

Interim Report Jan – Jun 2011

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.



Elanders has been awarded Supplier of the Year 2010 by Ritter Sport

Ritter Sport, the internationally famous chocolate manufacturer, has honored Elanders Printpack in Germany by awarding them the tribute of Supplier of the Year 2010.

Ritter Sport awards this honor to suppliers as a public display of exceptional customer satisfaction. The award is founded on criteria such as quality, competitiveness, technological standard, readiness to be innovative, service, reliability, certifications held by the suppliers, and how well cooperation functions in general.

"We are proud that we have succeeded in meeting Ritter Sport's expectations of its suppliers so completely and convincingly. This achievement is the result of the high demands we make on ourselves. We not only supply Ritter Sport with large scale packaging like boxes and cartons, we have also have the tasty task of supplying personalized packaging which can be individually designed and dispatched. And we are well on our way to expanding our activities in the field of co-packing," says Peter Sommer, MD of Elanders Printpack.

Elanders offers everything our customers need in modern packaging design. Our machines are state-of-the-art and range from cold film application for metal effects, to double paint systems for matt and gloss effects or jewel colors, and other paint finishes with eye-catching effects. Thanks to the rest of our equipment for punching, embossing, perforating, grooving, fluting and adhesive application, including window adhesive bonding in a variety of different film thicknesses, we can turn high-flying, exceptional ideas into real beauty.

“***This achievement is the result of the high demands we make on ourselves.***”

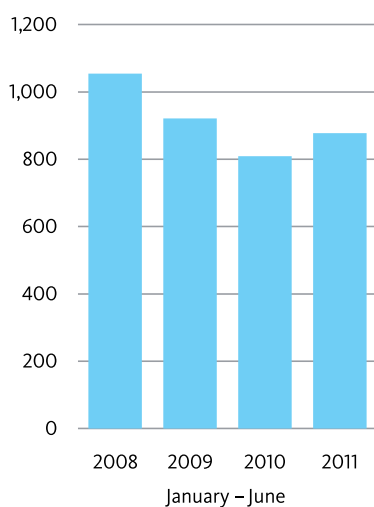
The first half-year

- Net sales increased by 9 % totaling MSEK 878 (MSEK 809).
- Operating result amounted to MSEK 40 (–20). The result was affected by one-off items amounting to MSEK 0 (15).
- Result before tax was MSEK 27 (–34).
- Net result amounted to MSEK 20 (–30) or SEK 1.02 (–3.13) per share.
- Operating cash flow amounted to MSEK 30 (–71), of which acquisitions were MSEK 0 (–3).
- The forecast for the full year 2011 remains unchanged with an expected positive result before tax.

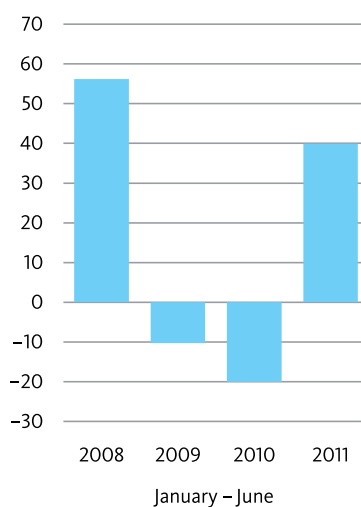
The second quarter

- Net sales increased by 6 % totaling MSEK 434 (MSEK 409).
- Operating result amounted to MSEK 21 (–8). The result was affected by one-off items amounting to MSEK 0 (4).
- Result before tax was MSEK 14 (–14).
- Net result amounted to MSEK 9 (–12) or SEK 0.44 (–1.21) per share.
- Operating cash flow amounted to MSEK 12 (–37), of which acquisitions were MSEK 0 (0).

Net sales, MSEK



Operating result, MSEK



Comments by the CEO

The second quarter, like the previous two, has been characterized by continued growth and improved profitability. Order volumes from the manufacturing industry continue to rise and demand is good in general from other customers, which is mirrored in Elanders' sales figures. We have increased net sales compared with last year for the fourth quarter in a row and for the third quarter in a row we can present positive operating results. Excluding one-off items the operating result is MSEK 33 better than for the same period last year. Another very positive factor is that the substantial improvement in cash flow from operations has continued in the second quarter. By effectively using our production capacity, both machinery and production plants, we have succeeded in keeping investment levels low and this has had a direct effect on operating cash flow.

Elanders' competitive offer of cost-cutting production in Poland and Hungary for the Swedish and German markets continues to be successful and in combination with higher productivity in Swedish operations has led to growing market shares. In fact, volumes are on the rise in nearly every market Elanders operates in.

The consolidation necessary in the graphic industry has begun, in part through the bankruptcy of several graphic companies and in part through

the merging of others. This consolidation process must continue at a faster pace in order for the industry to achieve lasting profitability and be able to make needed investments. It is currently far too fragmented and filled with family-owned, small companies. Elanders' takeover of operations in Fälv & Hässler was a part of this consolidation and we are having discussions with other possible partners on a continuous basis.

