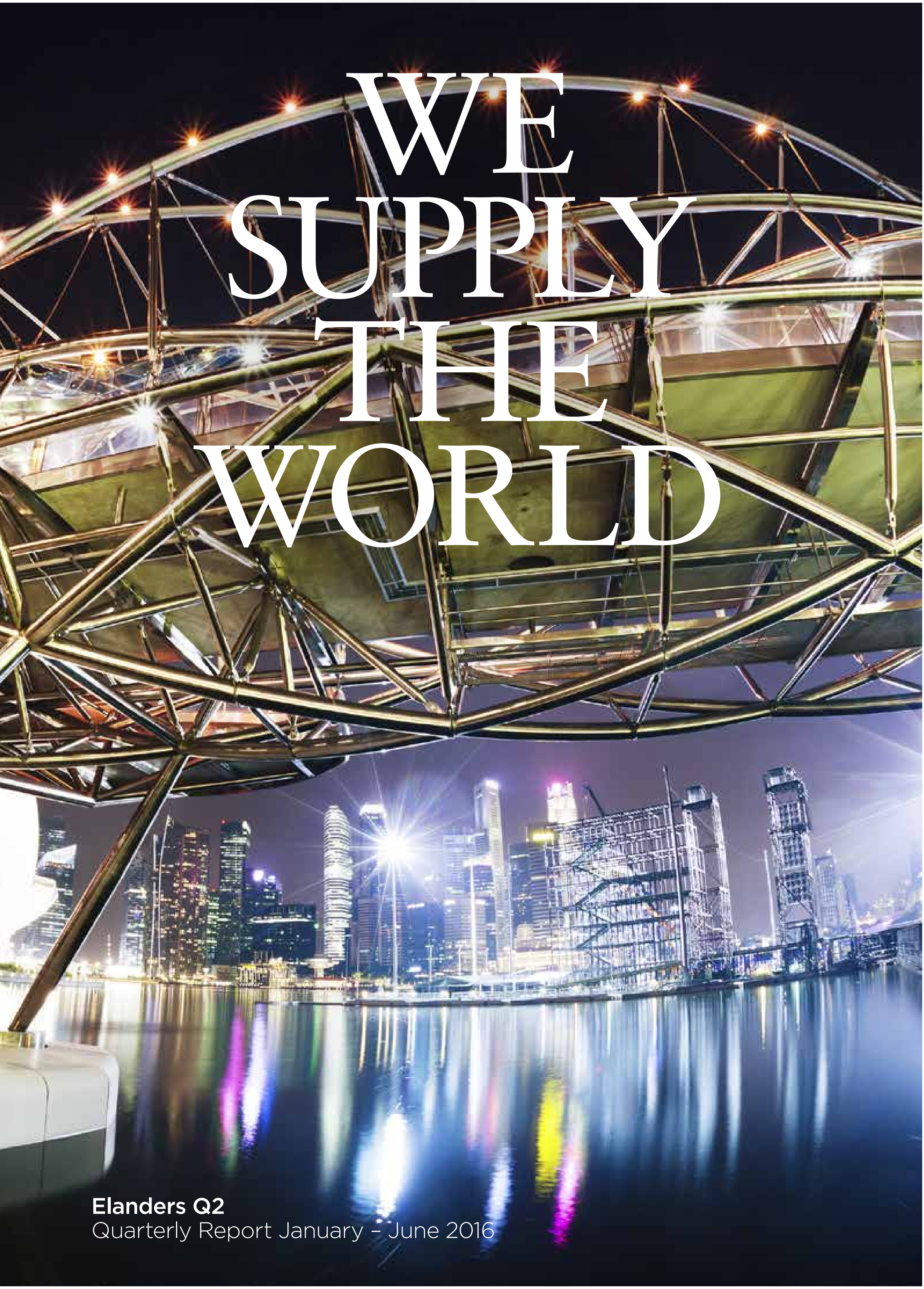

WE SUPPLY THE WORLD

Elanders Q2

Quarterly Report January – June 2016

CONTENTS

Cover: iStock by Getty Images. The Helix Bridge is a pedestrian bridge linking Marina Centre with Marina South in the Marina Bay area in Singapore. It was officially opened on 24 April 2010, however only half was opened due to ongoing construction at the Marina Bay Sands. It is located beside the Benjamin Sheares Bridge and is accompanied by a vehicular bridge, known as the Bayfront Bridge. The entire bridge was opened on 18 July 2010.

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.

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

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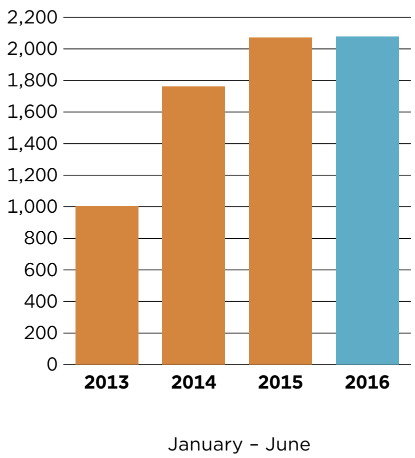
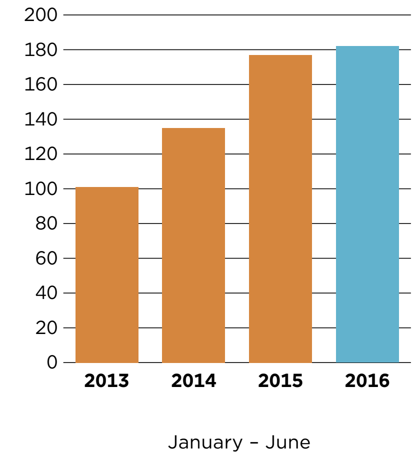
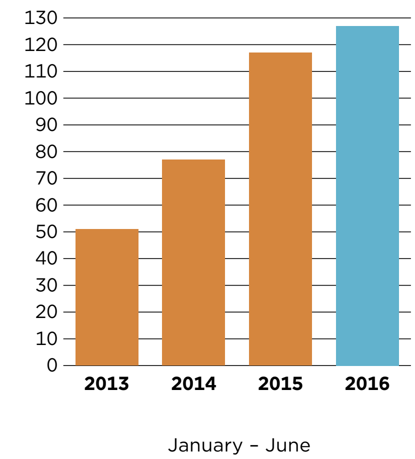
NET SALES, MSEK



EBITDA EXCLUDING ONE-OFF ITEMS, MSEK



EBIT EXCLUDING ONE-OFF ITEMS, MSEK



FIRST SIX MONTHS

- Net sales increased to MSEK 2,077 (2,072).
- The operating result excluding one-off costs increased to MSEK 127 (117). Including one-off costs the operating result increased to MSEK 122 (117).
- The result before tax excluding one-off costs increased to MSEK 119 (99), which is an improvement of 20%. Including one-off costs the result before tax increased to MSEK 111 (99).
- The net result increased to MSEK 80 (65) or SEK 3.03 (2.46) per share.
- Excluding acquisitions, the operating cash flow amounted to MSEK 101 (132). Including acquisitions operating cash flow was MSEK 68 (132).
- In June 2016 Elanders signed a contract to acquire LGI Logistics Group International GmbH, a supply chain company with a strong presence in Europe and particularly Germany. Through the acquisition Elanders double annual net sales from 4.2 to about 8.3 billion Swedish kronor and the number of employees rise from 3,200 to about 7,200 (proforma 2015).
- One-off costs consist of advisory and financial costs in connection with the acquisition of LGI. Another MSEK 28–33 is expected to charge the result in the third quarter if all conditions of the acquisition are met.

