

QUARTERLY REPORT
JANUARY-JUNE

ELANDERS
2015 Q2

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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.

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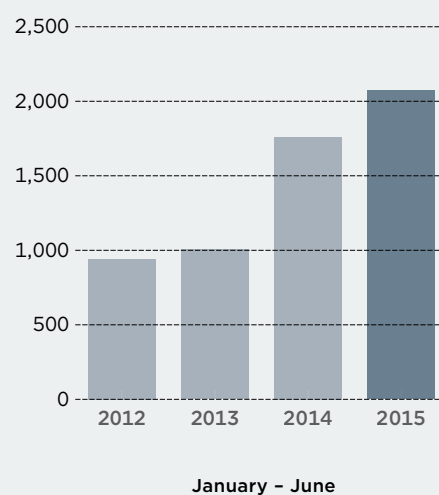
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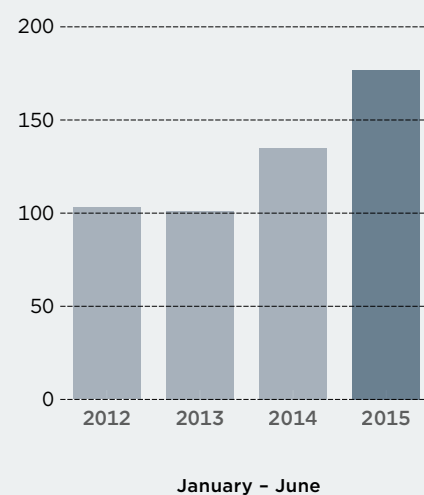
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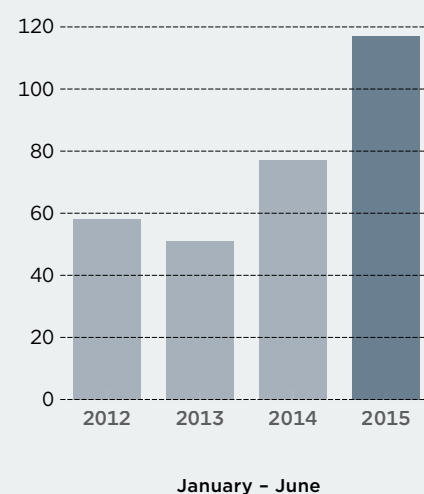
NET SALES, MSEK



EBITDA, MSEK



OPERATING RESULT, MSEK



The First Six Months

- *Net sales increased by 18% and amounted to MSEK 2,072 (1,761).*
- *The operating result before depreciation (EBITDA) increased to MSEK 178 (136).*
- *The operating result (EBIT) increased to MSEK 117 (77), which is an improvement of 52% over the same period last year. The operating margin increased to 5.6 (4.4)%.*
- *The result before tax increased to MSEK 99 (60), which is an improvement of 65%.*
- *The net result increased to MSEK 65 (31) or SEK 2.46 (1.30) per share.*
- *Operating cash flow was MSEK 132 (-192). Excluding acquisitions, the operating cash flow amounted to MSEK 132 (62).*

The Second Quarter

- *Net sales increased by 17% and amounted to MSEK 1,066 (910).*
- *The operating result before depreciation (EBITDA) increased to MSEK 93 (69).*
- *The operating result (EBIT) increased to MSEK 63 (40), which is an improvement of 57% over last year. The operating margin increased to 5.9 (4.4)%.*
- *The result before tax increased to MSEK 55 (32), which is an improvement of 72% over last year.*
- *The net result increased to MSEK 38 (15) or SEK 1.43 (0.61) per share.*
- *Operating cash flow was MSEK 116 (81).*

Comments by the CEO

The positive trend from the first quarter has continued during the second quarter. With a few exceptions our operations continued to develop positively. Net sales, the operating result and cash flow for the Group as a whole was clearly better than during the same period last year. During the first half-year the exchange rate has given us an extra boost affecting the operating result positively by some MSEK 21 in the first half-year of which MSEK 12 in the second quarter. The strong American dollar has been the main force behind this favorable development for Elanders. We continue to actively work with coordinating our manufacturing and maximizing the use of our production capacity. The effect of this and our improved result have produced a strong cash flow. A tangible sign of this is that net debt in relation to the rolling twelve month EBITDA, which after the first half-year is 2.7, has not been better since the first quarter of 2008.

Business area Supply Chain Solutions shows very good growth and during the second quarter it became the largest business area in Elanders for the first time. The operating margin of Supply Chain Solutions also showed improvement compared to the same period last year. A growing market share in combination with a better market situation and higher cost efficiency explain this positive development.

Despite certain challenges in Asia and a constant price pressure on the market due to diminishing total volumes, our second business area Print & Packaging Solutions has maintained a result on par with last year. One reason for this is the significant improvements

in Print & Packaging Europe and Americas from last year. Restructuring measures taken in the Swedish operations during the fourth quarter have been effective and we can now see that despite an intentional drop in volumes this has generated successive improvement in both results and margins. Regarding Print & Packaging Americas, our business in the USA clearly continues to develop in a positive direction while operations in Brazil are affected by the economic downturn in the country. Similarly our business in Asia is still effected by diminished demand from one of its larger customers but a certain level of recovery could be discerned at the end of the quarter.