Our latest investments in personalized print and packaging are beginning to show results and we continue to win new customers and develop new product concepts in these segments. Elanders' clear strategy to be a global supplier that offers local deliveries to customers with a global presence is also generating positive results. More and more global companies have decided to centralize their purchasing processes and combine this with local deliveries.



Magnus Nilsson
President and
Chief Executive Officer

Three year overview

MSEK	January – June		
	2011	2010	2009
Net sales	877.7	809.2	921.3
Operating expenses	-837.8	-829.2	-931.6
Operating result	39.9	-20.0	-10.3
Net financial items	-13.2	-13.5	-18.4
Result after financial items	26.7	-33.5	-28.7

MSEK	April – June		
	2011	2010	2009
Net sales	434.2	408.7	444.7
Operating expenses	-413.3	-416.8	-467.1
Operating result	20.9	-8.1	-22.4
Net financial items	-6.7	-6.0	-9.2
Result after financial items	14.2	-14.1	-31.6

Group

Operations

Elanders is a global printing group with production units in ten countries on four continents. Our product areas are books & magazines, photo products, packaging, information & marketing material as well as manuals & product information. In combination with these products Elanders also offers services in Web-to-print (W2P), EDI, advanced premedia, fulfilment and logistics.

The Group's production units are located in Brazil (São Paulo), Italy (Treviso), China (Beijing), Norway (Oslo), Poland (Płońsk), Great Britain (Harrogate and Newcastle), Sweden (Falköping, Ludvika, Lund, Malmö, Mölnlycke, Stockholm, Uppsala, Vällingby and Västerås), Germany (Stuttgart), Hungary (Zalalövő and Jászberény) as well as the USA (Atlanta).

Net sales and result

FIRST HALF-YEAR

Net sales increased by MSEK 69 to MSEK 878 (809), i.e. 9 %. If exchange rates were unchanged compared to the same period last year the increase would have been MSEK 123, i.e. 15 %, of which MSEK 73 or 9 % is organic growth. The positive development is mainly due to success in Poland, Sweden, Germany and Hungary.

The operating result improved by MSEK 60 to MSEK 40 (-20) compared to the first six months last year. Cleared of one-off items the operating result improved by MSEK 75. The improvement comes from an increase in net sales as well as the cost reductions made primarily in Swedish operations. As a result of these structural measures Swedish operations presented a positive result for the first and second quarters.

At the end of December 2010 Elanders submitted a claim for refund of value added tax for 2004 to the Swedish Tax Agency. A decision in this matter was taken in April 2011 and Elanders received a refund of MSEK 70. Due to a number of uncertain factors it is difficult at this time to assess which effect this will have on Elanders' result and therefore this sum has not been accounted for as income. Elanders may also consider submit a claim for the fiscal years 2005–2007 during 2011.

The integration of operations in Fälv & Hässler that were taken over by Elanders is proceeding according to plan and the affected personnel became Elanders' employees on 1 April 2011. The overtaken operations are expected to contribute to profits in the second half of the year. The purchase price of these operations is expected to total a maximum of MSEK 4.

SECOND QUARTER

Net sales increased by MSEK 25 to MSEK 434 (409), i.e. 6 %. With comparable units and unchanged exchange rates compared to the same period last year the increase would have been MSEK 31, i.e. 8 %. The positive development is mainly due to success in Poland, Sweden, Germany and Hungary.

The operating result improved by MSEK 29 to MSEK 21 (-8) compared to the same quarter last year. Cleared of one-off items the operating result improved by MSEK 33. The improvement comes from an increase in net sales as well as the cost reductions made primarily in Swedish operations.

Personnel

FIRST HALF-YEAR

The average number of employees during the period was 1,535 (1,487), of which 391 (461) were in Sweden. At the end of the period the Group had 1,554 (1,523) employees.

SECOND QUARTER

The average number of employees during the period was 1,555 (1,510), of which 397 (460) were in Sweden.

Investments and depreciation

FIRST HALF-YEAR

Investments for the period totaled MSEK 24 (21), of which MSEK 0 (3) referred to acquisitions. Total depreciations and write-downs for the period amounted to MSEK 42 (44).

SECOND QUARTER

Investments for the period totaled MSEK 13 (4), of which MSEK 0 (0) referred to acquisitions. Most of the investments this year have been in production equipment and mainly in Eastern Europe. Total depreciations and write-downs for the period amounted to MSEK 21 (22).

Financial position, cash flow, equity ratio and financing

Group net debt amounted to MSEK 721 (906) and operating cash flow for the first half-year was MSEK 30 (-71). Equity was MSEK 831 (715), which resulted in an equity ratio of 43 % (35 %).



Parent company

The Parent company has provided joint group services. The average number of employees was 7 (21) and at the end of the period 7 (21).

Other information

Risks and uncertainties

Elanders divides risks into circumstantial risks (the future of printing, business cycles, structure and the competition), financial risks (currency, interest, financing and credit) as well as operational risks (customer concentration, operations, operating costs, contracts, disputes, insurance and other risk management as well as other operational risks). These risks, together with a sensitivity analysis, are described in detail on pages 44–47 in the Annual Report 2010. No significant changes have occurred that have changed the risks or uncertainties reported there.