SECOND QUARTER

- Net sales increased to MSEK 1,079 (1,066).
- The operating result excluding one-off costs increased to MSEK 71 (63). Including one-off costs the operating result increased to MSEK 66 (63).
- The result before tax excluding one-off costs increased to MSEK 68 (55), which was an improvement by 24%. Including one-off costs the result before tax was MSEK 61 (55).
- The net result increased to MSEK 45 (38) or SEK 1.69 (1.43) per share.
- Operating cash flow was MSEK 64 (116).

COMMENTS BY THE CEO

Through the acquisition of LGI we have created a stable platform for organic growth in Supply Chain Solutions. The acquistion also broadens our customer base in supply chain to include customers in Fashion & Lifestyle, Industrial Manufacturing, Automotive as well as Healthcare and Life Science. The acquisition is another step in the strategy Elanders has pursued in recent years of becoming a clear global leader and to reduce Group dependency on traditional printing.

LGI has close to 4,000 employees, most of them in Germany. Net sales in 2015 were around MEUR 430 with a normalized EBITDA, i.e. operating result before depreciation and amortization cleared of one-off items of about MEUR 29. Together we will be much stronger in supply chain management and contract logistics and our global offer will be more complete. It will be very exciting to see this business area develop in the future.

The acquisition is conditional upon receiving the necessary approval by German and Austrian competition authorities. Approval from the German authority has already been granted and the Austrian competition authority is expected to announce its decision later in July.

Supply Chain Solutions has continued to be successful in the quarter and operating margins improved compared to last year. Our transformation of Print & Packaging Solutions continues with a more clear focus on digital print and more personalized products. The German company Schmid Druck, which offers advanced packaging and special print solutions for marketing material, has been a part of the Group since the beginning of the year. The year began very well for Schmid Druck and it continues to develop positively. Net sales have stabilized in e-Commerce Solutions and we have seen an improvement in results.

Magnus Nilsson
President and Chief Executive Officer

“Through the acquisition of LGI we have created a stable platform for organic growth in Supply Chain Solutions.

THREE YEAR OVERVIEW

	First six months			Second quarter		
MSEK	**2016**	**2015**	**2014**	**2016**	**2015**	**2014**
Net sales	2,077	2,072	1,761	1,079	1,066	910
Operating expenses	–1,955	–1,955	–1,684	–1,013	–1,003	–870
Operating result	**122**	**117**	**77**	**66**	**63**	**40**
Net financial items	–10	–18	–17	–5	–8	–8
Result before tax	**111**	**99**	**60**	**61**	**55**	**32**

GROUP

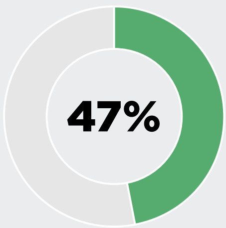
Our Business
Elanders is a global supplier of integrated solutions in the areas supply chain management, print & packaging and e-commerce. The Group operates in more than 15 countries on four continents. Our most important markets are China, Germany, Singapore, Sweden, United Kingdom and the USA. Our major customers are primarily automotive, consumer electronics or white goods manufacturers.

Net sales and result
The first six months
Net sales increased by MSEK 5 to MSEK 2,077 (2,072) during the first six months. Excluding exchange rate effects and acquisitions, net sales declined by 0.7%. The operating result increased to MSEK 122 (117),including one-off costs of some MSEK 5 during the second quarter. These costs almost entirely refer to the acquisition of LGI and consisted of advisory and financial costs. The result before tax which increased from MSEK 99 to 111 included one-off costs of some MSEK 7 in total. Not including one-off costs the result after financial items increased to MSEK 119 compared to MSEK 99 for the same period last year. The improvement in the result is primarily due to lower financial costs, the acquisition of Schmid Druck and continued success in Supply Chain Solutions.

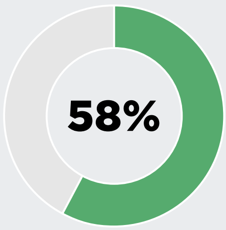
Second quarter
During the second quarter net sales increased by MSEK 13 to 1,079 (1,066) compared to the same period last year. Excluding exchange rate effects and acquisitions net sales grew 2%. The operating result improved slightly and increased to MSEK 66 (63), which equals an operating margin of 6.1 (5.9)%. Excluding one-off costs of approximately MSEK 5, primarily attributable to the acquisition process of LGI, the operating result increased to MSEK 71 (63), which corresponds to an operating margin of 6.6 (5.9)%.

Supply Chain Solutions
Elanders is one of the leading companies in the world in Global Supply Chain Management. Our services include taking responsibility for and optimizing customers' material and information flows, everything from sourcing and procurement combined with warehousing to after sales service.

The positive trend continues in business area Supply Chain Solutions. During the first six months the margin has clearly improved in the business area even though net sales decreased to some extent. If constant exchange rates were used net sales would have dropped slightly in the first quarter and increased in the second. Our highest priority remains on developing current customers and creating new business with existing and new customers that includes services from all our business areas. It is also important to broaden our customer base in order to reduce Elanders' dependence on the consumer electronics trade.



Share of net sales (12 months)



Share of operating result (12 months)

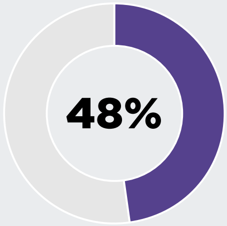
Supply Chain Solutions	First six months 2016	First six months 2015	Second quarter 2016	Second quarter 2015	Last 12 months	Full year 2015
Net sales, MSEK	981.1	993.3	520.6	528.0	2,032.8	2,045.0
Operating result, MSEK	82.5	73.2	45.9	44.1	191.2	181.9
Operating margin, %	8.4	7.4	8.8	8.4	9.4	8.9
ROCE (moving 12 months), %	40.6	42.6	40.6	42.6	41.2	42.1
Average number of employees	1,409	1,439	1,413	1,439	1,415	1,430

Group

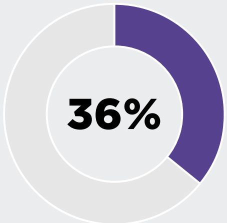
Print & Packaging Solutions

Through its innovative force and global presence the business area Print & Packaging offers cost-effective solutions that can handle customer's local and global needs for printed material and packaging, often in combination with advanced order platforms on the Internet or just-in-time deliveries.