The effect of the coordination of myphotobook and fotokasten on our third business area e-Commerce is noticeable when it comes to costs but unfortunately net sales are lagging behind. We will therefore increase marketing resources and broaden our product range during the rest of the year.

At the end of June Elanders signed a new one-year credit contract with our two main Swedish banks. If market interest rates and our debt structure remain unchanged the new agreement entails a savings of around MSEK 4–8 annually. The contract can be extended for second year if all parties agree.



Magnus Nilsson
President and Chief Executive Officer

■ THREE YEAR OVERVIEW

MSEK	First six months			Second quarter		
	2015	2014	2013	2015	2014	2013
Net sales	2,072	1,761	1,005	1,066	910	512
Operating expenses	-1,955	-1,684	-954	-1,003	-870	-484
Operating result	117	77	51	63	40	28
Net financial items	-18	-17	-15	-8	-8	-8
Result after financial items	99	60	36	55	32	21

Group

OUR BUSINESS

Elanders offers global solutions through its three business areas Supply Chain Solutions, Print & Packaging Solutions and e-Commerce Solutions. The Group has operations in more than 15 countries on four continents. The most important markets are China, Germany, Singapore, Sweden, United Kingdom and the USA and the largest customers are automotive, consumer electronics and white goods manufacturers.

NET SALES AND RESULT

First six months

Compared to the same period last year net sales increased by MSEK 311 to MSEK 2,072, i.e. 18%. The increase is primarily due to the development of the American dollar. If constant exchange rates were used net sales would be more or less the same. Business area Print & Packaging Solutions had an organic

decrease in sales but this was compensated by organic growth in Supply Chain Solutions. The operating result increased to MSEK 117 (17), corresponding to an operating margin of 5.6 (4.4)%. Exchange rates have had a positive effect on profit of about MSEK 21 but since most of our interest costs are in USD and EUR this effect has been somewhat reduced in the net result.

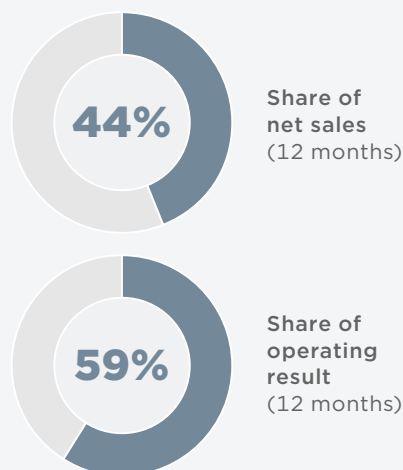
Second quarter

During the second quarter net sales increased by MSEK 156 to 1,066 (910), i.e. 17%. The operating result improved and increased by MSEK 63 (40), which corresponded to an operating margin of 5.9 (4.4)%. Exchange rates have had a positive effect on profit of about MSEK 12 but since most of the interest costs are in USD and EUR this effect has been somewhat reduced in the net result.

SUPPLY CHAIN SOLUTIONS

Through its latest acquisition Elanders Group has become 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 from last year continued in business area Supply Chain Solutions. The business area grew organically through both existing customers and by gaining new ones, and continued to improve operating margin as well. In addition, the operating result for the first six months was boosted by a strong dollar as most of its business is conducted in this currency. Otherwise focus remains on developing current customers and creating new business that includes services from all our business areas as well as broadening Supply Chain Solutions' customer base to include more companies outside of the consumer electronics trade.

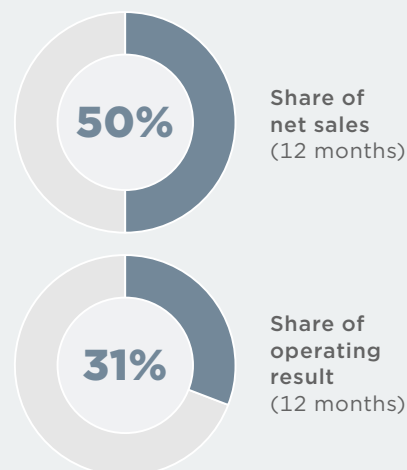


	First six months		Second quarter		Last 12 months	Full year 2014
	2015	2014	2015	2014		
Supply Chain Solutions						
Net sales, MSEK	993.3	689.7	528.0	370.7	1,828.8	1,525.2
Operating result, MSEK	73.2	35.1	44.1	20.0	144.5	106.4
Operating margin, %	7.4	5.1	8.4	5.4	7.9	7.0
Average number of employees	1,439	1,500	1,439	1,524	1,476	1,506

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 business area Print & Packaging has continued to be characterized by tough price pressure, contracting total volumes and overcapacity as in previous years. Despite this several units in the business area produced significantly better numbers, particularly Print & Packaging Americas and Print & Packaging Europe. The effects of the structural measures taken during the fourth quarter of 2014 in the Swedish operations are becoming apparent in Print & Packaging Europe where despite intentionally lower volumes there has been a noticeable improvement in results and margins. During the period Print & Packaging Asia has continued to struggle with diminishing demand from one of its larger customers but a certain level of recovery could be discerned at the end of the quarter.

