

Press release from Elanders AB (publ)

2010-10-21

January-September

- Net sales fell by 6.7 % totaling MSEK 1,215.0 (MSEK 1,302.0).
- Operating result amounted to MSEK -81.8 (MSEK -31.7), of which one-off items amounted to MSEK -39.7 (MSEK -16.4) net.
- Result before taxes was MSEK -104.1 (MSEK -56.5).
- Net result was MSEK -82.5 (MSEK -37.2) or SEK -8.29 per share (SEK -3.78 per share).¹⁾
- Operating cash flow amounted to MSEK -85.5 (MSEK 34.0), of which acquisitions were MSEK -26.8 (MSEK 0.0).
- The new share issue with preferential rights has been carried out and raised MSEK 208.1 after issue expenses. The new share issue has strengthened Elanders' financial position.
- In July Elanders signed a contract to acquire the operations in the packaging printing plant Printpack in Germany with annual net sales of about MSEK 100.
- In September 55 persons were given notice of redundancy in Sweden. In connection to this structural costs of MSEK 58.5 have been charged to operating costs, primarily costs for staff reductions.
- At the end of September a new, two-year credit agreement was signed with the banks.
- The forecast for 2010 of a result before taxes of around MSEK -110 including costs of MSEK 80 for restructuring during the second half of the year remains unchanged. The forecast for 2011 is a positive result before taxes.

The third quarter

- Net sales increased by 6.6 % totaling MSEK 405.8 (MSEK 380.7).
- Operating result amounted to MSEK -61.8 (MSEK -21.4), of which net one-off items amounted to MSEK -54.5 (MSEK 0.0).
- Result before taxes was MSEK -70.5 (MSEK -27.8).
- Net result amounted to MSEK -52.0 (MSEK -16.6) or SEK -5.04 per share (SEK -1.67 per share).¹⁾
- Operating cash flow amounted to MSEK -14.1 (MSEK -33.0), of which acquisitions were MSEK -23.6 (MSEK 0.0).

¹⁾ There was no dilution during the given periods.

COMMENTS BY THE CEO

During the third quarter we could clearly see signs of recovery on the market, which was what we predicted at the end of the second quarter. The largest contribution to the increased sales during the third quarter is from industry and automotive customers. The trend of increasing demand for packaging, marketing material and personalized products and a lessening demand for traditional print such as user manuals, educational material and books is unmistakable. The changes that are presently being made in Elanders are completely in line with this trend.

A German packaging printing plant, Printpack, was acquired in the third quarter as a part of Group strategy to expand in packaging production. Printpack has been integrated far faster than expected and this has already generated synergies with Elanders' existing operations in Germany.

The new share issue which was decided during the quarter was carried out and raised about MSEK 208 after issue expenses. This capital will strengthen Elanders' financial position and create the prerequisites necessary for the continued expansion and development of the company.

The structural changes announced in the interim report for the second quarter, primarily concerning the Swedish operations, are now being implemented and are aimed at reducing the number of employees and optimize resource utilization in order to create a more competitive Elanders. In connection to this some production capacity has been moved from Western Europe to Eastern Europe and South America. This process will continue in the fourth quarter.

Magnus Nilsson
President and Chief Executive Officer

NET SALES AND RESULT

January-September			
MSEK	2010	2009	2008
Net sales	1,215.0	1,302.0	1,570.0
Operating expenses	-1,296.8	-1,333.7	-1,523.3
Operating result	-81.8	-31.7	46.7
Net financial items	-22.3	-24.8	-37.0
Result after financial items	-104.1	-56.5	9.7

July-September			
MSEK	2010	2009	2008
Net sales	405.8	380.7	516.5
Operating expenses	-467.6	-402.1	-526.0
Operating result	-61.8	-21.4	-9.5
Net financial items	-8.7	-6.4	-13.5
Result after financial items	-70.5	-27.8	-23.0

PARENT COMPANY

During the period the parent company has provided joint Group services. The average number of employees was 18 (11) and at the end of the period 14 (12).

