ There is no dilution.

²⁾ Return ratios have been annualized.

³⁾ No adjustment of the historic number of shares has been made since the new share issues in 2010 and 2012 did not entail any bonus issue element.

SPECIFIC TERMS

COMMERCIAL PRINT | Production of printed matter such as magazines, books, catalogues, manuals, marketing material etc. Production is made by both offset technique and digital print.

DIGITAL PRINT AND DIGITAL PRINT TECHNIQUE | The transfer of information to paper via a digital file that is then printed out with the help of a high-speed printer. This technique is a prerequisite for Print-on-Demand and makes quick deliveries in small editions possible. Offset technique is still more efficient for larger editions and four color production.

ELECTRONIC DATA INTERCHANGE (EDI) | The transfer of structured information according to an agreed-upon format. The acronym EDI refers often, but not always, to the transfer of information such as stock balances, catalogue information, orders, order confirmation, delivery notification and invoices between companies.

FULFILMENT | This term is increasingly used, particularly in the automotive industry, to describe a number of steps in the process between printing and distribution. They can include packaging for end customers, bar-coding, adding other objects such as plastic cards etc.

JUST-IN-TIME | Delivery precision - delivery exactly when the need arises. The concept also entails that customers do not need to store their publications. Often includes digital printing, see Print-on-Demand.

OFFSET TECHNIQUE | A printing method in which ink and water are spread out on a printing plate that is then pressed against a rubber blanket. This absorbs the ink and transfers it to the paper. The expression offset comes from the fact that the printing plate never touches the paper. For smaller editions (1,000-30,000) sheet-fed offset is used. In this process the paper is fed into the press page by page. Web offset is usually more efficient for larger editions (over 30,000). The press is fed from a roll of paper and the printed paper is then cut into sheets.

ONE STOP SHOPPING | With a single contact you gain access to Elanders' entire global and broad product range and can easily order the products and services that you need.

OUTSOURCING | Companies or organizations choose to let an external party handle an activity or a process. This activity or process is then said to be outsourced.

PREMEDIA | Our collective term for the work done before printing/publishing. The term includes layout, typography, image retouching and production of originals. In our world even other services are included such as: advertisement management,

file management, quality assurance, printing plate production as well as database solutions for digital material.

PRINT-ON-DEMAND (POD) | With the help of high-speed printers printed matter can be produced as needed and in very small editions.

WEB-TO-BUSINESS (W2B) | When the order is placed directly by the end customer using e-commerce platforms. Contains both when Elanders is selling direct to consumers and as supplier to e-commerce companies.

WEB-TO-PRINT (W2P) | A Web-based order interface where the production and distribution of information and marketing material can easily be ordered and made accessible for editing and ordering via the Internet.

DEFINITIONS

CASH FLOW FROM OPERATING ACTIVITIES PER SHARE | Cash flow from operating activities for the year divided by average number of shares.

CAPITAL EMPLOYED | Total assets less cash and cash equivalents and non-interest-bearing liabilities.

DEBT/EQUITY RATIO | Interest-bearing liabilities less cash and cash equivalents in relation to reported equity, including non-controlling interests.

EQUITY PER SHARE | Equity divided by outstanding shares at the end of the year.

EQUITY RATIO | Equity, including non-controlling interests, in relation to total assets.

INTEREST COVERAGE RATIO | Operating result plus interest income divided by interest costs.

OPERATING CASH FLOW | Cash flow from operating activities and investing activities adjusted for paid taxes and net financial items.

OPERATING MARGIN | Operating result in relation to net turnover.