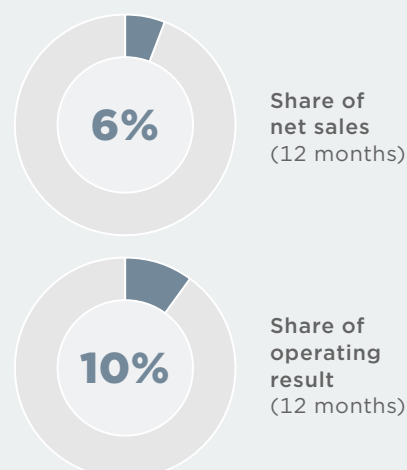


Print & Packaging Solutions	First six months		Second quarter		Last 12 months	Full year 2014
	2015	2014	2015	2014		
Net sales, MSEK	1,032.2	1,004.5	517.9	510.4	2,057.2	2,029.5
Operating result, MSEK	60.6	57.5	30.6	28.0	74.3	71.2
Operating margin, %	5.9	5.7	5.9	5.5	3.6	3.5
Average number of employees	1,680	1,776	1,672	1,787	1,716	1,764

E-COMMERCE SOLUTIONS

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

As of the start of the year the integration of myphotobook is complete and the synergies resulting from it are now in full effect. The business area has substantial seasonal sales variations and the fourth quarter is by and far the strongest. Normally nearly all revenue for the year occurs in this quarter. During the third and fourth quarter we intend to increase marketing resources and broaden our product range in order to regain lost sales during the first half-year.



e-Commerce Solutions	First six months		Second quarter		Last 12 months	Full year 2014
	2015	2014	2015	2014		
Net sales, MSEK	85.4	91.9	39.4	43.7	256.8	263.3
Operating result, MSEK	-1.1	-1.1	-3.7	-1.2	23.9	23.9
Operating margin, %	-1.3	-1.2	-9.4	-2.7	9.3	9.1
Average number of employees	65	91	67	85	68	81

IMPORTANT EVENTS DURING THE PERIOD

Book VAT

From 2010 to 2012 Elanders submitted claims for VAT refunds to the Swedish Tax Agency pertaining to 2004 to 2007. In the years 2011 and 2012 the Swedish Tax Agency made consequential amendments regarding many of Elanders' customers who have then demanded compensation from Elanders. It is Elanders' position that the Swedish Tax Agency cannot make consequential amendments. Several judgements from the Court of Appeals in Stockholm, Gothenburg and Jönköping have supported Elanders' position. The Swedish Tax Agency appealed some of the decisions and sought reconsideration by the Supreme Administrative Court. Their verdicts was announced in 2014 and were in favor of the Swedish Tax Agency. However, these verdicts are not expected to have any significant effect on either Elanders' result or financial position. In a case decided by the Svea Court of Appeals in 2014 a customer demanded compensation for the VAT money from their printer but the customer lost the case. In March 2015 Elanders lost a case in the Gothenburg District Court where a customer sued Elanders. Elanders believes its position is correct in this matter and the judgement has been appealed to the Court of Appeal for Western Sweden.

INVESTMENTS AND DEPRECIATION

First six months

Net investments for the period January to June amounted to MSEK 21 (281), of which acquisitions were MSEK 0 (254). Investments for the period refer primarily to replacement investments in production plants. Depreciation amounted to MSEK 61 (58).

Second quarter

Net investments for the second quarter amounted to MSEK 19 (10), depreciation to MSEK 30 (29).

FINANCIAL POSITION, CASH FLOW, EQUITY AND FINANCING

Group net debt per 30 June 2015 was MSEK 882 compared to MSEK 895 at year-end. In the net change is an increase of MSEK 22 due to a weakening of the Swedish crown against primarily the US dollar. Operating cash flow, excluding acquisitions, for the period January to June amounted to MSEK 132 (62). Operating cash flow in the second quarter was MSEK 116 (81).

At the end of June Elanders signed a new one-year agreement concerning financing with our two Swedish main banks. There is an option in the contracts for a one year extension. The facilities in the agreement are MEUR 30, MSEK 476 and MUSD 75, i.e. a total of SEK 1.4 billion. The old agreement was due 30 September 2015. If market interest rates and our debt structure remain unchanged the new agreement entails a savings for Elanders of around MSEK 4–8 annually. Due to the fact that the contract only lasts one year all bank financing will be reported as current in the balance sheet, even if it is long-term in its nature.

PERSONNEL

First six months

The average number of employees during the period was 3,192 (3,377), of which 273 (338) were in Sweden. At the end of the period the Group had 3,166 (3,389) employees.

Second quarter

During the second quarter the average number of employees was 3,186 (3,405), of which 272 (330) in Sweden.

Parent Company

The parent company has provided joint Group services during the period. The average number of employees during the period was 7 (8) and at the end of the year 7 (8).

Other Information

ELANDERS' OFFER

Our offer contains everything from producing photo products, marketing material, user information and packaging to taking an overall responsibility for complex and global deliveries encompassing procurement, configuration, picking, printing, packaging, distribution, payment solutions and after sales services.

The services are provided by business-oriented employees. They use their expertise and 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 Elanders also sells photo products directly to consumers through its own brands fotokasten and myphotobook.

