

Press release from Elanders AB (publ)

2012-07-12

The first six months

- Net sales increased by 7 % totaling MSEK 941 (878).
- Operating result increased to MSEK 58 (40). The result included positive one-off items of MSEK 16 (0).
- Result before tax increased to MSEK 46 (27), which was an improvement of 11 % not including one-off items.
- Net result amounted to MSEK 32 (20) or SEK 1.56 (1.02) per share.
- Operating cash flow increased to MSEK 69 (30), of which acquisitions were MSEK 3 (0).
- The forecast for 2012 has been revised to an increase in net sales and a better result before tax compared to 2011. Result before taxes in 2011 amounted to MSEK 80. The previous forecast was an increase in net sales and a better result before tax compared to 2011, not including the MSEK 25 in positive one-off items posted in 2011.
- The acquisition of the German companies fotokasten GmbH and d|o|m Deutsche Online Medien GmbH was completed in May.

The second quarter

- Net sales increased by MSEK 481 (434) which was an increase of 11 %, 4 % of which was organic growth.
- Operating result amounted to MSEK 39 (21). The result included positive one-off items of MSEK 16 (0).
- Result before tax increased to MSEK 32 (14), which was an increase by 13 %, not including one-off items.
- Net result amounted to MSEK 22 (9) or SEK 1.03 (0.44) per share.
- Operating cash flow increased to MSEK 42 (12), of which acquisitions were MSEK 3 (0).

COMMENTS BY THE CEO

Net sales increased by 11 % to MSEK 481 (434), which was the highest net sales for the second quarter since 2008. This is primarily due to the positive developments in our operations on the Swedish, German, Chinese and British markets where we have won market shares and increased sales. The operating result for the second quarter grew by MSEK 18 to 39, which is comparable with MSEK 21 for the same period last year. Positive one-off items of MSEK 16 attributable to book VAT recognized as income are included in the result.

During the second quarter Elanders has continued to be successful in global production for global

customers in the product areas Packaging and Commercial Print but in Commercial Print, which is Elanders largest product area, the intense price press continues to squeeze margins. Slowly but surely the industry is being consolidated but this process needs to speed up in order to aid margins in the long run. Elanders is countering the price press by continuing to optimize our production and increasing the amount of production in Eastern Europe for the Western European market, which can improve margins ahead. The investments made to handle higher volumes in Elanders' production units in Poland and Hungary are proceeding according to plan.

During the second quarter the acquisition of the German companies fotokasten GmbH and djo|m Deutsche Online Medien GmbH, which is a part of Elanders' strategy to grow in production area Web2Business, was completed. These operations have now been integrated and plans to expand are in the works. The first step will be to launch fotokasten, which sells photo products directly to consumers, on the Swedish market during the third quarter. The investments made in Web2Business and Packaging are aimed at reducing Elanders' dependence on developments in Commercial Print which generated close to 80 % of our total net sales in 2011. Investing in Web2Business and Packaging is the obvious choice since these product areas are expected to have a stable growth in the future.

There are also a number of synergies in the production process with Commercial Print since the same machinery can serve all the product areas, which in turn mitigates the need for future investments.

Magnus Nilsson
President and Chief Executive Officer

Three year overview

MSEK	First six months		
	2012	2011	2010
Net sales	941	878	809
Operating expenses	-883	-838	-829
Operating result	58	40	-20
Net financial items	-12	-13	-14
Result after financial items	46	27	-34

MSEK	Second quarter		
	2012	2011	2010
Net sales	481	434	409
Operating expenses	-443	-413	-417
Operating result	39	21	-8
Net financial items	-7	-7	-6
Result after financial items	32	14	-14

GROUP

Operations

Elanders is a global printing group with production units in ten 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.

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

Net sales and result

The first six months

Consolidated net sales increased by MSEK 63 to MSEK 941 (878), i.e. 7 %. This is primarily due to the positive developments in our operations on the Swedish, German, Chinese and British markets where we have won market shares and increased sales. The first six months started with a somewhat hesitant demand from customers but capacity utilization has been good during most of the first and second quarters.

