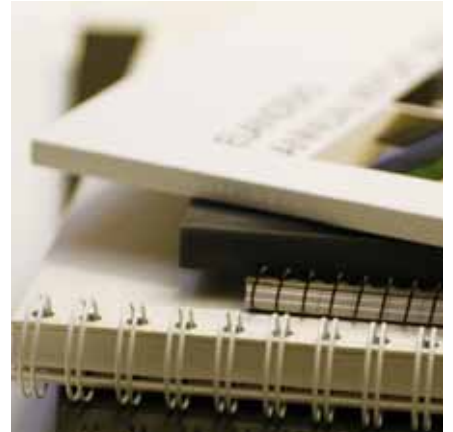


# ELANDERS INTERIM REPORT JANUARY-SEPTEMBER 2008



# THE FIRST THREE QUARTERS JANUARY–SEPTEMBER 2008

- ▶ Net sales rose by 8 % totalling MSEK 1,570 (MSEK 1,449).
- ▶ Operating profit amounted to MSEK 46.7 (MSEK 142.5).
- ▶ Pre-tax profit amounted to MSEK 9.7 (MSEK 113.1).
- ▶ Net profit was MSEK 4.1 (MSEK 108.8) or SEK 0.41 per share (SEK 11.5 per share)<sup>1)</sup>.
- ▶ Operating cash flow rose to MSEK 92 (MSEK -291).
- ▶ Weakening demand from customers in consumer electronics, vehicles and white goods in Sweden and Hungary.
- ▶ During the third quarter measures to adjust to the change in order volumes were initiated in Sweden and Hungary, among them reducing the number of employees by 75 people in Sweden.
- ▶ Continued success in Germany and China.
- ▶ The forecast for 2008 was changed in the press release on 22 September 2008 to pre-tax profits of around MSEK 50 and profits after tax of approximately MSEK 35. The forecast given was "an increase in net sales compared with 2007, pre-tax profits of around MSEK 100 and profits after tax of approximately MSEK 75."

<sup>1)</sup> There was no dilution during the given periods.

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## COMMENTS BY THE PRESIDENT

The first nine months of this year brought a downturn in business. The company suffered increasingly from the slowing economy in Europe and the US and our continued success in Germany and China could not compensate. The decline in orders has primarily been from customers in consumer electronics, vehicles and white goods in Sweden, Hungary and Italy. The effects of this accelerated in the third quarter, resulting in measures to reduce costs in Sweden.

Approximately half of the decline in profit for the year stems from one-off costs for rationalisations. The rest is a result of the drop in demand and pressed margins due to the weakening economy. Nonetheless the Group's total sales increased compa-

red with the previous year. This is mainly due to the acquisitions in Germany and the US, as well as our establishment in Italy and developments in China.

A slow economy also holds opportunities for Elanders. Customers in our prioritised segments are particularly motivated to find competitive alternatives. With our sustainability, size and range of solutions we can quickly win new market shares. This is why I, despite the fact that we are in a period of shrinking demand, feel confident about the future of the Group.

*Patrick Holm*  
CEO and President

### ▶ JULY-SEPTEMBER - NET SALES AND PROFIT PER BUSINESS AREA

MSEK	Net sales			Profit/loss		
	2008	2007	2006	2008	2007	2006
Infologistics	388	362	304	-1.7	23.6	19.2
User Manuals	128	109	89	-7.8	30.5	23.2
<b>Total</b>	<b>516</b>	<b>471</b>	<b>393</b>	<b>-9.5</b>	<b>54.1</b>	<b>42.4</b>
Net financial items				-13.5	-10.9	-5.9
<b>Group</b>	<b>516</b>	<b>471</b>	<b>393</b>	<b>-23.0</b>	<b>43.2</b>	<b>36.5</b>

### ▶ JANUARY-SEPTEMBER - NET SALES AND PROFIT PER BUSINESS AREA

MSEK	Net sales			Profit/loss		
	2008	2007	2006	2008	2007	2006
Infologistics	1,214	1,162	1,009	30.0	70.8	63.8
User Manuals	356	287	219	16.7	71.7	42.7
<b>Total</b>	<b>1,570</b>	<b>1,449</b>	<b>1,228</b>	<b>46.7</b>	<b>142.5</b>	<b>106.5</b>
Net financial items				-37.0	-29.4	-15.8
<b>Group</b>	<b>1,570</b>	<b>1,449</b>	<b>1,228</b>	<b>9.7</b>	<b>113.1</b>	<b>90.7</b>

# ELANDERS INTERIM REPORT JANUARY–SEPTEMBER 2008

## THE BUSINESS AREAS

### **INFOLOGISTICS**

#### **Business area operations**

The business area has its platform in the Infomedia Centres in Mölnlycke, Malmö and Stockholm (SE), Newcastle (UK), Waiblingen (Stuttgart) (DE) and Atlanta (US). Elanders' infomedia centres offer information structuring, advanced premedia, digital print, offset print and fulfilment services. There are digital print units in Oslo (NO), São Paulo (BR) and Stockholm (SE) and in-house units for publishing in digital print at, among others, ABB in Västerås, Volvo in Gothenburg and Tetra Pak in Lund (SE) as well as for the automotive industry in Luton (UK). In addition, we have production units for premedia, offset print and fulfilment in Falköping, Malmö and Stockholm (SE). There is also a unit for sales and project management in Uppsala (SE) and a unit for sales, premedia and page production in Harrogate (UK). When business area customers request printing production at lower prices and can accept longer lead times we utilise the capacity in User Manuals in Central Europe and Asia.