GOAL AND STRATEGY

Elanders shall be a world leading company in global solutions in supply chain, print & packaging and e-commerce. 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 2014. 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 2014.

SEASONAL VARIATIONS

The Group's net sales, and thereby income, are affected by seasonal variations. Normally the fourth quarter is the strongest for Elanders.

EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the balance sheet date until the day this report was signed.

FORECAST

No forecast is given for 2015.

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.

FUTURE REPORTS FROM ELANDERS

Q3 2015	22 October 2015
Q4 2015	27 January 2016
Q1 2016	28 April 2016

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, 14 July 2015

Carl Bennet
Chairman

Johan Stern
Vice chairman

Erik Gabrielson

Göran Johnsson

Linus Karlsson

Cecilia Lager

Anne Lenerius

Kerstin Paulsson

Caroline Sundewall

Lilian Larnefeldt

Marcus Olsson

Magnus Nilsson
President and CEO

CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENTS

MSEK	First six months		Second quarter		Last 12 months	Full year 2014
	2015	2014	2015	2014		
Net sales	2,071.6	1,760.8	1,065.8	910.4	4,040.9	3,730.1
Cost of products and services sold	-1,617.3	-1,370.7	-838.8	-705.2	-3,144.1	-2,897.4
Gross profit	454.2	390.1	227.1	205.2	896.8	832.7
Sales and administrative expenses	-353.8	-327.2	-167.1	-169.4	-706.4	-679.8
Other operating income	24.6	16.9	6.4	6.7	40.4	32.8
Other operating expenses	-8.3	-2.7	-3.5	-2.7	-16.6	-11.1
Operating result	116.8	77.2	62.9	39.8	214.2	174.6
Net financial items	-17.7	-17.4	-8.1	-8.1	-35.0	-34.7
Result after financial items	99.0	59.8	54.8	31.7	179.1	139.9
Income tax	-33.7	-28.6	-16.9	-16.8	-57.1	-52.1
Result for the period	65.3	31.2	37.9	14.9	122.0	87.8
Result for the period attributable to:						
- parent company shareholders	65.3	31.2	37.9	14.9	122.0	87.8
<i>Earnings per share, SEK^{1) 2) 3)}</i>	<i>2.46</i>	<i>1.30</i>	<i>1.43</i>	<i>0.61</i>	<i>4.60</i>	<i>3.48</i>
<i>Average number of shares, in thousands³⁾</i>	<i>26,518</i>	<i>23,889</i>	<i>26,518</i>	<i>24,383</i>	<i>26,518</i>	<i>25,204</i>
<i>Outstanding shares at the end of the year, in thousands³⁾</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>

¹⁾ Earnings per share before and after dilution.

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

³⁾ Historic number of shares have been adjusted for the bonus issue element in the new share issue in 2014.

STATEMENTS OF COMPREHENSIVE INCOME

MSEK	First six months		Second quarter		Last 12 months	Full year 2014
	2015	2014	2015	2014		
Result for the period	65.3	31.2	37.9	14.9	122.0	87.8
Translation differences, net after tax	59.9	32.4	-52.0	39.3	208.4	180.9
Cash flow hedges, net after tax	0.0	2.5	-0.1	0.8	-0.5	2.0
Hedging of net investment abroad, net after tax	-34.8	-4.7	19.5	-8.3	-94.6	-64.5
Total items that may be reclassified to the income statement	25.1	30.2	-32.6	31.9	113.3	118.4
Other comprehensive income	25.1	30.2	-32.6	31.9	113.3	118.4
Total comprehensive income for the period	90.4	61.4	5.3	46.8	235.3	206.2
Total comprehensive income attributable to:						
- parent company shareholders	90.4	61.4	5.3	46.8	235.3	206.2

STATEMENTS OF CASH FLOW

MSEK	First six months		Second quarter		Last 12 months	Full year 2014
	2015	2014	2015	2014		
Result after financial items	99.0	59.8	54.8	31.7	179.1	139.9
Adjustments for items not included in cash flow	22.1	51.8	32.3	21.5	142.5	172.2
Paid tax	-48.4	-40.5	-21.3	-16.8	-69.1	-61.2
Changes in working capital	13.7	-40.6	39.3	-30.4	-34.8	-89.1
Cash flow from operating activities	86.4	30.5	105.1	-68.8	217.7	161.8
Net investments in intangible and tangible assets	-23.0	-27.4	-19.9	-11.0	-39.3	-43.7
Acquisition of operations	-	-254.2	-	-	-	-254.2
Payments received regarding long-term holdings	2.0	1.0	1.0	0.5	3.2	2.2
Cash flow from investing activities	-21.0	-280.6	-18.9	-10.5	-36.1	-295.7
Amortization of loans	-53.2	-151.6	-26.2	-139.6	-116.8	-215.2
Changes in long- and short-term borrowing	-44.0	443.1	-4.9	65.7	-48.5	438.6
New share issue	-	121.0	-	121.0	-	121.0
Dividend to parent company shareholders	-29.2	-18.2	-29.2	-18.2	-29.2	-18.2
Cash flow from financing activities	-126.4	394.3	-60.3	28.9	-194.5	326.2
Cash flow for the period	-61.0	144.2	26.0	85.3	-12.8	192.3
Liquid funds at the beginning of the period	456.7	215.3	401.3	273.4	371.4	215.3
Translation difference	9.6	11.8	-21.9	12.7	46.8	49.0
Liquid funds at the end of the period	405.4	371.4	405.4	371.4	405.4	456.7
Net debt at the beginning of the period	895.3	738.9	945.2	1,107.3	948.6	738.9
Translation difference in net debt	22.4	14.0	-6.4	12.1	84.8	76.4
Net debt in acquired operations	-	-93.5	-	-	-	-93.5
Change in net debt	-35.8	289.2	-56.9	-170.9	-151.4	173.6
Net debt at the end of the period	881.9	948.6	881.9	948.6	881.9	895.3
Operating cash flow	131.6	-192.2	115.7	81.3	285.8	-38.0