The market for Print & Packaging Solutions continues to be characterized by tough price pressure, decreasing total volumes and overcapacity. Excluding acquisitions and using constant exchange rates net sales dropped during the first six months by close to 1%. The decrease is primarily due to the continued diminished demand from one of the larger Print & Packaging Asia's customers which has also affected the result negatively. The Brasilian, and parts of the American, operations are currently undergoing a transition from focus on printing to focus on supply chain. There are also a clear shift towards digital print and more personalized products instead of traditional offset print in large volumes.



Share of net sales (12 months)



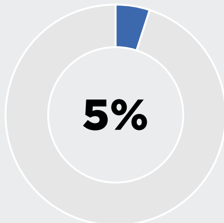
Share of operating result (12 months)

Print & Packaging Solutions	First six months 2016	First six months 2015	Second quarter 2016	Second quarter 2015	Last 12 months	Full year 2015
Net sales, MSEK	1,047.0	1,032.2	535.4	517.9	2,068.5	2,053.7
Operating result, MSEK	54.9	60.6	30.3	30.6	116.6	122.3
Operating margin, %	5.2	5.9	5.7	5.9	5.6	6.0
ROCE (moving 12 months), %	7.5	7.6	7.5	7.6	7.5	7.7
Average number of employees	1,676	1,680	1,632	1,672	1,674	1,676

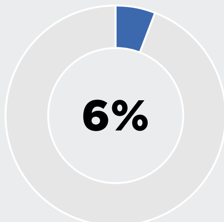
e-Commerce Solutions

fotokasten, myphotobook and d|o|m are the Group's brands in e-Commerce. Through the technical solutions for e-commerce provided by d|o|m, fotokasten and myphotobook offer a broad range of photo products primarily to consumers.

The business area has substantial seasonal sales variations and the fourth quarter is by and far the strongest. Normally all earnings for the year occurs in this quarter. Net sales for the first six months are slightly lower than last year but the result is slightly higher. The improvement in the result is primarily due to better cost control.



Share of net sales (12 months)



Share of operating result (12 months)

e-Commerce Solutions	First six months 2016	First six months 2015	Second quarter 2016	Second quarter 2015	Last 12 months	Full year 2015
Net sales, MSEK	83.7	85.4	40.4	39.4	235.3	237.0
Operating result, MSEK	–0.7	–1.1	–1.3	–3.7	18.8	18.4
Operating margin, %	–0.8	–1.3	–3.2	–9.4	8.0	7.8
ROCE (moving 12 months), %	12.3	13.6	12.3	13.6	12.3	13.6
Average number of employees	63	65	62	67	66	67

Important events during the first six months

Acquisitions

LGI Logistics Group International

In June 2016 Elanders signed a contract for the acquisition of all the shares in the German supply chain management company LGI Logistics Group International GmbH which is one of the leading players in Industrial Contract Logistics in Germany. In 2015, LGI's net sales were around MEUR 430, its normalized EBITDA was approximately MEUR 29 and it operated in ten countries, primarily in Europe with Germany as its main market. Through the acquisition Elanders takes a major step forward in global supply chain management and annual Group net sales will increase from around 4.2 to 8.3 billion Swedish kronor, while the number of employees will rise from about 3,200 to 7,200 (pro forma 2015 level). The acquisition is expected to contribute positively to earnings per share already in the current year. The purchase price is calculated at MEUR 257 on a cash and debt free basis. The acquisition is conditional upon receiving the necessary approval by German and Austrian competition authorities. Approval from German authority has already been granted which was the most important. The Austrian competition authority is expected to announce its decision later in July. Acquisition and one-off costs attributable to the acquisition are expected to amount to around MSEK 35–40, of which about MSEK 7 charged the result before tax during the second quarter. In all probability the rest will charge results in the third quarter and are for the most part connected to the condition that the acquisition receives final approval and is carried out.

LGI is one of Germany's leading players in Industrial Contract Logistics and its long-term vision is to become one of the leading players in Europe. LGI was created as an offshoot from Hewlett Packard Deutschland GmbH in 1995 and has grown considerably since. Currently LGI has more than 45 facilities worldwide, whereof 35 in Germany. In addition to Germany the company has operations in Austria, the Czech Republic, Great Britain, Hungary, the Netherlands, Poland, Russia, Sweden and in the US. LGI has specialized in value-adding services to customers in Automotive, Electronics, Healthcare & Life Science, Industrial as well as Fashion & Lifestyle. The company has a particular focus on product and component flows with extremely short lead times and provides everything from simple logistic solutions to comprehensive supply chain management solutions. Customers in Fashion & Lifestyle were added to the customer base in 2013 when LGI acquired ITG GmbH from Deutsche Post.

LGI will most likely be consolidated into Elanders at the end of July. As part of the financing the Board of Elanders intends to propose a new issue of around MSEK 600 with preferential rights for existing shareholders. The issue will be proposed for adoption at an extra General Meeting in the autumn. The entire amount of the new issue will be guaranteed by Carl Bennet AB.
A complete proposal for the new issue with a detailed time table and conditions will be presented together with the notice to attend the General Meeting.

Schmid Druck

In December 2015 Elanders signed an agreement to acquire Schmid Druck, a niched packaging company in Germany. The business is consolidated into the Elanders Group as of 1 January 2016. In 2015 net sales in Schmid Druck were around MEUR 8.5 and the company reached an EBITDA level of MEUR 1.6 million. The acquisition is expected to contribute positively to Elanders' operating result already in 2016. The purchase price was EUR 4.5 million on a cash and debt-free basis and almost all of it has been settled in the beginning of January 2016. Acquisition costs were around MSEK 2 and charged the result in 2015.

Book VAT

In February 2010 the European Court of Justice gave a judgement in the so-called Graphic Procédé case. In Sweden this is of particular importance for the distinction between printing companies' production of products (printed matter) and services as well as applying so-called book VAT, i.e. a VAT rate of six percent. From 2010 to 2012 Elanders submitted claims for VAT refunds to the Swedish Tax Agency pertaining to the period 2004 to 2007. The reason for this is that some of Elanders' net sales subject to VAT during that period pertained to products and not services according to the distinction now considered correct. At the same time in the years from 2011 to 2013 the Swedish Tax Agency made consequential amendments regarding many of Elanders' customers who have then demanded compensation from Elanders.

On 22 December 2015 the Supreme Court of Sweden rendered a judgement which stated that customers have the legal right to demand compensation from the printing company as a result of the consequential amendments made by the Swedish Tax Agency on them. Nonetheless, this verdict is not expected to have any negative effect on either Elanders' result or financial position. The sum Elanders can be required to pay to customers has already been reported as an interest-bearing liability and is included in net debt.