GROUP

Net sales and result

January-September

Consolidated net sales fell by MSEK 87.0 to MSEK 1,215.0 (MSEK 1,302.0) or 6.7 %. The decrease was primarily due to reduced volumes for the most part in China and in Sweden as well as a stronger Swedish crown compared to the Euro and the British pound. If the currency rates had been the same as in this period the previous year, the reduction in net sales would have been around MSEK 26 or MSEK 43 in comparable units.

The operating result worsened by MSEK 50.1 to MSEK -81.8 (MSEK -31.7), mainly due to developments in the Chinese operations and the structural costs primarily in Sweden. One-off items of MSEK -39.7 (MSEK -16.4) are included in operating results.

In September 55 persons were given notice of redundancy in Sweden and in connection with this structural costs of MSEK 58.5 were charged to the operating result in the third quarter. These reductions in personnel in combination with previous notices of redundancy and people leaving of their own accord during the year reduced Swedish operations by about 80 people on a full year basis, compared to 2009.

Third quarter

Group net sales increased by MSEK 25.1 to MSEK 405.8 (MSEK 380.7) or 6.6 %. If the currency rates had been the same as in this period the previous year the increase would have been about MSEK 45, of which MSEK 28, i.e. 7.4 %, represents organic growth.

The operating result worsened by MSEK 40.4 to MSEK -61.8 (MSEK -21.4), of which MSEK -54.5 (MSEK 0.0) was one-off items, primarily attributable to restructuring the Swedish operations.

Cleared of one-off items the operations showed a better operating result in the third quarter compared to the same period last year and the reason is lower operating losses in the Swedish operations and generally positive developments in the Group's foreign operations.

Personnel

January-September

The average number of employees during the period was 1,506 (1,594), of which 454 (520) were in Sweden. At the end of the period the Group had 1,556 (1,541) employees. In June Jonas Brännerud took over as MD for the Swedish operations and is now a member of Group Management.

Third quarter

The average number of employees during the period was 1,544 (1,533), of which 439 (480) were in Sweden.

After the end of the reporting period

Andreas Wikner has been appointed Chief Financial Officer after having been acting Chief Financial Officer.

Investments and depreciation

January-September

Investments for the period totalled MSEK 52.2 (MSEK 46.4), of which MSEK 26.8 (MSEK 0.0) was acquisitions, of which Printpack was MSEK 23.6 and the acquisition of the remaining minority in the Brazilian operations was MSEK 3.2. Operations in Printpack is consolidated from 1 August.

The Group's depreciations and write-downs for the period amounted to MSEK 76.5 (MSEK 76.9).

Third quarter

Investments for the period totalled MSEK 31.3 (MSEK 16.1), of which MSEK 23.6 (MSEK 0.0) were acquisitions. The Group's depreciations and write-downs amounted to MSEK 32.3 (MSEK 25.7).

Financial position, cash flow, equity ratio and financing

The Group's net debt amounted to MSEK 722.4 (MSEK 835.4) and operating cash flow for the first nine months amounted to MSEK -85.5 (MSEK 34.0) with MSEK -26.8 (MSEK 0.0) attributable to acquisitions. Operating cash flow for the third quarter amounted to MSEK -14.1 (MSEK -33.0), of which acquisitions were MSEK -23.6 (MSEK 0.0). Equity amounted to MSEK 825.3 (MSEK 786.6), which resulted in an equity ratio of 40.4 % (37.8 %).

At the end of September a new, two-year credit agreement was signed with the banks.

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, contracts, disputes, insurance and other risk management as well as other operational risks). These risks, together with a sensitivity analysis, are described in detail on pages 43-45 in the Annual Report 2009. No significant changes have occurred that have changed the risks as reported there.

Seasonal variations

The Group's net sales, and thereby income, are affected by the seasonal variations described on page 45 of the Annual Report 2009. Among other information found there is the fact that, historically, almost a third of the Group's net sales occur in the fourth quarter.

Events after the balance sheet date

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

Forecast

The forecast for 2010 of a result before taxes of around MSEK -110 including costs of about MSEK 80 for restructuring during the second half of the year remains unchanged. A positive result before taxes is expected in 2011.

Accounting principles

The interim 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.