Operating result amounted to MSEK 58 (40), corresponding to an operating margin of 6 (5) %. Positive one-off items of MSEK 16 (0) attributable to book VAT recognized as income are included in the result. During the half-year some measures to adjust costs were made in the US operations, affecting the result and productivity in this unit negatively. The operating result was also charged with transaction costs of about MSEK 2 in connection to the acquisition of fotokasten and d|o|m.

In 2010 and 2011 Elanders submitted claims for VAT refunds pertaining to 2004 and 2005 to the Swedish Tax Agency. In 2011 Elanders received a refund of MSEK 70. During the current year Elanders has received a refund of MSEK 56 for 2005 so far and all in all a refund of MSEK 60 is expected. In the fourth quarter 2011, MSEK 25 attributable to 2004 was recognized as income but there is still a great deal of uncertainty surrounding the remaining amount. Elanders has recognized MSEK 16 pertaining to 2005 as income in the second quarter of 2012. In 2011 the Swedish Tax Agency made a consequential amendment regarding many of Elanders' customers who have then demanded compensation from Elanders. It is Elanders position that the Swedish Tax Agency cannot make a consequential amendment and a

judgment on May 16th 2012 from the Court of Appeals in Stockholm supported that position. This came after several decisions by the Administrative Court in favor of the Swedish Tax Agency. It 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 2005 as well the amounts for 2006 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' tax assessment for the fiscal year of 2010 by MSEK 70. Elanders is of 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.

The second quarter

During the second quarter net sales increased by MSEK 47 to MSEK 481 (434), i.e. an increase of 11 %, 4 % of which was organic growth. Operating result improved and amounted to MSEK 39 (21), which corresponded to an operating margin of 8 (5) %. The result included positive one-off items of MSEK 16 (0) attributable to the book VAT recognized as income.

Important events in the second quarter

During the second quarter the acquisition of the German companies fotokasten GmbH and d|o|m Deutsche Online Medien GmbH, conditional on approval by Elanders' Annual General Meeting which was held on 3 May 2012, was completed.

Personnel

The first six months

The average number of employees during the period was 1,579 (1,535), of which 403 (391) were in Sweden. At the end of the period the Group had 1,599 (1,554) employees.

The second quarter

The average number of employees during the period was 1,582 (1,555), of which 406 (397) were in Sweden.

Investments and depreciation

The first six months

Investments for the period totaled MSEK 20 (18). In addition to this a non-cash issue was implemented in connection with the acquisition of fotokasten and d|o|m where shares for a value of MSEK 70.4 were issued. Group depreciation and write-downs for the period amounted to MSEK 45 (42). Most of the investments for the period have been made in production equipment located primarily in Eastern Europe.

The second quarter

Investments for the period totaled MSEK 5 (8). In addition to this a non-cash issue was implemented in connection with the acquisition of fotokasten and d|o|m where shares for a value of MSEK 70.4 were issued. Group depreciation and write-downs for the period amounted to MSEK 23 (21). Most of the investments for the period have been made in production equipment located primarily in Eastern Europe.

Financial position, cash flow, equity ratio and financing

Group net debt on 30 June 2012 amounted to MSEK 642 (721) and operating cash flow for the first six months increased to MSEK 69 (30), of which acquisitions were MSEK 3 (0). The positive development in the operating cash flow is a result of lower payments in the rationalization program that was implemented in previous years and which had a greater negative effect on cash flow last year, improved profitability and a low level of investments.

In the second quarter operating cash flow was MSEK 42 (12). At the end of the period equity was MSEK 964 (831), which resulted in an equity ratio of 47 % (43 %). The increase in equity is primarily a result of the non-cash issue implemented during the second quarter that contributed MSEK 68.8 after issue expenses. Issue expenses amounted to around MSEK 1.6.

As of 30 September 2011 loans from the Group's main banks are reported as interest-bearing current liabilities since the credit agreement expires 30 September 2012. New credit agreements are being discussed with the banks.

PARENT COMPANY

The Parent company has provided joint Group services. The average number of employees in the third quarter was 8 (8) and at the end of the period 8 (8).

OTHER INFORMATION

The Group at a glance

Elanders is a global printing group with production units in ten countries on four continents. 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.

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 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 loss in volume in Commercial Print as printed media face the competition from digital ones. The production equipment 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 printed matter and business cycle sensitivity), financial risks (currency, interest, financing and credit risk) as well as business risks (customer concentration, operational risk, risk in operating expenses and 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.