#### **Development during the period**

Net sales rose by MSEK 52 or 4 % to MSEK 1,214 (MSEK 1,162) and operating profit for the period amounted to MSEK 30.0 (MSEK 70.8). The growth in net sales is mainly due to the new acquisitions in the US, Germany and Brazil. Lower profits are primarily due to lower order volumes in Sweden and rationalisation costs in Swedish operations.

On 8 February all the shares in Seiz Printing Inc., Acworth, Atlanta, Georgia, USA were acquired. The company is an important platform for deliveries to Group customers in North America. The purchase price was MUS\$ 3 together with the assumption of a net debt of MUS\$ 8. The consolidated surplus value had not been fully established at the time this interim report was published but it is expected to be around MUS\$ 2.

On 21 May Elanders acquired 100 percent of the shares in Mairs Graphische Betriebe GmbH & Co KG in Ostfildern, outside Stuttgart. This acquisition increases Elanders produc-

tion capacity, which thanks to Sommer Corporate Media's success has been diminishing in Germany. The Group also gains access to large format production in sheet-fed offset, which is a clear production trend within the graphic industry in Germany. In addition, Elanders broadens its customer base in Germany, particularly in the strategically important segment Automotive, which has already created business with BMW and Volkswagen. Another result of the acquisition is that Siemens has become a customer. The purchase price amounted to MEUR 3.8, including a net debt of MEUR 1.6. The Group surplus value generated in connection with the acquisition was MEUR 0.1.

Business in Great Britain, Germany and Norway developed well during the period while the company in the US slowed down in the second quarter due to the current situation in the American economy. We plan to compensate for this by transferring volumes from existing Elanders' customers in the US in the autumn of 2008 and the beginning of 2009. German operations received an important order from Audi for the digital print of driver's information and a contract for deliveries to GE Moneybank was signed in Sweden.

#### **Events in the third quarter**

Lower demand led to rationalisations in Sweden; in particular moving offset production in Malmö to other Swedish units and other measures that entailed reducing the number of employees by 75 people.

German operations signed on Shell and John Deere as new customers.

### **USER MANUALS**

#### **Business area operations**

User Manuals is aimed at highly efficient deliveries of user information for mobile telephones and other consumer electronics. This business is chiefly printing production with extremely high demands on flexibility and short lead times. Geographical expansion will take place in countries with relatively low wage levels in Central Europe and Asia.

User Manuals is comprised of the units in Beijing (CN),



Plonsk (PL), Treviso (IT) and Budapest, Komárom and Zalalövő (HU) and customers are primarily in the segment Industry & Trade. Production capacity is also used for deliveries to customers in Scandinavia, Great Britain and Germany in other segments and business areas when low costs are prioritised over short lead times.

#### Development during the period

Net sales rose by 24 % to MSEK 356 (MSEK 287) and operating profit was MSEK 16.7 (MSEK 71.7). The increase in net sales is due to our success in China. Lower profits stem from lower order volumes in Hungary and the cost of closing down a legal entity in Hungary.

The change in order volumes in Hungary has negatively affected profits by MSEK 25. It has also required scrapping part of the company's finished goods and semi-finished goods, which cost MSEK 10.

The start-up in Italy did not go according to plan during the period. Delivery problems and delays in taking over volumes from previous suppliers affected profit negatively by MSEK 10 during the period. These problems are expected to be resolved by the beginning of next year.

The establishment of the Group's joint venture (50/50) with Hansaprint Oy in Cluj Napoca in Romania has been postponed and the facility is now expected to be ready for a production start sometime in 2009. The unit will primarily supply manufacturers of consumer electronics with user information in large volumes and short lead times. For the time being Romanian orders will be handled by Elanders units in Hungary.

Operations in China have continued to develop well through the powerful combination of packaging and graphic production. The unit will surpass the net sales and profit of the previous year.

In Poland 2008 began better than 2007, but there is still room for expansion and greater profitability.

#### Events in the third quarter

During the quarter the legal entity in Budapest was closed down. Its operations have been moved to the Group's other

subsidiaries in Hungary. This had a negative affect on quarterly profits by MSEK 14.

NEC and Sanyo became new customers to the business area.

## PARENT COMPANY

During the period the parent company has provided joint Group services. No external sales have taken place.