A number of amendments of existing standards, new interpretations etc. have been made by Elanders starting 1 January 2010. Of them the IFRS 3 Business Combination (amended) has had a certain impact on some of our financial reports since new acquisitions must be dealt with according to this standard.

In all other aspects the same accounting principles and calculation methods as those in the last Annual Report have been used.

OTHER INFORMATION

Nomination committee

The following are members of the nomination committee for the Annual General Meeting on 5 May 2011:

Carl Bennet (chairman)	Carl Bennet AB
Göran Erlandsson	Representative for minor shareholders
Hans Hedström	Carnegie Funds
Nils Petter Hollekim	Odin Funds
Caroline af Ugglas	Investment AB Latour/Skandia Liv

No changes have been made in the nomination committee since the Annual General Meeting on 26 April 2010. Please find the nomination committee's contact information on the company's website www.elanders.com under "Corporate Governance".

Future reports from Elanders

Annual Accounts Report	28 January 2011
Annual Report	7 April 2011
Interim report first quarter 2011	5 May 2011
Interim report second quarter 2011	13 July 2011
Interim report third quarter 2011	21 October 2011

Mölnlycke, 21 October 2010

Magnus Nilsson
President and Chief Executive Officer

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:

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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.

Review report

We have reviewed this report for the period 1 January to 30 September 2010 for Elanders AB (publ), company reg.no. 556008-1621. 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.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 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 Standards on Auditing in Sweden, RS, 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.

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.

Gothenburg 21 October 2010

PricewaterhouseCoopers AB

Mikael Eriksson
Authorised Public Accountant
Auditor in charge

Johan Rippe
Authorised Public Accountant

Group - Income statements

MSEK	Third quarter	
	2010	2009
Net sales	405.8	380.7
Cost of products and services sold	-376.1	-319.1
Gross profit	29.7	61.6
Sales and administrative expenses	-88.1	-86.3
Other operating income	27.4	10.3
Other operating expenses	-29.5	-5.0
Income from jointly controlled entities	-1.3	-2.0
Operating result	-61.8	-21.4
Net financial items	-8.7	-6.4
Result after financial items	-70.5	-27.8
Income Taxes	18.5	11.2
Result for the period	-52.0	-16.6
Attributable to:		
- parent company shareholders	-52.0	-16.3
- minority interests	-	-0.3
Earnings per share, SEK ^{1) 2)}	-5.04	-1.67
Average number of shares, in thousands	10,308	9,765
Outstanding shares at the end of the period, in thousands	19,530	9,765

¹⁾ Earnings per share before and after dilution. No adjustment of the historic number of shares has been made since the new share issue in 2010 did not entail any bonus issue element.

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

MSEK	January-September		Last 12 mon	Full year
	2010	2009		2009
Net sales	1,215.0	1,302.0	1,669.7	1,756.7
Cost of products and services sold	-1,058.2	-1,063.7	-1,424.1	-1,429.6
Gross profit	156.8	238.3	245.6	327.1
Sales and administrative expenses	-249.4	-281.3	-357.4	-389.3
Other operating income	52.3	29.6	62.0	39.3
Other operating expenses	-38.4	-15.8	-55.8	-33.2
Income from jointly controlled entities	-3.1	-2.5	-4.6	-4.0
Operating result	-81.8	-31.7	-110.2	-60.1
Net financial items	-22.3	-24.8	-33.5	-36.0
Result after financial items	-104.1	-56.5	-143.7	-96.1
Income taxes	21.6	19.3	24.0	21.7
Result for the period	-82.5	-37.2	-119.7	-74.4
Attributable to:				
- parent company shareholders	-82.5	-36.9	-119.6	-74.0
- minority interests	-	-0.3	-0.1	-0.4
Earnings per share, SEK ^{1) 2)}	-8.29	-3.78	-12.08	-7.57
Average number of shares, in thousands	9,946	9,765	9,901	9,765
Outstanding shares at the end of the period, in thousands	19,530	9,765	19,530	9,765

¹⁾ Earnings per share before and after dilution. No adjustment of the historic number of shares has been made since the new share issue in 2010 did not entail any bonus issue element.