Disputes

Mentor Media's subsidiary in California has been sued by a group of employees that demand indemnifications because another employee installed a hidden camera. They claim that the company knew or should have known about the situation. The company has denied any responsibility.

Investments and depreciation

First six months

Net investments for the period amounted to MSEK 40 (21), investments in 2016 includes acquisitions amounting to MSEK 34. Depreciation, amortization and write-downs amounted to MSEK 55 (61).

Second quarter

Net investments for the quarter amounted to MSEK –3 (19). Depreciation, amortization and write-downs amounted to MSEK 26 (30).

Financial position, cash flow and financing

Group net debt as of 30 June 2016 amounted to MSEK 785 compared to MSEK 738 at the beginning of the year. In the net change is an increase of MSEK 34 referring to paid purchase sum for the acquisition of Schmid

Druck. Operating cash flow, excluding acquisitions, for the period amounted to MSEK 101 (132).

Net debt in relation to rolling twelve month EBITDA increased to 1.8, compared to 1.7 at the beginning of the year.

Personnel

First six months

The average number of employees during the period was 3,157 (3,192), whereof 275 (273) were in Sweden. At the end of the period the Group had 3,101 (3,166) employees, whereof 277 (274) in Sweden.

Second quarter

The average number of employees during the quarter was 3,117 (3,186), whereof 274 (272) in Sweden.

PARENT COMPANY

The parent company has provided intragroup services during the period. The average number of employees during the period was 9 (7) and at the end of the period 9 (7).

OTHER INFORMATION

Elanders' offer

Elanders offers global integrated solutions in the areas supply chain management, print & packaging and e-commerce. Elanders can take an overall responsibility for complex and global deliveries encompassing procurement, warehousing, configuration, production and distribution. Our offer also includes order management, payment solutions and after sales services for our clients.

The services are provided by business-oriented employees. They use their expertise and our intelligent IT solutions to develop our customers' offers, which are often completely dependent on efficient product, component and service flows as well as traceability and information.

In addition to our offer to B2B markets the Group also sells photo products directly to consumers through its own brands fotokasten and myphotobook.

Goal and strategy

Elanders' overall goal is to be a leader in global solutions in supply chain management, print & packaging and e-commerce with a world class integrated offer. Our strategy is to work in niches in each business area where the company can attain a leading position in the market. We will achieve this goal by being best at meeting customers' demands for efficiency and delivery. In order to be successful we need to continuously develop our offer as technology and customer needs evolve. Acquisitions play an important role in our company's development and provide competence, broader product and service offers and enlarge our customer base.

Risks and uncertainties

Elanders divides risks into circumstantial risk (the future of our products/services and business cycle sensitivity), financial risk (currency, interest, financing and credit risks) as well as business risk (customer concentration, operational risks, risks in operating expenses as well as contracts and disputes). These risks, together with a sensitivity analysis, are described in detail in the Annual Report 2015. Circumstances in the world around us since the Annual Report was published are not believed to have caused any significant risks or influenced the way in which the Group works with these compared to the description in the Annual Report 2015.

Seasonal variations

The Group's net sales, and thereby income, are affected by seasonal variations. Historically the fourth quarter has been the strongest.

Events after the balance sheet date

After the balance sheet date Elanders has received approval by the German competition authority regarding the acquisition of LGI. The Austrian competition authority has not yet announced its decision. In July 2016 Elanders signed a three-year agreement concerning the Groups' refinancing with its two principal Swedish banks, valid on the condition that the LGI acquisition goes through. In as much as the agreement is longer, debtness will be higher and considerably increased credit facilities will be required in order to acquire LGI, financing costs will be higher than previously. The total credit facilities will be close to 3.8 billion Swedish kronor, including the bridge financing needed until the new issue has been carried out.

There have been no other important events after the balance sheet date up to the day this report was signed.

Forecast

No forecast is given for 2016.

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. The primary alternative performance measures that are presented in this report are EBITDA, return on capital employed, net debt and operating cash flow. Definitions of these performance measures are found on page 22 and reconciliation on pages 20–21 in this report.

Future reports from Elanders

- Q3 2016, 20 October 2016
- Q4 2016, 26 January 2017
- Q1 2017, 26 April 2017

Declaration by the Board

The Board of Directors of Elanders AB (publ) hereby declares that this half-year report gives a true and fair 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 are facing.

Mölnlycke, 13 July 2016

Carl Bennet *Chairman*	Johan Stern *Vice chairman*	Pam Fredman
Erik Gabrielson	Linus Karlsson	Cecilia Lager
Anne Lenerius	Caroline Sundewall	Lilian Larnefeldt
Marcus Olsson	Magnus Nilsson *President and CEO*	

Consolidated Financial Statements

INCOME STATEMENTS

MSEK	First six months 2016	First six months 2015	Second quarter 2016	Second quarter 2015	Last 12 months	Full year 2015
Net sales	2,077.3	2,071.6	1,079.2	1,065.8	4,241.8	4,236.1
Cost of products and services sold	–1,638.9	–1,617.3	–856.9	–838.8	–3,273.6	–3,252.0
Gross profit	**438.4**	**454.2**	**222.2**	**227.1**	**968.2**	**984.1**
Sales and administrative expenses	–340.4	–353.8	–166.9	–167.1	–704.2	–717.6
Other operating income	26.2	24.6	10.7	6.4	52.7	51.1
Other operating expenses	–2.3	–8.3	–0.3	–3.5	–19.7	–25.7
Operating result	**121.9**	**116.8**	**65.7**	**62.9**	**297.0**	**291.9**
Net financial items	–10.4	–17.7	–4.9	–8.1	–25.2	–32.6
Result after financial items	**111.5**	**99.0**	**60.8**	**54.8**	**271.7**	**259.3**
Income tax	–31.2	–33.7	–16.2	–16.9	–82.3	–84.8
Result for the period	**80.2**	**65.3**	**44.7**	**37.9**	**189.4**	**174.5**
Result for the period attributable to:						
– parent company shareholders	80.2	65.3	44.7	37.9	189.4	174.5
Earnings per share, SEK [1) 2)]	*3.03*	*2.46*	*1.69*	*1.43*	*7.14*	*6.58*
Average number of shares, in thousands	*26,518*	*26,518*	*26,518*	*26,518*	*26,518*	*26,518*
Outstanding shares at the end of the year, in thousands	*26,518*	*26,518*	*26,518*	*26,518*	*26,518*	*26,518*