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

ASSETS

MSEK	30 Jun.		31 Dec. 2014
	2015	2014	
Intangible assets	1,289.1	1,246.1	1,296.7
Tangible assets	380.6	396.3	392.3
Other fixed assets	198.1	173.0	190.9
Total fixed assets	1,867.7	1,815.5	1,879.8
Inventories	260.7	219.7	253.5
Accounts receivable	816.5	720.0	843.8
Other current assets	153.8	150.3	136.0
Cash and cash equivalents	405.4	371.4	456.7
Total current assets	1,636.4	1,461.3	1,690.0
Total assets	3,504.2	3,276.7	3,569.8

EQUITY AND LIABILITIES

MSEK	30 Jun.		31 Dec. 2014
	2015	2014	
Equity	1,409.0	1,202.8	1,347.7
Liabilities			
Non-interest-bearing long-term liabilities	86.4	82.5	86.1
Interest-bearing long-term liabilities	22.9	847.5	25.0
Total long-term liabilities	109.3	930.0	111.1
Non-interest-bearing current liabilities	721.5	671.5	784.0
Interest-bearing current liabilities	1,264.4	472.4	1,327.1
Total current liabilities	1,985.9	1,143.9	2,111.1
Total equity and liabilities	3,504.2	3,276.7	3,569.8

From 30 September 2014 loans from the Group's main banks are reported as interest-bearing current liabilities since the credit agreement expires within one year.

STATEMENTS OF CHANGES IN EQUITY

	Equity attribut- able to parent company share- holders	Total equity
MSEK		
Opening balance on 1 Jan. 2014	1,038.6	1,038.6
Dividend to parent company shareholders	-18.2	-18.2
New share issue	121.0	121.0
Total comprehensive income for the year	206.2	206.2
Closing balance on 31 Dec. 2014	1,347.7	1,347.7
Opening balance on 1 Jan. 2014	1,038.6	1,038.6
Dividend to parent company shareholders	-18.2	-18.2
New share issue	121.0	121.0
Total comprehensive income for the period	61.4	61.4
Closing balance on 30 Jun. 2014	1,202.8	1,202.8
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

CONSOLIDATED FINANCIAL STATEMENTS

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

MSEK	First six months		Second quarter		Last 12 months	Full year 2014
	2015	2014	2015	2014		
Supply Chain Solutions	993.3	689.7	528.0	370.7	1,828.8	1,525.2
Print & Packaging Solutions	1,032.2	1,004.5	517.9	510.4	2,057.2	2,029.5
e-Commerce Solutions	85.4	91.9	39.4	43.7	256.8	263.3
Group functions	11.9	10.6	6.2	5.4	25.6	24.3
Eliminations	-51.2	-35.9	-25.6	-19.8	-127.5	-112.2
Group net sales	2,071.6	1,760.8	1,065.9	910.4	4,040.9	3,730.1

OPERATING RESULT

MSEK	First six months		Second quarter		Last 12 months	Full year 2014
	2015	2014	2015	2014		
Supply Chain Solutions	73.2	35.1	44.1	20.0	144.5	106.4
Print & Packaging Solutions	60.6	57.5	30.6	28.0	74.3	71.2
e-Commerce Solutions	-1.1	-1.1	-3.7	-1.2	23.9	23.9
Group functions	-15.9	-14.3	-8.1	-7.0	-28.5	-26.9
Group operating result	116.8	77.2	62.9	39.8	214.2	174.6

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.

MSEK	30 Jun.		31 Dec. 2014
	2015	2014	
Other current assets - Derivative instruments in hedge accounting relationships	-	1.6	-
Non-interest-bearing current liabilities - Derivative instruments in hedge accounting relationships	0.1	1.1	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.