## GROUP

### NET SALES AND PROFIT

Group net sales increased by MSEK 121 to MSEK 1,570 (MSEK 1,449) or 8 %. Operating profit diminished by MSEK 95.8 to MSEK 46.7 (MSEK 142.5). The fall in profits stems primarily from developments in Sweden and Hungary.

### INVESTMENTS AND DEPRECIATION

During the period net capital expenditures totalled MSEK 108 (MSEK 376), of which MSEK 58 (MSEK 240) were acquisitions.

Group depreciation amounted to MSEK 75 (MSEK 63).

### FINANCIAL POSITION, CASH FLOW AND EQUITY RATIO

The Group's net debt amounted to MSEK 916 (MSEK 838) and operating cash flow for the period amounted to MSEK 92 (MSEK -291), together with MSEK -58 (MSEK -240) associated with acquisitions. Cash flow was recompensed during the period by MSEK 110 (MSEK 0) by the payment from the sales of the property in Kungsbacka. Equity amounted to MSEK 849 (MSEK 788), which resulted in an equity ratio of 37.1 % (37.0 %).

### PERSONNEL

The average number of employees during the period was 1,798 (1,550), of which 639 were in Sweden (720). At the end of the period the Group had 1,887 employees (1,592).

### RISKS AND UNCERTAINTIES

Elanders divides risks into circumstantial risks (the future of printing, business cycles, structure and the competition),

# ELANDERS INTERIM REPORT JANUARY–SEPTEMBER 2008

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 32-34 in the Annual Report 2007. 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 34 of the Annual Report 2007. Among other information found there is the fact that, historically, almost a third of the Group's net sales occur in the fourth quarter.

## FORECAST FOR 2008

The forecast in the previous interim report was:

"An increase in net sales compared with 2007, pre-tax profits of around MSEK 100 and profits after tax of approximately MSEK 75."

The Group changed the forecast for 2008 in a press release on 22 September 2008. The new forecast was:

Pre-tax profits of around MSEK 50 and profits after tax of approximately MSEK 35.

No forecast was given for net sales.

## OTHER INFORMATION

### NOMINATING COMMITTEE

The following are members of the nominating committee for the Annual General Meeting on 23 April 2009:

Carl Bennet (chairman)  
Göran Erlandsson

Hans Hedström  
Nils Petter Hollekim  
Stefan Roos  
Caroline af Ugglas  
Skandia Liv

Carl Bennet AB  
Representative for minor  
shareholders  
HQ Funds  
Odin Funds  
SEB Funds  
Investment AB Latour/

No changes have been made in the nominating committee since the Annual General Meeting on 21 April 2008.

Please find the nominating committee's contact information on the company's website [www.elanders.com](http://www.elanders.com) under "Corporate Governance".

## FUTURE REPORTS FROM ELANDERS

The annual accounts report 2008: 29 January 2009

The Annual Report 2008 in Swedish is expected to be released in the week beginning the 23<sup>rd</sup> of March, 2009.

Mölnlycke, 20 October 2008



Patrick Holm  
President and Chief Executive Officer

*This document is essentially a translation of the Swedish language version. In the event of any discrepancies between this translation and the original Swedish document, the latter shall be deemed correct.*



# ELANDERS INTERIM REPORT JANUARY–SEPTEMBER 2008

## REVIEW REPORT

We have reviewed this report for the period 1 January 2008 to 30 September 2008 for Elanders AB (publ) org 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, 20 October 2008  
PricewaterhouseCoopers AB

Mikael Eriksson  
*Authorised Public Accountant  
Auditor in charge*

Johan Rippe  
*Authorised Public Accountant*

## ▶ CONTACT INFORMATION

Further information can be found on Elanders' website [www.elanders.com](http://www.elanders.com) or via e-mail [info@elanders.com](mailto:info@elanders.com).  
Questions concerning this report can be made to:

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Mobile +46 708 210 410

### **MATS ALMGREN**

Chief Financial Officer  
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Mobile +46 705 181 936

### **ELANDERS AB (PUBL)**

(Company ID 556008-1621)  
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SE-435 23 Mölnlycke  
Phone +46 31 750 00 00