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

STATEMENTS OF COMPREHENSIVE INCOME

MSEK	First six months 2016	First six months 2015	Second quarter 2016	Second quarter 2015	Last 12 months	Full year 2015
Result for the period	**80.2**	**65.3**	**44.7**	**37.9**	**189.4**	**174.5**
Translation differences, net after tax	0.5	59.9	32.0	–52.0	–20.7	38.7
Cash flow hedges, net after tax	–0.1	0.0	–0.2	-0.1	0.0	0.1
Hedging of net investment abroad, net after tax	2.0	–34.8	–11.0	19.5	–7.1	–43.9
Total items that may be reclassified to the income statement	**2.4**	**25.1**	**20.8**	**–32.6**	**–27.8**	**–5.1**
Other comprehensive income	**2.4**	**25.1**	**20.8**	**–32.6**	**–27.8**	**–5.1**
Total comprehensive income for the period	**82.6**	**90.4**	**65.5**	**5.3**	**161.6**	**169.4**
Total comprehensive income attributable to:						
– parent company shareholders	82.6	90.4	65.5	5.3	161.6	169.4

STATEMENTS OF CASH FLOW

MSEK	First six months 2016	First six months 2015	Second quarter 2016	Second quarter 2015	Last 12 months	Full year 2015
Result after financial items	**111.5**	**99.0**	**60.8**	**54.8**	**271.7**	**259.3**
Adjustments for items not included in cash flow	32.2	22.1	20.4	32.3	111.7	101.6
Paid tax	–39.6	–48.4	–23.5	–21.3	–76.1	–84.9
Changes in working capital	–46.2	13.7	–25.1	39.3	–67.4	–7.5
Cash flow from operating activities	**57.8**	**86.4**	**32.6**	**105.1**	**240.0**	**268.5**
Net investments in intangible and tangible assets	–7.3	–23.0	2.9	–19.9	–30.3	–45.9
Acquisition of operations	–33.7	–	–	–	–33.7	–
Payments received regarding long-term holdings	0.7	2.0	0.1	1.0	3.0	4.3
Cash flow from investing activities	**–40.3**	**–21.0**	**3.0**	**–18.9**	**–61.0**	**–41.7**
Amortization of loans	–53.1	–53.2	–27.7	–26.2	–106.8	–106.9
Changes in long- and short-term borrowing	46.0	–44.0	3.0	–4.9	71.7	–18.2
Dividend to parent company shareholders	–58.3	–29.2	–58.3	–29.2	–58.3	–29.2
Cash flow from financing activities	**–65.4**	**–126.4**	**–83.0**	**–60.3**	**–93.3**	**–154.3**
Cash flow for the period	**–47.9**	**–61.0**	**–47.3**	**26.0**	**85.6**	**72.5**
Liquid funds at the beginning of the period	529.0	456.7	522.1	401.3	405.4	456.7
Translation difference	7.6	9.6	13.9	–21.9	–2.3	–0.3
Liquid funds at the end of the period	**488.7**	**405.4**	**488.7**	**405.4**	**488.7**	**529.0**
Net debt at the beginning of the period	**737.7**	**895.3**	**750.0**	**945.2**	**881.9**	**895.3**
Translation difference in net debt	7.7	22.4	11.8	–6.4	25.7	40.5
Net debt in acquired operations	–3.1	–	–	–	–3.1	–
Change in net debt	42.4	–35.8	22.9	–56.9	–119.9	–198.1
Net debt at the end of the period	**784.7**	**881.9**	**784.7**	**881.9**	**784.7**	**737.7**
Operating cash flow	**67.6**	**131.6**	**64.1**	**115.7**	**280.3**	**344.3**

STATEMENTS OF FINANCIAL POSITION

MSEK	June 30 2016	June 30 2015	Dec. 31 2015
ASSETS			
Intangible assets	1,290.3	1,289.1	1,268.8
Tangible assets	315.9	380.6	333.9
Other fixed assets	199.0	198.1	199.0
Total fixed assets	**1,805.3**	**1,867.7**	**1,801.6**
Inventories	274.1	260.7	265.9
Accounts receivable	784.5	816.5	824.6
Other current assets	157.8	153.8	138.7
Cash and cash equivalents	488.7	405.4	529.0
Total current assets	**1,705.1**	**1,636.4**	**1,758.2**
Total assets	**3,510.4**	**3,504.2**	**3,559.8**
EQUITY AND LIABILITIES			
EQUITY	**1,512.3**	**1,409.0**	**1,488.0**
Liabilities			
Non-interest-bearing long-term liabilities	86.2	86.4	83.2
Interest-bearing long-term liabilities	19.6	22.9	19.7
Total long-term liabilities	**105.8**	**109.3**	**102.9**
Non-interest-bearing current liabilities	638.5	721.5	721.9
Interest-bearing current liabilities	1,253.8	1,264.4	1,247.0
Total current liabilities	**1,892.3**	**1,985.9**	**1,968.9**
Total equity and liabilities	**3,510.4**	**3,504.2**	**3,559.8**

STATEMENTS OF CHANGES IN EQUITY

MSEK	Equity attributable to parent company shareholders	Total equity
Opening balance on 1 Jan. 2015	**1,347.7**	**1,347.7**
Dividend to parent company shareholders	–29.2	–29.2
Total comprehensive income for the year	169.4	169.4
Closing balance on 31 Dec. 2015	**1,488.0**	**1,488.0**
Opening balance on 1 Jan. 2015	**1,347.7**	**1,347.7**
Dividend to parent company shareholders	–29.2	–29.2
Total comprehensive income for the period	90.4	90.4
Closing balance on 30 Jun. 2015	**1,409.0**	**1,409.0**
Opening balance on 1 Jan. 2016	**1,488.0**	**1,488.0**
Dividend to parent company shareholders	–58.3	–58.3
Total comprehensive income for the period	82.6	82.6
Closing balance on 30 Jun. 2016	**1,512.3**	**1,512.3**

SEGMENT REPORTING

The three business areas are reported as reportable segments, since this is how the Group is governed and the President has been identified as the highest executive decision-maker. The operations within the business area Print & Packaging in each region are identified as operating segments. These have then been merged to create one reportable segment. In the other business areas the operating segments coincides with the reportable segments. The operations within each reportable segment have similar economic characteristics and resemble each other regarding the nature of their products and services, production processes and customer types. Sales between segments are made on markets terms.