PARENT COMPANY'S FINANCIAL STATEMENTS

INCOME STATEMENTS

MSEK	First six months		Second quarter		Last 12 months	Full year 2014
	2015	2014	2015	2014		
Net sales	12.4	10.8	6.7	5.6	25.9	24.3
Operating expenses	-26.8	-24.9	-14.2	-12.4	-56.4	-54.5
Operating result	-14.4	-14.1	-7.5	-6.8	-30.5	-30.2
Net financial items	16.6	1.9	86.8	-8.8	-4.4	-19.1
Result after financial items	2.2	-12.2	79.3	-15.6	-34.9	-49.3
Appropriations	-	-	-	-	-69.5	-69.5
Income tax	11.2	4.9	-5.7	4.0	46.6	40.3
Result for the period	13.4	-7.3	73.6	-11.6	-57.8	-78.5

STATEMENTS OF COMPREHENSIVE INCOME

MSEK	First six months		Second quarter		Last 12 months	Full year 2014
	2015	2014	2015	2014		
Result for the period	13.4	-7.3	73.6	-11.6	-57.8	-78.5
Other comprehensive income	-	0.8	-	0.4	0.6	1.4
Total comprehensive income for the period	13.4	-6.5	73.6	-11.2	-57.2	-77.1

PARENT COMPANY'S FINANCIAL STATEMENTS

BALANCE SHEETS

MSEK	30 Jun.		31 Dec. 2014
	2015	2014	
ASSETS			
Fixed assets	2,067.8	1,945.3	2,078.9
Current assets	151.2	211.0	263.5
Total assets	2,219.0	2,156.3	2,342.4
EQUITY, PROVISIONS AND LIABILITIES			
Equity	846.0	932.4	861.7
Provisions	2.9	2.9	2.9
Long-term liabilities	70.6	773.3	70.6
Current liabilities	1,299.5	447.6	1,407.2
Total equity, provisions and liabilities	2,219.0	2,156.3	2,342.4

From 30 September 2014 loans from the Group's main banks are reported as interest-bearing current liabilities since the credit agreement expires within one year.

STATEMENTS OF CHANGES IN EQUITY

MSEK	Share capital	Statutory reserve	Retained earnings and result for the period	Total equity
Opening balance on 1 Jan. 2014	227.3	332.4	276.4	836.1
Dividend	-	-	-18.2	-18.2
New share issue	37.9	-	83.1	121.0
Total comprehensive income for the year	-	-	-77.1	-77.1
Closing balance on 31 Dec. 2014	265.2	332.4	264.2	861.8
Opening balance on 1 Jan. 2014	227.3	332.4	276.4	836.1
Dividend	-	-	-18.2	-18.2
New share issue	37.9	-	83.1	121.0
Total comprehensive income for the period	-	-	-6.5	-6.5
Closing balance on 30 Jun. 2014	265.2	332.4	334.8	932.4
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

QUARTERLY DATA

MSEK	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2
Net sales	1,066	1,006	1,099	870	910	850	598	493	512
Operating result	63	54	71	27	40	37	54	26	28
Operating margin, %	5.9	5.4	6.4	3.1	4.4	4.4	9.0	5.3	5.6
Result after financial items	55	44	62	18	32	28	46	19	21
Result after tax	38	27	45	11	15	16	35	13	12
Earnings per share, SEK ^{1) 2)}	1.43	1.04	1.70	0.43	0.61	0.69	1.49	0.55	0.50
Operating cash flow	116	16	175	-21	81	-273	104	-58	34
Cash flow per share, SEK ^{2) 3)}	3.96	-0.71	6.00	-1.04	2.74	-1.55	4.24	0.66	1.75
Depreciation	30	31	30	29	29	29	24	24	25
Net investments	19	2	7	8	10	270	13	92	26
Goodwill	1,209	1,224	1,205	1,168	1,150	1,127	1,090	1,073	1,011
Total assets	3,504	3,629	3,570	3,336	3,277	3,116	2,464	2,359	2,266
Equity	1,409	1,433	1,348	1,245	1,203	1,053	1,039	975	975
Equity per share, SEK ²⁾	53.13	54.03	50.82	46.93	45.36	45.01	44.39	41.69	41.68
Net debt	882	945	895	1,016	949	1,107	739	824	754
Capital employed	2,291	2,378	2,243	2,260	2,151	2,161	1,777	1,800	1,729
Return on total assets, % ⁴⁾	7.1	6.0	8.2	3.3	5.1	5.4	9.1	4.5	5.1
Return on equity, % ⁴⁾	10.7	7.9	14.0	3.7	5.3	6.2	13.8	5.3	4.9
Return on capital employed, % ⁴⁾	10.8	9.3	12.5	4.9	7.4	7.6	12.1	5.9	6.7
Debt/equity ratio	0.6	0.7	0.7	0.8	0.8	1.1	0.7	0.8	0.8
Equity ratio, %	40.2	39.5	37.8	37.3	36.7	33.8	42.2	41.3	43.0
Interest coverage ratio ⁵⁾	7.2	5.9	5.0	4.6	5.1	5.2	5.3	5.3	5.0
Number of employees at the end of the period	3,166	3,146	3,320	3,327	3,389	3,372	1,898	1,905	1,882

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

FIVE YEAR OVERVIEW - THE FULL YEAR

	2014	2013	2012	2011	2010
Net sales, MSEK	3,730	2,096	1,924	1,839	1,706
Result after financial items, MSEK	140	102	93	80	-105
Result after tax, MSEK	88	70	45	60	-84
Earnings per share, SEK ^{1) 2)}	3.48	2.99	1.99	3.00	-6.60
Cash flow from operating activities per share, SEK ²⁾	6.42	5.48	9.64	4.20	-4.55
Equity per share, SEK ²⁾	50.82	44.39	40.77	43.75	40.75
Dividends per share, SEK ²⁾	1.10	0.78	0.58	0.49	-
Operating margin, %	4.7	6.2	6.2	6.0	-4.5
Return on total assets, %	5.9	5.6	5.6	5.5	-3.2
Return on equity, %	7.4	7.0	4.8	7.1	-10.6
Return on capital employed, %	8.7	7.7	7.4	7.1	-4.8
Debt/equity ratio	0.7	0.7	0.7	0.8	0.9
Equity ratio, %	37.8	42.2	42.2	43.9	40.7
Average number of shares, in thousands ^{2) 3)}	25,204	23,395	22,279	20,102	12,703

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.