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

Group - Statements of comprehensive income

MSEK	Third quarter	
	2010	2009
Result for the period	-52.0	-16.6
Other comprehensive income		
Translation differences, net after tax	-47.6	-58.1
Cash flow hedges, net after tax	0.1	0.0
Hedging of net investment abroad, net after tax	1.5	0.9
Other comprehensive income, net after tax	-46.0	-57.2
Total comprehensive income for the period	-98.0	-73.8
Total comprehensive income attributable to:		
-parent company shareholders	-98.0	-73.7
-minority interests	-	-0.1

MSEK	January-September		Last 12 mon	Full year
	2010	2009		2009
Result for the period	-82.5	-37.2	-119.7	-74.4
Other comprehensive income				
Translation differences, net after tax	-70.2	-55.1	-54.6	-39.5
Cash flow hedges, net after tax	0.1	0.1	0.5	0.5
Hedging of net investment abroad, net after tax	5.3	1.1	5.0	0.8
Other comprehensive income, net after tax	-64.8	-53.9	-49.1	-38.2
Total comprehensive income for the period	-147.3	-91.1	-168.8	-112.6
Total comprehensive income attributable to:				
-parent company shareholders	-147.3	-90.9	-168.7	-112.3
-minority interests	-	-0.2	-0.1	-0.3

Group - Statements of cash flow

MSEK	Third quarter		January-September		Last 12 mon	Full year
	2010	2009	2010	2009		2009
Result after financial items	-70.5	-27.8	-104.1	-56.5	-143.7	-96.1
Adjustments for items not included in cash flow	70.5	17.1	93.6	50.2	130.2	86.8
Paid taxes	-1.1	-3.5	-8.8	-14.1	-2.6	-7.9
Changes in working capital	-1.4	-16.5	-50.2	43.8	-22.2	71.8
Cash flow from operating activities	-2.5	-30.7	-69.5	23.4	-38.3	54.6
Cash flow from investing activities	-21.4	-12.2	-47.1	-28.4	-70.9	-52.2
Changes in long and short-term borrowing	-136.4	25.7	-74.5	-50.1	-84.0	-59.6
New share issue	208.1	-	208.1	-	208.1	-
Cash flow from financing activities	71.7	25.7	133.6	-50.1	124.1	-59.6
Cash flow for the period	47.8	-17.2	17.0	-55.1	14.9	-57.2
Liquid funds at the beginning of the period	48.8	104.2	78.9	141.7	80.2	141.7
Translation difference	-4.0	-6.8	-3.3	-6.4	-2.5	-5.6
Liquid funds at the end of the period	92.6	80.2	92.6	80.2	92.6	78.9
Net debt at the beginning of the period	905.6	806.4	837.4	843.3	835.4	843.3
Translation difference in net debt	-19.4	-4.1	-32.0	-1.6	-32.1	-1.7
Net debt in acquisitions	8.6	-	8.6	-	8.6	-
Change in net debt	-172.4	33.1	-91.6	-6.3	-89.5	-4.2
Net debt at the end of the period	722.4	835.4	722.4	835.4	722.4	837.4
Operating cash flow	-14.1	-33.0	-85.5	34.0	-77.0	42.1

Group - Statements of financial position

MSEK	30/9 2010	30/9 2009	31/12 2009
Assets			
Intangible assets	887.7	940.9	953.0
Tangible assets	371.3	432.2	435.1
Other fixed assets	163.8	125.6	131.4
Total fixed assets	1,422.8	1,498.7	1,519.5
Inventories	113.1	103.0	95.1
Accounts receivable	335.1	316.5	351.5
Other current assets	77.5	85.0	68.8
Cash and cash equivalents	92.6	80.2	78.9
Total current assets	618.3	584.7	594.3
Total assets	2,041.1	2,083.4	2,113.8
Equity and liabilities			
Equity	825.3	786.6	765.1
Liabilities			
Non-interest-bearing long-term liabilities	38.6	47.3	42.7
Interest-bearing long-term liabilities	326.4	94.1	87.6
Total long-term liabilities	365.0	141.4	130.3
Non-interest-bearing current liabilities	362.2	333.8	389.7
Interest-bearing current liabilities	488.6	821.6	828.7
Total current liabilities	850.8	1,155.4	1,218.4
Total equity and liabilities	2,041.1	2,083.4	2,113.8