NET SALES

	First six months		Second quarter		Last 12	Full year
MSEK	**2016**	**2015**	**2016**	**2015**	**months**	**2015**
Supply Chain Solutions	981.1	993.3	520.6	528.0	2,032.8	2,045.0
Print & Packaging Solutions	1,047.0	1,032.2	535.4	517.9	2,068.5	2,053.7
e-Commerce Solutions	83.7	85.4	40.4	39.4	235.3	237.0
Group functions	15.7	11.9	8.0	6.2	30.7	26.9
Eliminations	–50.2	–51.2	–25.2	–25.6	–125.5	–126.5
Group net sales	**2,077.3**	**2,071.6**	**1,079.2**	**1,065.9**	**4,241.8**	**4,236.1**

OPERATING RESULT

	First six months		Second quarter		Last 12	Full year
MSEK	**2016**	**2015**	**2016**	**2015**	**months**	**2015**
Supply Chain Solutions	82.5	73.2	45.9	44.1	191.2	181.9
Print & Packaging Solutions	54.9	60.6	30.3	30.6	116.6	122.3
e-Commerce Solutions	–0.7	–1.1	–1.3	–3.7	18.8	18.4
Group functions	–14.8	–15.9	–9.2	–8.1	–29.6	–30.7
Group operating result	**121.9**	**116.8**	**65.7**	**62.9**	**297.0**	**291.9**

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The financial instruments recognized at fair value in the Group's report on financial position are derivatives identified as hedging instruments. The derivatives consist of forward exchange and are used for hedging purposes. Valuation at fair value of forward exchange contracts is based on published forward rates on an active market. All derivates are therefore included in level 2 in the fair value hierarchy. Since all the financial instruments recognized at fair value are included in level 2 there have been no transfers between valuation levels. The table below presents fair value respective booked value per class of financial assets and liabilities, which are recorded gross.

	June 30		Dec. 31
MSEK	**2016**	**2015**	**2015**
Non-interest-bearing current liabilities – Derivative instruments in hedge accounting relationships	0,1	0,1	0,1

The fair value of other financial assets and liabilities valued at their amortized purchase price is estimated to be equivalent to their book value.

ACQUISITION OF OPERATIONS IN 2016

SPECIFICATION OF ACQUISITIONS

Company	Acquisition date	Country	Number of employees
Schmid Druck & Medien GmbH	January 2016	Germany	75

In December 2015 Elanders signed an agreement to acquire Schmid Druck, a niched packaging company in Germany. The business is consolidated into the Elanders Group as of 1 January 2016. In 2015 net sales in Schmid Druck were some MEUR 8.5 and the company reached an EBITDA level of MEUR 1.6 million. The acquisition is expected to contribute positively to Elanders' operating result already in 2016. The purchase price was EUR 4.5 million on a cash and debt-free basis and almost all of it has been settled in the beginning of January 2016. Acquisition costs were around MSEK 2 and charged the result in 2015. During the first six months 2016 Schmid Druck have contributed with MEUR 5.0 to the net sales and MEUR 0.5 to the operating result.

ASSETS AND LIABILITIES IN ACQUISITIONS

MSEK	Recorded values in acquired operation	Adjustments to fair value	Recorded value in the Group
Fixed assets	9.9	7.9	17.8
Inventory	4.8	–	4.8
Accounts receivable	5.8	–	5.8
Other current assets	0.6	–	0.6
Cash and cash equivalents	3.1	–	3.1
Accounts payable	–2.2	–	–2.2
Other liabilities	–5.0	–1.4	–6.4
Identifiable net assets	**17.0**	**6.5**	**23.5**
Goodwill			17.8
Total			**41.3**
Less:			
Unpaid purchase sum			–4.5
Cash and cash equivalents in acquisition			–3.1
Negative effect on cash and cash equivalents for the Group			**33.7**

INCOME STATEMENTS

MSEK	First six months 2016	First six months 2015	Second quarter 2016	Second quarter 2015	Last 12 months	Full year 2015
Net sales	15.3	12.4	7.6	6.7	29.3	26.4
Operating expenses	–24.2	–26.8	–14.5	–14.2	–53.1	–55.7
Operating result	**–8.9**	**–14.4**	**-6.9**	**-7.5**	**–23.8**	**–29.3**
Net financial items	40.0	16.6	26.0	86.8	106.9	83.5
Result after financial items	**31.1**	**2.2**	**19.1**	**79.3**	**83.1**	**54.2**
Income tax	0.6	11.2	4.3	–5.7	4.7	15.3
Result for the period	**31.7**	**13.4**	**23.4**	**73.6**	**87.8**	**69.5**

STATEMENTS OF COMPREHENSIVE INCOME

MSEK	First six months 2016	First six months 2015	Second quarter 2016	Second quarter 2015	Last 12 months	Full year 2015
Result for the period	**31.7**	**13.4**	**23.4**	**73.6**	**87.8**	**69.5**
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income for the period	**31.7**	**13.4**	**23.4**	**73.6**	**87.8**	**69.5**

BALANCE SHEETS

MSEK	June 30 2016	June 30 2015	Dec. 31 2015
ASSETS			
Fixed assets	2,100.4	2,067.8	2,055.7
Current assets	158.6	151.2	212.8
Total assets	**2,259.0**	**2,219.0**	**2,268.5**
EQUITY, PROVISIONS AND LIABILITIES			
Equity	875.4	846.0	902.0
Provisions	2.9	2.9	2.9
Long-term liabilities	76.8	70.6	70.6
Current liabilities	1,303.9	1,299.5	1,293.0
Total equity, provisions and liabilities	**2,259.0**	**2,219.0**	**2,268.5**

STATEMENTS OF CHANGES IN EQUITY

MSEK	Share capital	Statutory reserve	Unrestricted equity	Total equity
Opening balance on 1 Jan. 2015	**265.2**	**332.4**	**264.2**	**861.8**
Dividend	–	–	–29.2	–29.2
Total comprehensive income for the year	–	–	69.5	69.5
Closing balance on 31 Dec. 2015	**265.2**	**332.4**	**304.4**	**902.0**
Opening balance on 1 Jan. 2015	**265.2**	**332.4**	**264.2**	**861.8**
Dividend	–	–	–29.2	–29.2
Total comprehensive income for the period	–	–	13.4	13.4
Closing balance on 30 Jun. 2015	**265.2**	**332.4**	**248.4**	**846.0**
Opening balance on 1 Jan. 2016	**265.2**	**332.4**	**304.4**	**902.0**
Dividend	–	–	–58.3	–58.3
Total comprehensive income for the period	–	–	31.7	31.7
Closing balance on 30 Jun. 2016	**265.2**	**332.4**	**277.8**	**875.4**