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

FIVE YEAR OVERVIEW - THE FIRST SIX MONTHS

	First six months				
	2015	2014	2013	2012	2011
Net sales, MSEK	2,072	1,761	1,005	941	878
Result after tax, MSEK	65	31	22	32	20
Earnings per share, SEK ^{1) 2)}	2.46	1.30	0.95	1.52	0.99
Cash flow from operating activities per share, SEK ²⁾	3.26	1.28	0.58	3.06	1.59
Equity per share, SEK ²⁾	53.13	45.36	41.68	41.21	41.34
Return on equity, % ³⁾	9.5	5.6	4.6	7.0	4.8
Return on capital employed, % ³⁾	10.3	7.9	6.1	7.4	5.1
Operating margin, %	5.6	4.4	5.1	6.2	4.5
Average number of shares, in thousands ^{2) 4)}	26,518	23,889	23,395	21,164	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.

³⁾ Return ratios have been annualized.

⁴⁾ 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.

FIVE YEAR OVERVIEW – THE SECOND QUARTER

	Second quarter				
	2015	2014	2013	2012	2011
Net sales, MSEK	1,066	910	512	481	434
Result after tax, MSEK	38	15	28	22	9
Earnings per share, SEK ^{1) 2)}	1.43	0.61	0.50	1.00	0.43
Cash flow from operating activities per share, SEK ²⁾	3.96	2.74	1.75	1.54	0.48
Equity per share, SEK ²⁾	53.13	45.36	41.68	41.21	41.34
Return on equity, % ³⁾	10.7	5.3	4.9	9.7	4.2
Return on capital employed, % ³⁾	10.8	7.4	6.7	9.8	5.4
Operating margin, %	5.9	4.4	5.6	8.0	4.8
Average number of shares, in thousands ^{2) 4)}	26,518	24,383	23,395	22,227	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.

³⁾ Return ratios have been annualized.

⁴⁾ 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.

FINANCIAL 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.

Earnings per share

Result for the year divided by the average number of shares.

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 financial items.

Operating margin

Operating result in relation to net turnover.

Return on capital employed

Operating result in relation to average capital employed.

Return on equity

Result for the year in relation to average equity.

Return on total assets

Operating result plus financial income in relation to average total assets.

After-sales

Provision of services, support and spare parts after making an initial sale. This occurs for example in the provision of products which requires regular upgrades.

Digital print

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

e-Commerce

Orders are made via Web shop platforms by end customers themselves. This includes cases where Elanders sells directly to consumers and where we are subcontractors to e-Commerce companies.

FMCG

Fast Moving Consumer Goods are products that are sold quickly and at relatively low cost. Examples include non-durable goods such as soft drinks, toiletries, processed foods and other consumables. FMCG have a short shelf life, either as a result of high consumer demand or because the product deteriorates rapidly.

Fulfilment

This term used to describe a number of steps in the process between production and distribution. They can include assembly, configuration, bar-coding, packaging for end customers.

Just-in-time

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

Offset print

A printing method in which ink and water are spread out on a printing plate that is then pressed against a rubber blanket. This absorbs the ink and transfers it to the paper. The expression offset comes from the fact that the printing plate never touches the paper.

One stop shopping

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

Outsourcing

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

Packaging

A product manufactured to protect, handle, deliver and present an item.

Premedia

Our collective term for the work done before printing/publishing. The term includes layout, typography, image retouching and production of originals. In our world even other services are included such as: advertisement management, file management, quality assurance, printing plate production as well as database solutions for digital material.

Print-on-demand

With the help of high-speed printers printed matter can be produced as needed and in very small editions.

Reverse logistics

Normally, logistics deal with events that bring the product towards the customer. In the case of reverse logistics, the product goes back in the supply chain. For instance, goods move from the customer back to the distributor or to the manufacturer. The reverse logistics process includes the management of surplus equipment, returns as well as defective products including testing, dismantling, repairing, recycling or disposing the product.

Supply chain

The movement and storage of goods and/or information from point of origin to end-users. Supply chain management can be defined as the design, planning, execution, control and monitoring of activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand and measuring performance globally.

Web-to-print (W2P)

A web-based order interface where the production and distribution of information and marketing material can easily be ordered and made accessible for editing and ordering via the Internet.

White-labeling

This is a concept that is the equivalent of private labeling where retailers sell products under their own brand (for example Coop, ICA, Tesco) although the items are produced by a supplier to them. White-labeling is based on the suppliers' perspective when they provide this kind of service.



This is Elanders

OUR BUSINESS

Elanders offers global solutions through its business areas Supply Chain Solutions, Print & Packaging Solutions and e-Commerce Solutions. The Group has operations in more than 15 countries on four continents. The most important markets are China, Germany, Singapore, Sweden, United Kingdom and the USA and the largest customers are automotive, consumer electronics and white goods manufacturers.