Group - Statements of changes in equity

MSEK	Equity attributable to parent company shareholders	Equity attributable to minority owners	Total equity
Equity at year-end 2008	875.6	2.1	877.7
Total comprehensive income for the year	-112.3	-0.3	-112.6
Equity at year-end 2009	763.3	1.8	765.1
Equity at year-end 2008	875.6	2.1	877.7
Total comprehensive income for the period	-90.9	-0.2	-91.1
Equity at the end of the third quarter 2009	784.7	1.9	786.6
Equity at year-end 2009	763.3	1.8	765.1
Transactions with minority owners	1.2	-1.8	-0.6
New share issue	208.1	-	208.1
Total comprehensive income for the period	-147.3	-	-147.3
Equity at the end of the third quarter 2010	825.3	-	825.3

Segment reporting

Effective the fourth quarter 2009 Group operations are reported as one reportable segment, since this is how the Group is now governed. This analysis identified the President as the highest decision-maker and the units in different countries were identified as operating segments. The operating segments were then merged to create a single operating 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. Regarding the financial information for the operating segment please see the consolidated income statements and the statement of financial position along with related notes.

PARENT COMPANY

Parent company - Income statements

MSEK	Third quarter	
	2010	2009
Net sales	-	-
Cost of products and services sold	-	-
Gross profit	-	-
Operating expenses	-10.5	-6.4
Operating result	-10.5	-6.4
Net financial items	-2.2	-1.7
Result after net financial items	-12.7	-8.1
Income taxes	3.3	2.1
Result for the period	-9.4	-6.0

MSEK	January-September		Last 12 mon	Full year
	2010	2009		2009
Net sales	-	-	-	-
Cost of products and services sold	-	-	-	-
Gross profit	-	-	-	-
Operating expenses	-23.4	-29.5	-31.3	-37.4
Operating result	-23.4	-29.5	-31.3	-37.4
Net financial items	11.7	80.9	14.0	83.2
Result after net financial items	-11.7	51.4	-17.3	45.8
Income taxes	5.5	10.8	8.5	13.8
Result for the period	-6.2	62.2	-8.8	59.6

Parent company - Statements of comprehensive income

MSEK	Third quarter	
	2010	2009
Result for the period	-9.4	-6.0
Other comprehensive income	-	-
Total comprehensive income	-9.4	-6.0

MSEK	January-September		Last 12 mon	Full year
	2010	2009		2009
Result for the period	-6.2	62.2	-8.8	59.6
Other comprehensive income	-	-	-	-
Total comprehensive income	-6.2	62.2	-8.8	59.6

Parent company - Balance sheets

MSEK	30/9 2010	30/9 2009	31/12 2009
	Assets		
Fixed assets	1,268.1	1,240.5	1,254.9
Current assets	163.5	66.9	61.4
Total assets	1,431.6	1,307.4	1,316.3
Equity, provisions and liabilities			
Equity	754.8	605.3	552.9
Provisions	3.9	6.3	3.9
Long-term liabilities	146.3	0.1	0.1
Current liabilities	526.6	695.7	759.4
Total equity and liabilities	1,431.6	1,307.4	1,316.3

Parent company - Statements of changes in equity

MSEK	Share capital	Statutory reserve	Retained earnings and result for the period	Total equity
	Equity at year-end 2008	97.7	332.4	113.1
Total comprehensive income for the year	-	-	59.5	59.5
Paid group contribution, net	-	-	-67.6	-67.6
Tax effect on paid group contribution, net	-	-	17.8	17.8
Equity at year-end 2009	97.7	332.4	122.8	552.9
Equity at year-end 2008	97.7	332.4	113.1	543.2
Total comprehensive income for the period	-	-	62.2	62.2
Equity at the end of the third quarter 2009	97.7	332.4	175.2	605.3
Equity at year-end 2009	97.7	332.4	122.8	552.9
New share issue	97.7	-	110.4	208.1
Total comprehensive income for the period	-	-	-6.2	-6.2
Equity at the end of the third quarter 2010	195.3	332.4	227.1	754.8