# GROUP

## ► SUMMARY GROUP INCOME STATEMENTS

MSEK	Third quarter		
	2008	2007	2006
Net turnover	516.5	471.1	393.2
Cost of products and services sold	-422.3	-338.6	-288.9
<b>Gross profit</b>	<b>94.2</b>	<b>132.5</b>	<b>104.3</b>
Sales and administration costs	-103.9	-85.9	-63.2
Other operating income	7.0	9.2	3.6
Other operating costs	-6.9	-1.7	-3.1
Share in profit/loss in joint venture	0.1	0.0	0.8
<b>Operating profit/loss</b>	<b>-9.5</b>	<b>54.1</b>	<b>42.4</b>
Net financial items	-13.5	-10.9	-5.9
<b>Profit/loss after net financial items</b>	<b>-23.0</b>	<b>43.2</b>	<b>36.5</b>
Taxes	1.0	10.9	-9.5
<b>Profit/loss for the period in remaining operations</b>	<b>-22.0</b>	<b>54.1</b>	<b>27.0</b>
Net profit/loss after tax for the period from discontinued operations <sup>1)</sup>	-	0.0	-15.7
<b>Profit/loss for the period</b>	<b>-22.0</b>	<b>54.1</b>	<b>11.3</b>
<i>Attributable to:</i>			
Parent company shareholders	-22.0	54.1	11.3
Minority interests	0.0	-	-
Earnings per share incl. discontinued operations, SEK <sup>2)</sup>	-2.25	5.54	1.28
Earnings per share in remaining operations, SEK <sup>2)</sup>	-2.25	5.54	3.05
Average number of shares (in thousands)	9,765	9,765	8,855

## ► SUMMARY GROUP INCOME STATEMENTS

MSEK	January-September			Last 12 months	Full year 2007
	2008	2007	2006		
Net sales	1,570.5	1,449.4	1,228.3	2,156.7	2,035.6
Cost of products and services sold	-1,225.6	-1,059.3	-923.3	-1,660.3	-1,494.0
<b>Gross profit</b>	<b>344.9</b>	<b>390.1</b>	<b>305.0</b>	<b>496.4</b>	<b>541.6</b>
Sales and administration costs	-302.4	-261.2	-202.3	-413.8	-372.6
Other operating income	16.6	18.8	15.5	65.6	67.8
Other operating costs	-11.1	-5.3	-14.0	-16.3	-10.5
Share in profit/loss in joint venture	-1.3	0.1	2.3	-0.9	0.5
<b>Operating profit/loss</b>	<b>46.7</b>	<b>142.5</b>	<b>106.5</b>	<b>131.0</b>	<b>226.8</b>
Net financial items	-37.0	-29.4	-15.8	-50.3	-42.7
<b>Profit/loss after net financial items</b>	<b>9.7</b>	<b>113.1</b>	<b>90.7</b>	<b>80.7</b>	<b>184.1</b>
Taxes	-5.6	-4.3	-25.8	-13.2	-11.9
<b>Profit/loss for the period in remaining operations</b>	<b>4.1</b>	<b>108.8</b>	<b>64.9</b>	<b>67.5</b>	<b>172.2</b>
Net profit/loss after tax for the period from discontinued operations <sup>1)</sup>	-	0.0	-33.5	-	0.0
<b>Profit/loss for the period</b>	<b>4.1</b>	<b>108.8</b>	<b>31.4</b>	<b>67.5</b>	<b>172.2</b>
<i>Attributable to:</i>					
Parent company shareholders	4.0	108.8	31.4	67.3	172.1
Minority interests	0.1	-	-	0.2	0.1
Earnings per share incl. discontinued operations, SEK <sup>2)</sup>	0.41	11.50	3.55	6.89	18.06
Earnings per share in remaining operations, SEK <sup>2)</sup>	0.41	11.50	7.33	6.89	18.06
Average number of outstanding shares, in thousands	9,765	9,462	8,855	9,765	9,537

<sup>1)</sup> Discontinued operations refer to the directory operations in Kungsbacka that were sold in 2007.

<sup>2)</sup> There was no dilution effect.