QUARTERLY DATA

MSEK	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Net sales	1,079	998	1,124	1,041	1,066	1,006	1,099	870	910
EBITDA	92	85	154	95	93	85	101	56	69
Operating result	66	56	111	64	63	54	71	27	40
Operating margin, %	6.1	5.6	9.9	6.2	5.9	5.4	6.4	3.1	4.4
Result after financial items	61	51	105	55	55	44	62	18	32
Result after tax	45	36	73	36	38	27	45	11	15
Earnings per share, SEK [1) 2)]	1.69	1.34	2.77	1.35	1.43	1.04	1.70	0.43	0.61
Operating cash flow	64	3	237	–24	116	16	175	–21	81
Cash flow per share, SEK [2) 3)]	1.23	0.95	8.86	–1.99	3.96	–0.71	6.00	–1.04	2.74
Depreciation and write-downs	26	29	43	31	30	31	30	29	29
Net investments	–3	43	14	7	19	2	7	8	10
Goodwill	1,228	1,211	1,200	1,217	1,209	1,224	1,205	1,168	1,150
Total assets	3,510	3,524	3,560	3,547	3,504	3,629	3,570	3,336	3,277
Equity	1,512	1,505	1,488	1,445	1,409	1,433	1,348	1,245	1,203
Equity per share, SEK [2)]	57.03	56.76	56.11	54.48	53.13	54.03	50.82	46.93	45.36
Net debt	785	750	738	951	882	945	895	1,016	949
Capital employed	2,297	2,255	2,226	2,396	2,291	2,378	2,243	2,260	2,151
Return on total assets, % [4)]	7.5	6.4	12.6	7.3	7.1	6.0	8.2	3.3	5.1
Return on equity, % [4)]	11.8	9.5	20.0	10.0	10.7	7.9	14.0	3.7	5.3
Return on capital employed, % [4)]	11.6	10.0	19.2	10.9	10.8	9.3	12.5	4.9	7.4
Debt/equity ratio	0.5	0.5	0.5	0.7	0.6	0.7	0.7	0.8	0.8
Equity ratio, %	43.1	42.7	42.0	40.7	40.2	39.5	37.8	37.3	36.7
Interest coverage ratio [5)]	16.1	14.3	12.7	10.0	7.2	5.9	5.0	4.6	5.1
Number of employees at the end of the period	3,101	3,173	3,177	3,182	3,166	3,146	3,320	3,327	3,389

1) There is no dilution.
2) Historic key ratios have been adjusted for the bonus issue element in the new share issue in 2014.
3) Cash flow per share refers to cash flow from operating activities.
4) Return ratios have been annualized.
5) Interest coverage ratio calculation is based on a moving 12 month period.

FIVE YEAR OVERVIEW – FIRST SIX MONTHS

	2016	2015	2014	2013	2012
Net sales, MSEK	2,077	2,072	1,761	1,005	941
Result after tax, MSEK	80	65	31	22	32
Earnings per share, SEK [1) 2)]	3.03	2.46	1.30	0.95	1.52
Cash flow from operating activities per share, SEK [2)]	2.18	3.26	1.28	0.58	3.06
Equity per share, SEK [2)]	57.03	53.13	45.36	41.68	41.21
Return on equity, % [3)]	10.7	9.5	5.6	4.6	7.0
Return on capital employed, % [3)]	10.8	10.3	7.9	6.1	7.4
Operating margin, %	5.9	5.6	4.4	5.1	6.2
Average number of shares, in thousands [2)]	26,518	26,518	23,889	23,395	21,164

[1)] There is no dilution.
[2)] Historic number of shares and historic key ratios have been adjusted for the bonus issue element in the new share issue in 2014.
No adjustment of the historic number of shares has been made for the new share issue in 2012 since it did not entail any bonus issue element.
[3)] Return ratios have been annualized.

FIVE YEAR OVERVIEW – SECOND QUARTER

	2016	2015	2014	2013	2012
Net sales, MSEK	1,079	1,066	910	512	481
Result after tax, MSEK	45	38	15	28	22
Earnings per share, SEK [1) 2)]	1.69	1.43	0.61	0.50	1.00
Cash flow from operating activities per share, SEK [2)]	1.23	3.96	2.74	1.75	1.54
Equity per share, SEK [2)]	57.03	53.13	45.36	41.68	41.21
Return on equity, % [3)]	11.8	10.7	5.3	4.9	9.7
Return on capital employed, % [3)]	11.6	10.8	7.4	6.7	9.8
Operating margin, %	6.1	5.9	4.4	5.6	8.0
Average number of shares, in thousands [2)]	26,518	26,518	24,383	23,395	22,227

[1)] There is no dilution.
[2)] Historic number of shares and historic key ratios have been adjusted for the bonus issue element in the new share issue in 2014.
No adjustment of the historic number of shares has been made for the new share issue in 2012 since it did not entail any bonus issue element.
[3)] Return ratios have been annualized.

FIVE YEAR OVERVIEW – FULL YEAR

	2015	2014	2013	2012	2011
Net sales, MSEK	4,236	3,730	2,096	1,924	1,839
Result after financial items, MSEK	259	140	102	93	80
Result after tax, MSEK	175	88	70	45	60
Earnings per share, SEK [1) 2)]	6.58	3.48	2.99	1.99	3.00
Cash flow from operating activities per share, SEK [2)]	10.13	6.42	5.48	9.64	4.20
Equity per share, SEK [2)]	56.11	50.82	44.39	40.77	43.75
Dividends per share, SEK [2)]	2.20	1.10	0.78	0.58	0.49
Operating margin, %	6.9	4.7	6.2	6.2	6.0
Return on total assets, %	8.2	5.9	5.6	5.6	5.5
Return on equity, %	12.1	7.4	7.0	4.8	7.1
Return on capital employed, %	12.6	8.7	7.7	7.4	7.1
Debt/equity ratio	0.5	0.7	0.7	0.7	0.8
Equity ratio, %	42.0	37.8	42.2	42.2	43.9
Average number of shares, in thousands [2)]	26,518	25,204	23,395	22,279	20,102

1) There is no dilution.

2) Historic number of shares and historic key ratios have been adjusted for the bonus issue element in the new share issue in 2014. No adjustment of the historic number of shares has been made for the new share issue in 2012 since it did not entail any bonus issue element.

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – QUARTERLY DATA

MSEK	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Operating result	66	56	111	64	63	54	71	27	40
Depreciation, amortization and write-downs	26	29	43	31	30	31	30	29	29
EBITDA	**92**	**85**	**154**	**95**	**93**	**85**	**101**	**56**	**69**
Cash flow from operating activities	33	25	235	–53	105	–19	159	–28	67
Net financial items	5	6	6	9	8	10	8	9	8
Paid tax	24	16	9	27	21	27	15	6	17
Net investments	3	–43	–14	–7	–19	–2	–7	–8	–10
Operating cash flow	**64**	**3**	**237**	**-24**	**116**	**16**	**175**	**–21**	**81**
Average total assets	3,517	3,542	3,543	3,526	3,567	3,600	3,453	3,307	3,196
Average cash and cash equivalents	–505	–526	–451	–389	–403	–429	–397	–354	–322
Average non-interest-bearing liabilities	–736	–776	–782	–794	–829	–860	–804	–746	–718
Average capital employed	**2,276**	**2,240**	**2,311**	**2,344**	**2,334**	**2,311**	**2,252**	**2,206**	**2,156**
Annualized operating result	263	224	444	256	252	216	282	108	159
Return on capital employed, %	**11.6**	**10.0**	**19.2**	**10.9**	**10.8**	**9.3**	**12.5**	**4.9**	**7.4**
Interest-bearing long-term liabilities	20	20	20	23	23	25	25	27	848
Interest-bearing current liabilities	1,254	1,252	1,247	1,301	1,264	1,322	1,327	1,327	472
Cash and cash equivalents	–489	–522	–529	–372	–405	–401	–457	–338	–371
Net debt	**785**	**750**	**738**	**951**	**882**	**945**	**895**	**1,016**	**949**