KEY RATIOS - GROUP

Quarterly data

MSEK	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3
Net sales	406	409	401	455	381	445	477	621	516
Operating result	-62	-8	-12	-28	-21	-22	12	-31	-9
Operating margin, %	-15.2	-2.0	-3.0	-6.2	-5.6	-4.9	2.5	-5.0	-1.7
Result after financial items	-71	-14	-19	-40	-28	-32	3	-44	-23
Result after tax	-52	-12	-19	-37	-17	-24	3	-30	-22
Earnings per share, SEK	-5.04	-1.21	-1.92	-3.79	-1.67	-2.46	0.34	-3.03	-2.25
Operating cash flow	-14	-37	-34	8	-33	45	22	126	-37
Net cash flow per share, SEK	4.63	0.19	-3.35	-0.22	-1.76	-3.32	-0.56	6.98	0.03
Depreciation	33	22	22	24	26	24	27	31	27
Net investments	21	9	17	24	12	12	4	-3	36
Goodwill	843	863	868	895	889	920	923	918	866
Total assets	2,041	2,032	2,020	2,114	2,083	2,203	2,342	2,387	2,290
Equity	825	715	720	765	787	860	894	878	849
Net debt	722	906	868	837	836	806	838	843	916
Capital employed	1,548	1,621	1,588	1,602	1,622	1,667	1,732	1,721	1,765
Return on total assets, % ¹⁾	-11.1	-1.5	-1.9	-5.3	-4.1	-4.0	3.0	-3.2	-0.6
Return on equity, % ¹⁾	-27.0	-6.6	-10.0	-19.3	-8.1	-10.9	1.5	-13.9	-10.4
Return on capital employed, % ¹⁾	-15.6	-2.0	-3.0	-7.0	-4.6	-5.2	2.8	-7.2	-2.2
Debt/equity ratio	0.9	1.3	1.2	1.1	1.1	0.9	0.9	1.0	1.1
Equity ratio, %	40.4	35.2	35.6	36.2	37.8	39.0	38.2	36.8	37.1
Interest coverage ratio ²⁾	-3.8	-2.5	-2.8	-1.8	-1.7	-1.1	1.3	0.4	2.7
Number of employees at the end of the period	1,556	1,523	1,457	1,538	1,541	1,557	1,652	1,812	1,887

¹⁾ Return ratios have been annualized.

²⁾ Interest coverage ratio calculation is based on a moving 12 month period.

Five year overview – full year

	2009	2008	2007	2006	2005
Result after financial items, MSEK	-96	-34	184	-32	105
Result after tax, MSEK	-74	-26	172	-49	78
Earnings per share, SEK	-7.57	-2.62	18.06	-5.53	8.77
Dividends per share, SEK	-	-	4.50	2.36	2.36
Return on equity, %	-9.1	-3.0	24.2	-8.2	13.2
Return on total assets, %	-2.2	1.7	12.0	-0.3	7.5
Return on capital employed, %	-3.6	0.9	16.0	-0.7	10.1
Debt/equity ratio	1.1	1.0	1.0	1.1	1.0
Equity ratio, %	36.2	36.8	38.9	33.9	35.3

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

Five year overview – third quarter

	2010 Q3	2009 Q3	2008 Q3	2007 Q3 ¹⁾	2006 Q3 ¹⁾
Net sales, MSEK	406	381	516	471	432
Result after tax, MSEK	-52	-17	-22	54	11
Earnings per share, SEK ³⁾	-5.04	-1.67	-2.25	5.54	1.25
Return on equity, % ²⁾	-11.0	-8.1	-10.4	28.3	7.1
Return on capital employed, % ²⁾	-5.1	-4.6	-2.2	13.8	6.6
Operating margin, %	-15.2	-5.6	-1.7	11.5	4.9
Average number of shares, in thousands	10,308	9,765	9,765	9,765	8,855

¹⁾ The figures include discontinued operations in Kungsbacka, i.e. directories production, that were discontinued in the first quarter 2007.