OUR OFFER

Our offer contains everything from producing photo products, marketing material, user information and packaging to taking an overall responsibility for complex and global deliveries encompassing procurement, configuration, picking, printing, packaging, distribution, payment solutions and after sales services.

The services are provided by business-oriented employees. They use their expertise and 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 Elanders also sells photo products directly to consumers through its own brands fotokasten and myphotobook.

OUR GOAL AND STRATEGY

Elanders shall be a world leading company in global solutions in supply chain, print & packaging and e-commerce. Our strategy is to work in niches in each

business area where the company can attain a leading position on 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.

OUR EMPLOYEES

The average number of employees in 2014 was 3,360 (1,864), of which 91 (79) percent were active outside of Sweden.

OWNER AND SHARE

Elanders' B share was listed on NASDAQ OMX January 1989. Since 1997 Carl Bennet AB has been the major shareholder and controls 62 percent of the shares and 74 percent of the votes.

HISTORY

From the time of its listing in 1989 Elanders has made a long journey from being purely a printer, mainly operating in Sweden, to becoming a global service company with business on four continents. We have worked hard to keep up with the tide of digitalization and globalization and the structural changes in the graphic industry. Along the road we have made acquisitions that have given us the opportunity to expand into new markets, customer segments and services.

■ THREE BUSINESS AREAS

SUPPLY CHAIN SOLUTIONS

What?

The business area is specialized in effectively managing global product, component and service flows with very short lead times. A central part of the offer is the extensive statistic reports to our customers.

Where?

Brazil, China, the Czech Republic, India, Japan, Mexico, Singapore, Taiwan and the USA.

Who?

Our customers can mainly be found in the software and electronics industries.

Value

We create customer value through efficient and intelligent flows of products, components and information.

Market and business conditions

- Market with long-term growth.
- Personnel intensive.
- Economy of scale advantages in IT platforms.
- Requires global presence.
- Long customer relationships.

Business model and profitability

- B2B – contract-based business model with demand driven call-off contracts per product or service.
- Large volumes and low margins.
- Stable profitability.
- High sensitivity to changes in the business cycle.



Share of net sales 2014



Share of operating result 2014

PRINT & PACKAGING SOLUTIONS

What?

The business area offers cost-efficient and innovative solutions that meet the customers' needs for printed matter and packaging, both locally and globally. The business area has developed advanced, user friendly and Internet-based ordering platforms that makes the process from order to delivery more efficient and enables customized just-in-time deliveries.

Where?

Brazil, China, Germany, Hungary, India, Italy, Poland, Sweden, United Kingdom and the USA.

Who?

The customers can mainly be found in manufacturing industries such as automotive, white goods, tools, etc.

Value

Customer value is added through graphic expertise, efficient and globally available production, often in combination with advanced ordering platforms and just-in-time or sequence deliveries.

Market and business conditions

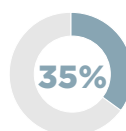
- Weak growth.
- Capital intensive.
- Overcapacity and consolidation.
- Economy of scale in capacity.

Business model and profitability

- B2B – product or call-based business model.
- Large volumes and low margins.
- Niches can have high margins depending on the product, complexity and market.
- Low profitability.
- High sensitivity to changes in the business cycle.
- Global presence is a competitive edge.



Share of net sales 2014



Share of operating result 2014

E-COMMERCE SOLUTIONS

What?

The business area offers photo products, either through our own brands, fotokasten and myphotobook (B2C), or through different kinds of white label solutions (B2B2C). Our offer is based on advanced e-commerce platforms where customers can customize their own photo products.

Where?

Two offices located in Germany. Sales take place on 16 markets in Europe.

Who?

The primary customers are consumers, but there is also sales to companies that offer the services using their own brand.

Value

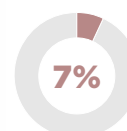
Customer value through user friendly and intuitive platforms where the end customer can easily design and create their own personal photo memories.

Market and business conditions

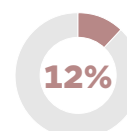
- Strong growth.
- Consolidation.
- Difficult to start up due to IT systems and marketing costs.
- Knowledge and development intensive business.
- Short lifecycle for products.
- Technology intensive.

Business model and profitability

- B2C – e-commerce with direct payment.
- B2B2C – white-label solutions.
- High profitability for market leaders.
- Short series, sometimes only a single copy.
- Low sensitivity to changes in the business cycle.



Share of net sales 2014



Share of operating result 2014



Elanders has been around for over 100 years and has grown from a local and family owned company to a listed global group with operations in more than 15 countries on four continents. The journey to becoming what Elanders is today has gone through establishing our own facilities and acquisitions, which in recent years have been aimed at finding new markets. Our goal has been to fundamentally rebuild and equip our business to take advantage of the business opportunities emerging from the wake of globalization and digitalization. We currently offer everything from global supply chain solutions and advanced print solutions to personalized photo products. Our largest customers are automotive, consumer electronics and white goods manufacturers but we also sell directly to consumers. Sales are generated in our three business areas which, although they have different core competences, complement and balance each other.