Declaration by the Board

The Board of Directors of Elanders AB (publ) hereby declares that this half-year report gives a fair and true view of the parent company's and Group's operations, financial position and result and describes significant risks and uncertainties that the parent company and companies within the Group face.

Mölnlycke, 12 July 2012

Carl Bennet
Chairman

Johan Stern
Vice Chairman

Magnus Nilsson
President and CEO

Erik Gabrielson

Göran Johnsson

Cecilia Lager

Lilian Larnefeldt

Kerstin Paulsson

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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.

CONSOLIDATED FINANCIAL STATEMENTS

Group - Income statements

MSEK	First six months	
	2012	2011
Net sales	941.1	877.7
Cost of products and services sold	-764.8	-712.3
Gross profit	176.3	165.4
Sales and administrative expenses	-143.1	-136.0
Other operating income	29.9	13.8
Other operating expenses	-4.8	-3.3
Operating result	58.3	39.9
Net financial items	-12.6	-13.2
Result after financial items	45.7	26.7
Income tax	-13.7	-6.8
Result for the period	32.0	19.9
Result for the period attributable to:		
- parent company shareholders	32.1	19.9
- non-controlling interests	-0.1	-
<i>Earnings per share, SEK^{1) 2)}</i>	1.56	1.02
<i>Average number of shares, in thousands</i>	20,562	19,530
<i>Outstanding shares at the end of the period, in thousands</i>	22,730	19,530

MSEK	Second quarter		Last 12 months	Full year 2011
	2012	2011		
Net sales	481.2	434.2	1,902.2	1,838.8
Cost of products and services sold	-388.7	-348.5	-1,538.8	-1,486.3
Gross profit	92.5	85.7	363.4	352.5
Sales and administrative expenses	-74.7	-72.4	-291.9	-284.7
Other operating income	23.5	10.2	70.1	54.0
Other operating expenses	-2.6	-2.6	-13.5	-12.0
Operating result	38.7	20.9	128.1	109.8
Net financial items	-6.7	-6.7	-29.2	-29.8
Result after financial items	32.0	14.2	98.9	80.0
Income tax	-10.0	-5.6	-26.5	-19.6
Result for the period	22.0	8.6	72.4	60.3
Result for the period attributable to:				
- parent company shareholders	22.2	8.6	72.4	60.2
- non-controlling interests	-0.3	-	-	0.1
<i>Earnings per share, SEK^{1) 2)}</i>	1.03	0.44	3.61	3.09
<i>Average number of shares, in thousands</i>	21,595	19,530	20,046	19,530
<i>Outstanding shares at the end of the period, in thousands</i>	22,730	19,530	22,730	19,530

¹⁾ Earnings per share before and after dilution.

²⁾ Earnings per share calculated by dividing the result for the period attributable to the parent company shareholders by the average number of outstanding shares during the period.

Group - Statements of comprehensive income

MSEK	First six months	
	2012	2011
Result for the period	32.0	19.9
Other comprehensive income		
Translation differences, net after tax	-8.9	-7.7
Cash flow hedges, net after tax	1.6	0.3
Hedging of net investment abroad, net after tax	1.0	-1.0
Other comprehensive income	-6.3	-8.4
Total comprehensive income for the period	25.7	11.5
Total comprehensive income attributable to:		
- parent company shareholders	25.8	11.5
- non-controlling interests	-0.1	-

MSEK	Second quarter		Last	Full year
	2012	2011	12 months	2011
Result for the period	22.0	8.6	72.4	60.3
Other comprehensive income				
Translation differences, net after tax	3.3	12.3	1.7	2.9
Cash flow hedges, net after tax	-2.5	0.1	-1.9	-3.1
Hedging of net investment abroad, net after tax	0.4	-1.1	2.2	0.2
Other comprehensive income	1.2	11.3	2.0	0.0
Total comprehensive income for the period	23.2	19.9	74.4	60.3
Total comprehensive income attributable to:				
- parent company shareholders	23.5	19.9	74.4	60.2
- non-controlling interests	-0.3	-	-	0.1