²⁾ Return valuations are annualised.

³⁾ There is no dilution.

Five year overview – third quarter

	2010 Jan-Sep	2009 Jan-Sep	2008 Jan-Sep	2007 Jan-Sep ¹⁾	2006 Jan-Sep ¹⁾
Net sales, MSEK	1,215	1,302	1,571	1,449	1,228
Result after tax, MSEK	-83	-37	4	109	65
Earnings per share, SEK ³⁾	-8.29	-3.78	0.41	11.50	7.33
Return on equity, % ²⁾	-13.8	-6.0	0.6	20.4	14.5
Return on capital employed, % ²⁾	-6.9	-2.5	3.8	13.8	11.6
Operating margin, %	-6.7	-2.4	3.0	9.8	8.7
Average number of shares, in thousands	9,946	9,765	9,765	9,462	8,855

¹⁾ The figures include discontinued operations in Kungsbacka, i.e. directories production, that were discontinued in the first quarter 2007.

²⁾ Return ratios are annualized.

³⁾ There is no dilution.

NOTES

Note 1. Acquisition of operations

Specification of acquisitions made in 2010

Acquisition date	Company	Country	Number of employees
1 August 2010	Printpack – CW GmbH	Germany	44

In August 2010 Elanders acquired the assets and liabilities in Printpack CW – GmbH in Stuttgart, Germany. The company is specialized in packaging production and has many international customers. The agreed purchase price amounted to MEUR 2.5 in addition to the transfer of a leasing debt of MEUR 0.9. The acquisition resulted in negative goodwill amounting to MEUR 0.4 that has been as accounted for as income.

Assets and liabilities in acquisitions

	Recorded values in acquired operations	Adjustments to fair value	Recorded value in the group
MSEK			
Intangible assets	-	4.7	4.7
Tangible assets	21.4	-	21.4
Inventories	11.5	-	11.5
Non-interest-bearing long-term liabilities	-	-1.5	-1.5
Interest-bearing long-term liabilities	-8.6	-	-8.6
Identifiable net assets	24.3	3.2	27.5
Negative goodwill			-3.9
Total purchase price			23.6
Less:			
Unpaid purchases sums			-
Cash and cash equivalents in acquired operations			-
Negative effect on cash and cash equivalents			23.6

In March 2010 the remaining minority in the subsidiary in Brazil was acquired. The purchase price amounted to MUSD 0.5.

Definitions

Equity ratio	Equity (including minority interests) in relation to total assets.
Capital employed	Total assets less cash and cash equivalents and non-interest-bearing liabilities.
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 total assets.
Debt/equity ratio	Interest-bearing liabilities less cash and cash equivalents in relation to reported equity, including minority interests.
Operating cash flow	Cash flow from operating activities and investing activities adjusted for paid taxes and net financial items.
Interest coverage ratio	Operating result plus interest income divided by interest costs.

ELANDERS – A GLOBAL PRINTING GROUP

- FROM INDIVIDUAL PRODUCTS TO TOTAL SOLUTIONS

Elanders handles customers' information and printed matter logistics via a single contact, no matter how voluminous the material nor how many languages it is published in. We create solutions based on our customers' needs and ability. No matter how the information is delivered to Elanders we process it and then produce and distribute it, directly to the recipient of the information when that is an advantage. We provide technical support for our customers' information management through a platform of systems that help to automate customers' information processes.

Some of our products:

- Shop material
- Books & Catalogues
- Photo products
- Packaging
- Information and marketing material
- Office material
- Manuals and product information
- Periodicals

Some of our services:

- Online services
- Arts & Graphics
- Translation
- Personalized print
- Global print
- Fulfillment
- Storage & Distribution
- Order & Invoicing
- Just-in-time deliveries

Production and sales in:

Falköping, Göteborg, Lund, Malmö, Stockholm, Uppsala, Västerås (Sweden), Oslo (Norway), Harrogate and Newcastle (Great Britain), Stuttgart (Germany), Atlanta (USA), São Paulo (Brazil), Beijing (China), Płonsk (Poland), Treviso (Italy) and Zalaötvő (Hungary).