# ELANDERS INTERIM REPORT

## JANUARY–SEPTEMBER 2008

### SUMMARY GROUP CASH FLOW STATEMENTS

MSEK	Third quarter			January-September			Full year			Last 12 months
	2008	2007 <sup>1)</sup>	2006 <sup>1)</sup>	2008	2007 <sup>1)</sup>	2006 <sup>1)</sup>	2007 <sup>1)</sup>	2006 <sup>1)</sup>	2005 <sup>1)</sup>	
Profit/loss after net financial items in remaining operations	-23.0	43.2	36.5	9.7	113.1	90.7	184.1	152.3	124.6	80.7
Net profit/loss after tax for the period from discontinued operations	-	-	-15.7	-	0.0	-33.5	0.0	-164.1	-13.9	-
Reversal of tax in discontinued operations	-	-	-5.9	-	0.0	-12.9	0.0	-20.0	-5.4	-
<b>Profit/loss after net financial items</b>	<b>-23.0</b>	<b>43.2</b>	<b>14.9</b>	<b>9.7</b>	<b>113.1</b>	<b>44.3</b>	<b>184.1</b>	<b>-31.8</b>	<b>105.3</b>	<b>80.7</b>
Adjustments for items not included in cash flow	18.3	15.6	18.0	59.0	51.5	66.2	37.2	227.5	65.7	44.7
Paid taxes	-11.5	-9.4	-7.7	-31.0	-21.5	-21.0	-32.3	-20.8	-44.7	-41.8
Changes in working capital	-10.1	-79.1	-30.0	-25.3	-109.5	20.5	-91.6	-7.8	-80.7	-7.4
<b>Cash flow from operating activities</b>	<b>-26.3</b>	<b>-29.7</b>	<b>-4.8</b>	<b>12.4</b>	<b>33.6</b>	<b>110.0</b>	<b>97.4</b>	<b>167.1</b>	<b>45.6</b>	<b>76.2</b>
<b>Cash flow from investing activities</b>	<b>-35.8</b>	<b>-68.9</b>	<b>-20.7</b>	<b>11.2</b>	<b>-375.4</b>	<b>-64.4</b>	<b>-402.5</b>	<b>-72.7</b>	<b>-89.2</b>	<b>-15.9</b>
Changes in long and short-term borrowing	62.4	114.0	6.0	9.1	210.8	-20.0	171.2	-22.6	44.4	-30.5
Rights issue	-	-	-	-	146.5	-	146.5	-	-	-
Dividends	-	-	-	-43.9	-24.4	-20.9	-24.4	-20.9	-16.7	-43.9
<b>Cash flow from financing activities</b>	<b>62.4</b>	<b>114.0</b>	<b>6.0</b>	<b>-34.8</b>	<b>332.9</b>	<b>-40.9</b>	<b>293.3</b>	<b>-43.5</b>	<b>27.7</b>	<b>-74.4</b>
<b>Cash flow for the period</b>	<b>0.3</b>	<b>15.4</b>	<b>-19.5</b>	<b>-11.2</b>	<b>-8.9</b>	<b>4.7</b>	<b>-11.8</b>	<b>50.9</b>	<b>-15.9</b>	<b>-14.1</b>
<b>Liquid funds at the beginning of the period</b>	<b>53.4</b>	<b>51.6</b>	<b>47.1</b>	<b>65.2</b>	<b>74.5</b>	<b>24.9</b>	<b>74.5</b>	<b>24.9</b>	<b>39.7</b>	<b>66.1</b>
Translation difference	4.2	-0.9	1.4	3.9	0.5	-0.6	2.5	-1.3	1.1	5.9
<b>Liquid funds at the end of the period</b>	<b>57.9</b>	<b>66.1</b>	<b>29.0</b>	<b>57.9</b>	<b>66.1</b>	<b>29.0</b>	<b>65.2</b>	<b>74.5</b>	<b>24.9</b>	<b>57.9</b>
Net debt at the beginning of the period	840.0	768.6	618.9	817.5	594.1	669.4	594.1	669.4	602.3	838.3
Translation difference in net debt	7.6	-2.9	-1.0	4.8	-2.4	-0.1	1.2	-1.2	1.7	8.4
Change in net debt	68.5	72.6	25.8	93.8	246.6	-25.6	222.2	-74.1	65.4	69.4
<b>Net debt at the end of the period</b>	<b>916.1</b>	<b>838.3</b>	<b>643.7</b>	<b>916.1</b>	<b>838.3</b>	<b>643.7</b>	<b>817.5</b>	<b>594.1</b>	<b>669.4</b>	<b>916.1</b>
<b>Operating cash flow</b>	<b>-37.1</b>	<b>-78.1</b>	<b>-12.4</b>	<b>91.6</b>	<b>-290.9</b>	<b>82.4</b>	<b>-230.1</b>	<b>138.2</b>	<b>17.5</b>	<b>152.4</b>

<sup>1)</sup> The discontinued operations in Kungsbacka during Q1, 2007 are included in the cash flow statements for 2007, 2006 and 2005.

## ▶ CASH FLOW FROM DISCONTINUED OPERATIONS

MSEK	Third quarter			Full year			Last 12 months
	2008	2007	2006	2007	2006	2005	
Cash flow from operating activities	–	–	4.2	7.5	11.5	14.3	–
Cash flow from investing activities	–	–	–2.2	0.0	–11.2	–2.0	–
Cash flow from financing activities	–	–	–2.0	–7.5	–0.3	–12.3	–

## ▶ SUMMARY GROUP BALANCE SHEETS

MSEK	Sep. 30, 2008	Sep. 30, 2007	Sep. 30, 2006 <sup>1)</sup>	Dec. 31, 2007
<b>Assets</b>				
Intangible assets	903.4	838.9	561.8	866.1
Tangible assets	505.2	509.3	479.1	445.0
Other fixed assets	90.6	79.0	96.5	80.3
<b>Total fixed assets</b>	<b>1,499.2</b>	<b>1,427.2</b>	<b>1,137.4</b>	<b>1,391.4</b>
Inventories	160.6	127.5	100.3	125.7
Accounts receivable	477.6	412.2	391.7	450.6
Other current assets	95.2	95.8	93.3	191.4
Liquid funds	57.9	66.1	29.0	65.2
<b>Total current assets</b>	<b>791.3</b>	<b>701.6</b>	<b>614.3</b>	<b>832.9</b>
<b>Total assets</b>	<b>2,290.5</b>	<b>2,128.8</b>	<b>1,751.7</b>	<b>2,224.3</b>
<b>Equity and liabilities</b>				
<b>Equity</b>	<b>849.3</b>	<b>787.6</b>	<b>641.0</b>	<b>864.6</b>
<b>Liabilities</b>				
Non-interest bearing long-term liabilities	62.7	66.5	73.7	55.4
Interest bearing long-term liabilities	285.0	360.1	92.3	281.4
<b>Total long-term liabilities</b>	<b>347.7</b>	<b>426.6</b>	<b>166.0</b>	<b>336.8</b>
Non-interest bearing current liabilities	404.5	370.3	364.4	421.6
Interest bearing current liabilities	689.0	544.3	580.3	601.3
<b>Total current liabilities</b>	<b>1,093.5</b>	<b>914.6</b>	<b>944.7</b>	<b>1,022.9</b>
<b>Total equity and liabilities</b>	<b>2,290.5</b>	<b>2,128.8</b>	<b>1,751.7</b>	<b>2,224.3</b>