Group - Statements of cash flow

MSEK	First six months	
	2012	2011
Result after financial items	45.7	26.7
Adjustments for items not included in cash flow	44.9	17.2
Paid tax	-11.5	-3.0
Changes in working capital	-14.2	-8.8
Cash flow from operating activities	64.9	32.1
Cash flow from investing activities	-19.6	-18.0
Changes in long- and short-term borrowing	-36.1	-4.8
Dividend to parent company shareholders	-9.8	-
Cash flow from financing activities	-45.9	4.8
Cash flow for the period	-0.6	9.3
Liquid funds at the beginning of the period	81.2	50.1
Translation difference	-0.3	-0.9
Liquid funds at the end of the period	80.3	58.5
Net debt at the beginning of the period	675.5	732.2
Translation difference in net debt	1.6	2.7
Net debt in acquisitions	-8.2	-
Change in net debt	-27.1	-14.3
Net debt at the end of the period	641.8	720.6
Operating cash flow	69.4	30.3

MSEK	Second quarter		Last 12 months	Full year 2011
	2012	2011		
Result after financial items	32.0	14.2	98.9	80.0
Adjustments for items not included in cash flow	25.8	5.7	86.4	58.7
Paid tax	-6.7	-3.5	-15.3	-6.8
Changes in working capital	-16.8	-6.8	-53.0	-47.6
Cash flow from operating activities	34.3	9.6	117.0	84.3
Cash flow from investing activities	-5.4	-8.0	-29.2	-27.6
Changes in long- and short-term borrowing	-28.2	-6.6	-58.9	-27.6
Dividend to parent company shareholders	-9.8	-	-9.8	-
Cash flow from financing activities	-38.0	-6.6	68.7	-27.6
Cash flow for the period	-9.1	-5.0	19.1	29.1
Liquid funds at the beginning of the period	87.6	62.1	58.5	50.1
Translation difference	1.8	1.4	2.6	2.0
Liquid funds at the end of the period	80.3	58.5	80.3	81.2
Net debt at the beginning of the period	660.2	718.3	720.6	732.2
Translation difference in net debt	0.7	3.0	-1.3	-0.2
Net debt in acquisitions	-8.2	-	-8.2	-
Change in net debt	-10.9	-0.7	-69.3	-56.5
Net debt at the end of the period	641.8	720.6	641.8	675.5
Operating cash flow	42.3	11.8	119.7	93.3

Group - Statements of financial position

Assets

MSEK	30 Jun. 2012	30 Jun. 2011	31 Dec. 2011
Intangible assets	938.8	873.6	869.5
Tangible assets	303.7	348.5	320.3
Other fixed assets	152.9	161.2	159.1
Total fixed assets	1,395.4	1,383.3	1,348.9
Inventories	127.3	116.3	125.6
Accounts receivable	359.0	321.7	385.3
Other current assets	87.0	72.3	63.6
Cash and cash equivalents	80.3	58.5	81.2
Total current assets	653.6	568.8	655.7
Total assets	2,049.0	1,952.1	2,004.6

Equity and liabilities

MSEK	30 Jun. 2012	30 Jun. 2011	31 Dec. 2011
Equity	964.3	830.8	879.6
Liabilities			
Non-interest-bearing long-term liabilities	45.5	38.2	40.3
Interest-bearing long-term liabilities	34.7	468.1	36.3
Total long-term liabilities	80.2	506.3	76.6
Non-interest-bearing current liabilities	317.1	304.0	327.9
Interest-bearing current liabilities	687.4	311.0	720.5
Total current liabilities	1,004.5	615.0	1,048.4
Total equity and liabilities	2,049.0	1,952.1	2,004.6

Loans from the Group's main banks are from 30 September 2011 reported as interest-bearing current liabilities since the credit agreement expires 30 September 2012.

Group - 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. 2011	819.3	-	819.3
Total comprehensive income for the period	11.5	-	11.5
Closing balance on 30 Jun. 2011	830.8	-	830.8
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 period	25.8	-0.1	25.7
Closing balance on 30 Jun. 2012	964.3	-	964.3

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
fotokasten GmbH	3 May 2012	Germany	4
d o m Deutsche Online Medien GmbH	3 May 2012	Germany	28

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.