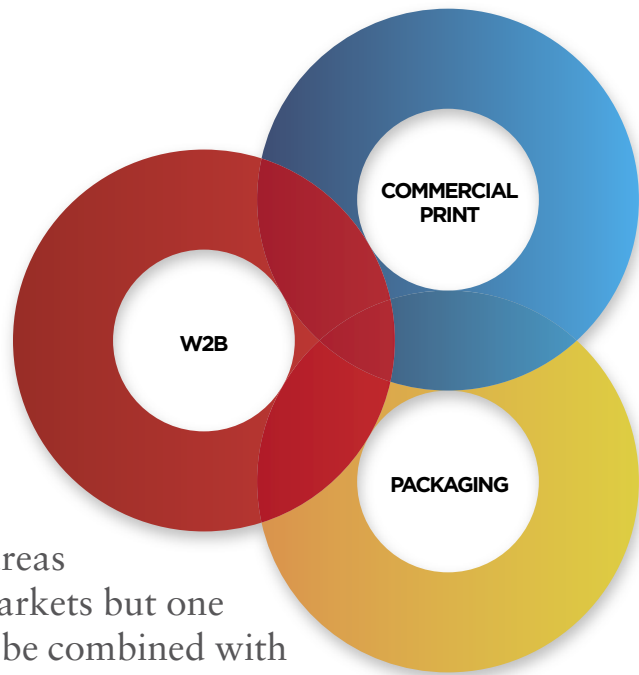
RETURN ON CAPITAL EMPLOYED | Operating result in relation to average capital employed.

RETURN ON EQUITY | Result for the year in relation to average equity.

RETURN ON TOTAL ASSETS | Operating result plus financial income in relation to average total assets.

ELANDERS' OFFER & PRODUCT AREAS

Elanders' offer is divided into three product areas: Commercial Print, Packaging and W2B. The product areas have different circumstances and markets but one common denominator; they can all be combined with personalized information or print.



COMMERCIAL PRINT is Elanders' origin and represents the lion's share of our range and net sales. Elanders has an advantage over several smaller competitors since the company can offer print in low-cost countries. Our ability to offer the customers the same print quality at a lower price has been successful.



Commercial Print includes magazines, books, catalogues and other information and marketing material. Manuals and product information are also included in this category and they have been Elanders' successful mainstay for many years.

Manuals, however, have gone through a transformation in recent years. They are simpler, thinner and part of the information that was previously printed is now delivered digitally. To compensate for this Elanders also offers printing of the packaging and fulfillment in combination with production of the manual.

The demand for customized and chassis unique manuals is on the rise in the automotive industry. Elanders has long and extensive experience in this area and a large number of leading, global car manufacturers are our customers.

PACKAGING is becoming an increasingly important component in how companies nurture their



brands or when they want to clinch a purchase as a customer walks through a store. Elanders offers an entire range from simple boxes to exclusive hand-made packaging and everything from small to enormous editions. Another competitive advantage Elanders has is that we offer personalized print on packaging.

The strongest trend in packaging is that it is becoming more exclusive, expensive and requires more advanced technology to produce. In addition to the consumer electronics industry, Elanders has in recent years won orders from pharmaceuticals and the food and cosmetics industries.

WEB2BUSINESS

(W2B) is a relatively young product area for Elanders but it's growing quickly and its future is exciting. It's a prioritized development area where the personalization element is more tangible than in any other product area. This product area is characterized by the use of specially designed websites where customers can put in their orders and in some cases follow the entire process from order to delivered printed matter.



Our strategy is to serve Elanders' existing customers in the best way possible via order portals and to be the best global supplier for customers that are focused on W2P. Included in this strategy is continuing to develop our own technical solutions and use the experience that we have. Volumes have increased as more and more customers want to design their own personalized photo books, calendars and other printed material.

YOUR WORLDWIDE PRINTING PARTNER



Elanders is a global printing group with production units in nine countries on four continents. Our product areas are Commercial Print, Packaging and Web2Business (W2B). Elanders also offers services in Web-to-Print (W2P), EDI, advanced premedia, fulfilment and logistics within these areas. Elanders also sells photo products directly to consumers primarily in Germany under the brand fotokasten. Elanders has approximately 1,800 employees and net sales of more than SEK 1.9 billion.

The Elanders share is listed on the NASDAQ OMX Stockholm, Small Cap.

The Group's production units are located in Brazil (São Paulo), Italy (Treviso), China (Beijing), Poland (Płońsk), Great Britain (Newcastle), Sweden (Falköping, Gothenburg, Malmö and Stockholm), Germany (Stuttgart), Hungary (Zalalövő and Jászberény) as well as the USA (Atlanta and Davenport). Elanders is also represented through sales offices in a number of other locations.