<sup>1)</sup> Including assets and liabilities attributable to the discontinued operations in Kungsbacka.

# ELANDERS INTERIM REPORT

## JANUARY–SEPTEMBER 2008

### ► CHANGES IN EQUITY

MSEK	Equity attributable to parent company shareholders	Minority interests	Total equity
<b>Equity at year-end 2006</b>	<b>556.4</b>	<b>–</b>	<b>556.4</b>
Translation difference	17.2	–	17.2
Cash flow hedges after tax	–0.6	–	–0.6
Hedging of net investment in foreign subsidiaries	–4.9	–	–4.9
Other transactions with minority owners	–	2.2	2.2
Dividends	–24.4	–	–24.4
Rights issue	146.5	–	146.5
Profit/loss for the period	172.1	0.1	172.2
<b>Equity at the end of 2007</b>	<b>862.3</b>	<b>2.3</b>	<b>864.6</b>
<b>Equity at year-end 2006</b>	<b>556.4</b>	<b>–</b>	<b>556.4</b>
Translation difference	2.4	–	2.4
Cash flow hedges after tax	–0.3	–	–0.3
Hedging of net investment in foreign subsidiaries	–1.8	–	–1.8
Dividends	–24.4	–	–24.4
Rights issue	146.5	–	146.5
Profit/loss for the period	108.8	–	108.8
<b>Equity at the end of the third quarter 2007</b>	<b>787.6</b>	<b>–</b>	<b>787.6</b>
<b>Equity at year-end 2007</b>	<b>862.3</b>	<b>2.3</b>	<b>864.6</b>
Translation difference	26.5	–	26.5
Cash flow hedges after tax	0.4	–	0.4
Hedging of net investment in foreign subsidiaries	–2.4	–	–2.4
Dividends	–43.9	–	–43.9
Profit/loss for the period	4.0	0.1	4.1
<b>Equity at the end of the third quarter 2008</b>	<b>846.9</b>	<b>2.4</b>	<b>849.3</b>

## PARENT COMPANY

### ► SUMMARY PARENT COMPANY INCOME STATEMENTS

MSEK	Third quarter		
	2008	2007	2006
Net sales	–	0.9	1.3
Cost of products and services sold	–	–	–1.6
<b>Gross profit</b>	<b>–</b>	<b>0.9</b>	<b>–0.3</b>
Operating costs	–12.8	–5.0	–6.8
<b>Operating profit/loss</b>	<b>–12.8</b>	<b>–4.1</b>	<b>–7.1</b>
Net financial items	–27.3	6.3	–3.4
<b>Profit/loss after net financial items</b>	<b>–40.1</b>	<b>2.2</b>	<b>–10.5</b>
Tax	5.2	23.1	2.4
<b>Profit/loss for the period</b>	<b>–34.9</b>	<b>25.3</b>	<b>–8.1</b>

## SUMMARY PARENT COMPANY INCOME STATEMENTS

MSEK	January-September			Last 12 months <sup>2)</sup>	Full year 2007 <sup>3)</sup>
	2008 <sup>1)</sup>	2007	2006		
Net sales	-	3.7	3.9	-	3.7
Cost of products and services sold	-	-2.8	-4.0	-	-2.8
<b>Gross profit</b>	-	<b>0.9</b>	<b>-0.1</b>	-	<b>0.9</b>
Operating costs	-26.8	-15.6	-17.2	-36.5	-25.3
<b>Operating profit/loss</b>	<b>-26.8</b>	<b>-14.7</b>	<b>-17.3</b>	<b>-36.5</b>	<b>-24.4</b>
Net financial items	-40.6	21.4	6.5	-12.3	49.7
<b>Profit/loss after net financial items</b>	<b>-67.4</b>	<b>6.7</b>	<b>-10.8</b>	<b>-48.8</b>	<b>25.3</b>
Tax	12.4	29.6	7.3	17.6	34.8
<b>Profit/loss for the period</b>	<b>-55.0</b>	<b>36.3</b>	<b>-3.5</b>	<b>-31.2</b>	<b>60.1</b>

<sup>1)</sup> Dividends of MSEK 136.9 as well as write-downs of shares of MSEK -149.6 are included in net financial items.