Assets and liabilities in acquisitions

MSEK	Recorded values 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			5,6
Cash and cash equivalents in acquisitions			8,2
Total deductible items			84,2
Positive effect on cash and cash equivalents for the Group			2,6

PARENT COMPANY'S FINANCIAL STATEMENTS

Parent company – Income statements

MSEK	First six months	
	2012	2011
Net sales	-	-
Cost of products and services sold	-	-
Gross profit	-	-
Operating expenses	-14.3	-7.7
Operating result	-14.3	-7.7
Net financial items	11.0	-2.3
Result after net financial items	-3.3	-10.0
Income tax	3.9	3.7
Result for the period	0.6	-6.3

MSEK	Second quarter		Last	Full year
	2012	2011	12 months	2011
Net sales	-	-	-	-
Cost of products and services sold	-	-	-	-
Gross profit	-	-	-	-
Operating expenses	-7.3	-2.7	-32.6	-26.0
Operating result	-7.3	-2.7	-32.6	-26.0
Net financial items	13.9	0.2	81.3	68.0
Result after net financial items	6.6	-2.5	48.7	42.0
Income tax	1.5	0.5	-34.1	-34.3
Result for the period	8.1	-2.0	14.6	7.7

Parent company - Statements of comprehensive income

MSEK	First six months	
	2012	2011
Result for the period	0.6	-6.3
Other comprehensive income	-1.1	-
Total comprehensive income for the period	-0.5	-6.3

MSEK	Second quarter		Last	Full year
	2012	2011	12 months	2011
Result for the period	8.1	-2.0	14.6	7.7
Other comprehensive income	-0.7	-	-1.1	-
Total comprehensive income for the period	7.4	-2.0	13.5	7.7

Parent company - Balance sheets

MSEK	30 Jun. 2012	30 Jun. 2011	31 Dec. 2011
Assets			
Fixed assets	1,312.3	1,276.2	1,222.5
Current assets	153.7	89.4	106.0
Total assets	1,466.0	1,365.6	1,328.6
Equity, provisions and liabilities			
Equity	766.8	694.4	708.4
Provisions	7.4	3.8	3.9
Long-term liabilities	65.1	238.0	65.1
Current liabilities	626.7	429.4	551.2
Total equity, provisions and liabilities	1,466.0	1,365.6	1,328.6

Loans from the Group's main banks are from 30 September 2011 reported as interest-bearing current liabilities since the credit agreement expires 30 September 2012.

Parent company - 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. 2011	195.3	332.4	173.0	700.7
Total comprehensive income for the period	-	-	-6.3	-6.3
Closing balance on 30 Jun. 2011	195.3	332.4	166.7	694.4
Opening balance on 1 Jan. 2012	195.3	332.4	180.7	708.4
Dividend to shareholders	-	-	-9.8	-9.8
New share issue	32.0	-	36.8	68.8
Total comprehensive income for the period	-	-	-0.5	-0.5
Closing balance on 30 Jun. 2012	227.3	332.4	207.1	766.8

QUARTERLY DATA

MSEK	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2
Net sales	481	460	538	423	434	443	491	406	409
Operating result	39	20	57	13	21	19	6	-62	-8
Operating margin, %	8.0	4.2	10.6	3.0	4.8	4.3	1.1	-15.2	-2.0
Result after financial items	32	14	49	4	14	12	-1	-71	-14
Result after tax	22	10	37	3	9	11	-1	-52	-12
Earnings per share, SEK ¹⁾	1.03	0.50	1.92	0.15	0.44	0.58	-0.07	-5.04	-1.21
Operating cash flow	42	27	76	-12	12	18	-5	-14	-37
Cash flow per share, SEK ²⁾	1.59	1.57	3.57	-0.90	0.49	1.15	0.60	-0.24	-3.75
Depreciation	23	22	22	22	22	21	25	33	22
Net investments	5	14	2	8	8	10	22	21	9
Goodwill	890	828	834	847	840	831	836	843	863
Total assets	2,049	1,979	2,005	2,037	1,952	1,956	2,012	2,041	2,032
Equity	964	882	880	854	831	811	819	825	715
Equity per share, SEK	42.42	45.15	45.03	43.75	42.55	41.53	41.94	42.24	73.22
Net debt	642	660	676	750	721	718	732	722	906
Capital employed	1,606	1,542	1,555	1,605	1,551	1,529	1,552	1,548	1,621
Return on total assets, % ³⁾	10.2	4.8	14.0	4.0	5.8	5.5	1.7	-11.1	-1.5
Return on equity, % ³⁾	9.7	4.4	17.3	1.4	4.2	5.5	-0.6	-27.0	-6.6
Return on capital employed, % ³⁾	9.8	5.0	14.5	3.2	5.4	4.9	1.4	-15.6	-2.0
Debt/equity ratio	0.7	0.7	0.8	0.9	0.9	0.9	0.9	0.9	1.3
Equity ratio, %	47.1	44.6	43.9	42.0	42.6	41.5	40.7	40.4	35.2
Interest coverage ratio ⁴⁾	5.4	4.5	4.4	2.4	neg.	neg.	neg.	neg.	neg.
Number of employees at the end of the period	1,599	1,551	1,582	1,562	1,554	1,523	1,564	1,556	1,523