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – FIRST SIX MONTHS

MSEK	2016	2015	2014	2013	2012
Average total assets	3,531	3,537	2,870	2,264	2,027
Average cash and cash equivalents	–513	–431	–293	–134	–81
Average non-interest-bearing liabilities	-759	–839	–613	–444	–366
Average capital employed	**2,259**	**2,267**	**1,964**	**1,686**	**1,581**
Annualized operating result	244	234	154	102	117
Return on capital employed, %	**10.8**	**10.3**	**7.9**	**6.1**	**7.4**

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – SECOND QUARTER

MSEK	2016	2015	2014	2013	2012
Average total assets	3,517	3,567	3,196	2,247	2,014
Average cash and cash equivalents	–505	–403	–322	–106	–84
Average non-interest-bearing liabilities	–736	–829	–718	–432	–356
Average capital employed	**2,276**	**2,334**	**2,156**	**1,708**	**1,574**
Annualized operating result	263	252	159	114	155
Return on capital employed, %	**11.6**	**10.8**	**7.4**	**6.7**	**9.8**

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – FULL YEAR

MSEK	2015	2014	2013	2012	2011
Average total assets	3,559	3,017	2,363	2,133	2,008
Average cash and cash equivalents	–418	–336	–192	–125	–66
Average non-interest-bearing liabilities	–816	–671	–461	–410	–389
Average capital employed	**2,325**	**2,010**	**1,710**	**1,598**	**1,553**
Operating result	292	175	131	119	110
Return on capital employed, %	**12.6**	**8.7**	**7.7**	**7.4**	**7.1**

FINANCIAL DEFINITIONS

Average number of employees
The number of employees at the end of each month divided number of months.

Average number of shares
Weighted average number of shares outstanding during the period.

Capital employed
Total assets less liquid funds and non-interest bearing liabilities.

Debt/equity ratio
Net debt in relation to reported equity, including non-controlling interests.

Earnings per share
Result for the year divided by the average number of shares.

EBIT
Earnings before interest and taxes; operating result.

EBITDA
Earnings before interest, taxes, depreciation and amortization; operating result plus depreciation, amortization and write-downs of intangible assets and tangible fixed assets.

Equity ratio
Equity, including non-controlling interests, in relation to total assets.

Interest coverage ratio
Operating result plus interest income divided by interest costs.

Net debt
Interest bearing liabilities less liquid funds.

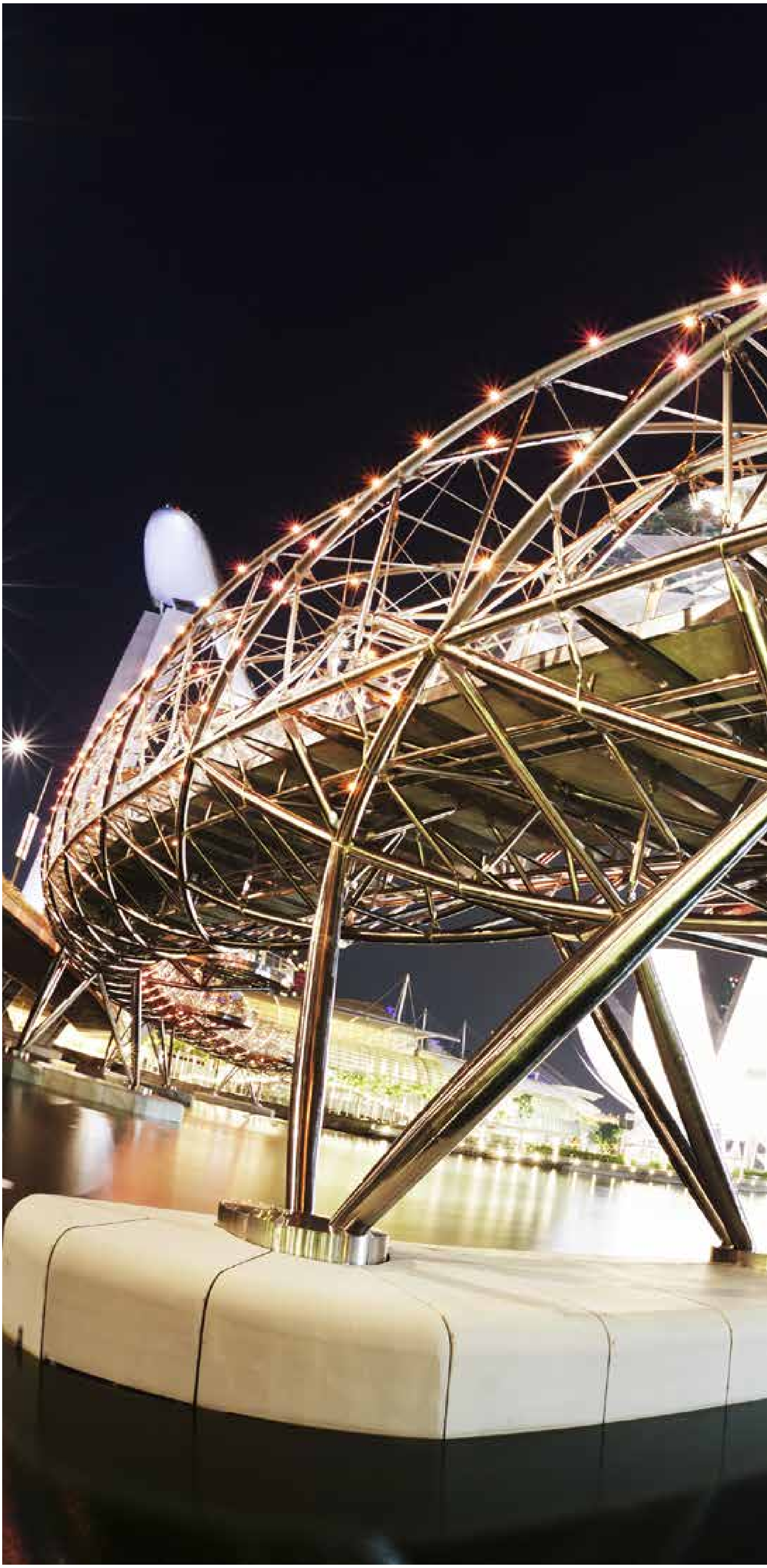
Operating cash flow
Cash flow from operating activities and investing activities, adjusted for paid taxes and financial items.

Operating margin
Operating result in relation to net sales.

Return on capital employed (ROCE)
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.



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