<sup>2)</sup> A capital gain from the sale of shares in a subsidiary of MSEK 38.1, dividends of MSEK 136.9 as well as write-downs of shares of MSEK -149.6 are included in net financial items.

<sup>3)</sup> A capital gain from the sale of shares in a subsidiary of MSEK 38.1 and dividends from subsidiaries of MSEK 38.3 are included in net financial items..

## SUMMARY PARENT COMPANY BALANCE SHEETS

MSEK	Sep. 30, 2008	Sep. 30, 2007	Sep. 30, 2006	Dec. 31, 2007
<b>Assets</b>				
Fixed assets	1,225.9	1,273.5	1,078.9	1,337.6
Current assets	204.2	248.6	159.5	251.3
<b>Total assets</b>	<b>1,430.1</b>	<b>1,522.1</b>	<b>1,238.4</b>	<b>1,588.9</b>
<b>Equity, provisions and liabilities</b>				
Equity	630.3	661.9	485.7	729.3
Untaxed reserves	-	-	13.3	-
Provisions	6.6	10.3	1.6	5.1
Long-term liabilities	164.1	206.4	-	159.3
Current liabilities	629.1	643.5	737.8	695.2
<b>Total equity and liabilities</b>	<b>1,430.1</b>	<b>1,522.1</b>	<b>1,238.4</b>	<b>1,588.9</b>

## KEY RATIOS

### GROUP KEY RATIOS INCLUDING DISCONTINUED OPERATIONS

	Jan-Sep 2008	Jan-Sep 2007 <sup>2)</sup>	Last 12 month	Full year 2007 <sup>2)</sup>
Return on equity, % <sup>1)</sup>	0.6	21.6	8.2	24.2
Equity ratio, %	37.1	37.0	37.1	38.9
Return on capital employed, % <sup>1)</sup>	3.6	13.7	7.7	16.3
Debt/equity ratio	1.1	1.1	1.1	0.9

<sup>1)</sup> Return valuations are annualised.

<sup>2)</sup> The discontinued operations in Kungsbacka that were sold in Q1, 2007 are included in the calculations of the key ratios.

# ELANDERS INTERIM REPORT

## JANUARY–SEPTEMBER 2008

### ► GROUP QUARTERLY DATA INCLUDING DISCONTINUED OPERATIONS

MSEK	2006 Q3 <sup>3)</sup>	2006 Q4 <sup>3)</sup>	2007 Q1 <sup>3)</sup>	2007 Q2	2007 Q3	2007 Q4	2008 Q1	2008 Q2	2008 Q3
Net sales	432	576	484	512	471	586	522	532	516
Operating profit/loss	21	-70	40	48	54	84	31	25	-9
Profit/loss after net financial items	15	-76	32	38	43	71	19	14	-23
Net profit/loss	11	-80	25	30	54	63	13	13	-22
Operating cash flow	-12	55	-220	7	-78	61	111	18	-37
Depreciation	24	24	19	21	23	21	23	25	27
Net investments	21	8	263	44	69	27	-76	29	36
Goodwill	558	532	831	829	826	845	852	856	866
Total assets	1,752	1,641	2,027	2,002	2,129	2,224	2,237	2,208	2,290
Equity	641	556	737	742	788	865	862	844	849
Net debt	644	594	737	769	838	817	774	840	916
Capital employed	1,285	1,150	1,473	1,511	1,626	1,594	1,636	1,684	1,765
Return on total assets, % <sup>1)</sup>	5.0	-16.1	9.1	9.9	10.7	15.7	6.3	4.4	-0.6
Return on equity, % <sup>1)</sup>	7.1	-53.7	15.6	16.0	28.3	30.5	6.0	6.1	-10.4
Return on capital employed, % <sup>1)</sup>	6.6	-22.9	12.3	13.0	13.8	20.3	7.5	6.0	-2.2
Debt/equity ratio	1.0	1.1	1.0	1.0	1.1	0.9	0.9	1.0	1.1
Equity ratio, %	36.6	33.9	36.4	37.1	37.0	38.9	38.5	38.2	37.1
Interest coverage ratio <sup>2)</sup>	6.4	-0.4	0.5	1.4	2.1	5.5	4.9	4.2	2.7
Number of employees at the end of the period	1,495	1,553	1,534	1,559	1,592	1,723	1,796	1,863	1,887

<sup>1)</sup> Return valuations are annualised.

<sup>2)</sup> Interest coverage ratio is calculated on a rolling 12 month schedule.

<sup>3)</sup> The discontinued operations in Kungsbacka in Q 1, 2007 are included in the calculations of the key ratios.