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

	2011	2010	2009	2008	2007
Net sales, MSEK	1,839	1,706	1,757	2,191	2,036
Result after financial items, MSEK	80	-105	-96	-34	184
Result after tax, MSEK	60	-84	-74	-26	172
Earnings per share, SEK ¹⁾	3.09	-6.79	-7.57	-2.62	18.06
Cash flow from operating activities per share, SEK	4.32	-4.68	5.60	12.35	10.22
Equity per share, SEK	45.03	41.94	78.34	89.88	88.54
Dividends per share, SEK	0.50	0.00	0.00	0.00	4.50
Operating margin, %	6.0	-4.5	-3.4	0.7	11.1
Return on total assets, %	7.3	-3.2	-2.2	1.7	12.0
Return on equity, %	7.1	-10.6	-9.1	-3.0	24.2
Return on capital employed, %	7.1	-4.8	-3.6	0.9	16.0
Debt/equity ratio	0.8	0.9	1.1	1.0	0.9
Equity ratio, %	43.9	40.7	36.2	36.8	38.9
Average number of shares, in thousands ²⁾	19,530	12,342	9,765	9,765	9,537

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

¹⁾ There is no dilution.

²⁾ 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.

FIVE YEAR OVERVIEW – FIRST SIX MONTHS

	2012 Jan.-Jun.	2011 Jan.-Jun.	2010 Jan.-Jun.	2009 Jan.-Jun.	2008 Jan.-Jun.
Net sales, MSEK	941	878	809	921	1,054
Result after tax, MSEK	32	20	-30	-10	26
Earnings per share, SEK ¹⁾	1.56	1.02	-3.13	-2.11	2.66
Cash flow from operating activities per share, SEK	3.15	1.64	-3.75	-6.86	5.54
Equity per share, SEK	42.42	42.55	73.22	88.11	86.45
Return on equity, % ²⁾	7.0	4.8	-8.3	-4.8	6.1
Return on capital employed, % ²⁾	7.4	5.1	-2.5	-1.2	6.8
Operating margin, %	6.2	4.5	-2.5	-1.1	5.3
Average number of shares, in thousands ³⁾	20,562	19,530	9,765	9,765	9,765

FIVE YEAR OVERVIEW – SECOND QUARTER

	2012 Q2	2011 Q2	2010 Q2	2009 Q2	2008 Q2
Net sales, MSEK	481	434	409	445	532
Result after tax, MSEK	22	9	-12	24	13
Earnings per share, SEK ¹⁾	1.03	0.44	-1.21	-2.46	1.36
Cash flow from operating activities per share, SEK	1.59	0.49	-3.75	4.50	3.08
Equity per share, SEK	42.42	42.55	73.22	88.11	86.45
Return on equity, % ²⁾	9.7	4.2	-6.6	-10.9	6.1
Return on capital employed, % ²⁾	9.8	5.4	-2.0	-5.2	6.0
Operating margin, %	8.0	4.8	-2.0	-4.9	4.7
Average number of shares, in thousands ³⁾	21,595	19,530	9,765	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 issue in 2010 did not entail any bonus issue element.

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 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 handmade 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 home and electronics industries, 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.