### ► QUARTERLY DATA FOR REMAINING OPERATIONS

MSEK	2006 Q3	2006 Q4 <sup>1)</sup>	2007 Q1	2007 Q2	2007 Q3	2007 Q4	2008 Q1	2008 Q2	2008 Q3
Net sales	393	452	466	512	471	586	522	532	516
Operating profit/loss	42	68	40	48	54	84	31	25	-9
Profit/loss after net financial items	36	62	32	38	43	71	19	14	-23
Net profit/loss	27	50	25	30	54	63	13	13	-22
Depreciation	16	16	19	21	23	21	23	25	27
Number of employees at the end of the period	1,307	1,361	1,534	1,559	1,592	1,723	1,796	1,863	1,887

### ► OVERVIEW OF SEVERAL YEARS – FULL YEAR

	2003	2004	2005	2006	2007
Net profit/loss, MSEK	45.9	96.2	77.6	-49.0	172.2
Earnings per share, SEK	5.18	10.86	8.77	-5.53	18.06
Return on equity, %	10.1	18.9	13.2	-8.2	24.2
Return on total assets, %	6.8	8.6	7.5	-0.3	12.0
Return on capital employed, %	7.2	12.2	10.1	-0.7	16.0
Equity ratio, %	30.5	33.7	35.3	33.9	38.9

## DEFINITIONS

Equity ratio	Equity (including minority interests) in relation to total assets.
Capital employed	Total assets reduced by liquid funds and non-interest bearing liabilities.
Return on capital employed	Operating profit/loss in relation to average capital employed.
Return on equity	Profit/loss in relation to average equity.
Return on total assets	Operating profit/loss plus financial income in relation to total assets..
Debt/equity ratio	Interest-bearing liabilities reduced by liquid funds in relation to reported equity, including minority interests.
Operating cash flow	Cash flow from current operations and investing activities adjusted for paid taxes and net financial items.
Interest coverage ratio	Operating profit/loss plus interest income divided by interest costs.

## NOTES

### Note 1. Acquisition of operations

#### SPECIFICATION OF ACQUISITIONS IN 2008

Acquisition date	Company	Country	Business area	Number of employees
8 February 2008	Seiz Printing Inc.	USA	Infologistics	60
21 May 2008	Mairs Graphische Betriebe GmbH & Co	Germany	Infologistics	59

On 8 February 2008 Elanders acquired all the shares in the American company Seiz Printing Inc. in Acworth, Atlanta, Georgia, USA. The company is specialised in high quality offset print, fulfilment and logistic services. Seiz has been handling deliveries to the Group's automotive customers in the US. The purchase price was MUS\$ 3 together with the assumption of net debt in the company of some MUS\$ 8. Goodwill in connection with the acquisition relates to future market shares and synergies.

On 21 May 2008 Elanders acquired all the shares in Mairs Graphische Betriebe GmbH & Co in Stuttgart, Germany. The purchase price amounted to MEUR 3.8, including a financial leasing contract of MEUR 1.6. A group surplus value of MEUR 0.1 which is related to future market shares and synergies was generated in connection with the acquisition. The company was consolidated from June 2008.

Acquisition expenses of around MSEK 2.6 related primarily to lawyers' and consultation fees are included in the purchase sum below.

The calculation below is preliminary.

#### ASSETS AND LIABILITIES IN ACQUIRED OPERATIONS

	Recorded values in acquired operations	Adjustment to fair value	Recorded value in the Group
Intangible assets	0.2	–	0.2
Tangible assets	84.3	–2.0	82.3
Other fixed assets	1.9	–	1.9
Inventory	12.6	–	12.6
Accounts receivable	36.4	–	36.4
Other current assets	4.4	–	4.4
Liquid funds	2.0	–	2.0
Non-interest bearing long-term liabilities	–4.5	1.8	–2.7
Interest bearing long-term liabilities	–41.3	–	–41.3
Non-interest bearing current liabilities	–29.6	–	–29.6
Interest bearing current liabilities	–22.4	–	–22.4
<b>Identifiable net assets</b>	<b>44.0</b>	<b>–0.2</b>	<b>43.8</b>
Goodwill			14.8
<b>Total purchase sums</b>			<b>58.6</b>
Deducted:			
Unpaid purchase sums			–
Liquid funds in acquisitions			–2.0
<b>Negative effect on Group liquid funds</b>			<b>56.6</b>

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- ▶ Print in offset and digital print (print-on-demand).
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- ▶ Educational material for schools and universities in Sweden and Great Britain, as well as public sector printing for the Swedish Parliament, the government, governmental departments etc.
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## ▶ USER MANUALS

- ▶ Production of user information for mobile telephones and other consumer electronics with extremely short lead times.
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**MASTER VENDOR®** is the Group's comprehensive name for full-service solutions that, in addition to offset or digital print, provide customers with all other services connected to printing production such as information structuring in databases, translation, premedia services, fulfilment and logistics. Our Annual Report describes these concepts in greater detail and can be requested from our headquarters or downloaded from our website [www.elanders.com](http://www.elanders.com).