Seasonal variations

The Group's net sales, and thereby income, are affected by the seasonal variations described in the Annual Report 2010. Elanders normally has a strong fourth quarter.

Events after the balance sheet date

No significant events beside these have taken place after the balance sheet date up to the date this report was signed.

Forecast

The forecast for 2011 remains unchanged with an expected positive result before tax.

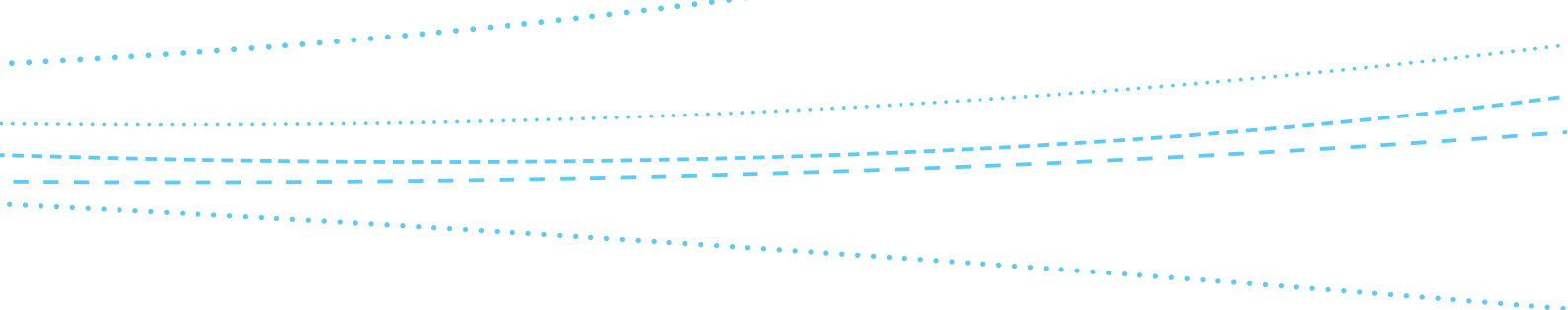
Review and accounting principles

The company auditors have not reviewed this report. The interim report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting and for the parent company in accordance with the Annual Accounts Act.

The same accounting principles and calculation methods as those in the last Annual Report have been used.

Future reports from Elanders

Interim report third quarter 2011	28 October 2011
Annual accounts report 2011	27 January 2012



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, 13 July 2011

Carl Bennet
Chairman

Tore Åberg
Vice-chairman

Göran Johnsson

Cecilia Lager

Hans-Olov Olsson

Kerstin Paulsson

Lilian Larnefeldt

Johan Stern

Tomas Svensson

Magnus Nilsson
*President and Chief
Executive Officer*

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Income statements

MSEK	First six months	
	2011	2010
Net sales	877.7	809.2
Cost of products and services sold	-712.3	-682.1
Gross profit	165.4	127.1
Sales and administrative expenses	-136.0	-161.3
Other operating income	13.8	24.9
Other operating expenses	-3.3	-8.9
Income from jointly controlled entities	-	-1.8
Operating result	39.9	-20.0
Net financial items	-13.2	-13.5
Result after financial items	26.7	-33.5
Income tax	-6.8	3.0
Result for the period	19.9	-30.5
Result for the period attributable to:		
– parent company shareholders	19.9	-30.5
– non-controlling interests	-	-
Earnings per share, SEK ^{1) 2)}	1.02	-3.13
Average number of shares, in thousands ³⁾	19,530	9,765
Outstanding shares at the end of the period, in thousands ³⁾	19,530	9,765

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

MSEK	Second quarter		Last 12 months	Full year 2010
	2011	2010		
Net sales	434.2	408.7	1,774.4	1,705.9
Cost of products and services sold	-348.5	-338.4	-1,480.5	-1,450.3
Gross profit	85.7	70.3	293.9	255.6
Sales and administrative expenses	-72.4	-77.9	-309.3	-334.6
Other operating income	10.2	4.6	45.6	56.7
Other operating expenses	-2.6	-4.2	-42.0	-47.6
Income from jointly controlled entities	-	-0.9	-4.5	-6.3
Operating result	20.9	-8.1	-16.3	-76.2
Net financial items	-6.7	-6.0	-28.7	-29.0
Result after financial items	14.2	-14.1	-45.0	-105.2
Income tax	-5.6	2.3	11.6	21.4
Result for the period	8.6	-11.8	-33.4	-83.7
Result for the period attributable to:				
– parent company shareholders	8.6	-11.8	-33.4	-83.7
– non-controlling interests	-	-	-	-
Earnings per share, SEK ^{1) 2)}	0.44	-1.21	-1.94	-6.79
Average number of shares, in thousands ³⁾	19,530	9,765	17,225	12,342
Outstanding shares at the end of the period, in thousands ³⁾	19,530	9,765	19,530	19,530

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

Statements of comprehensive income

MSEK	First six months	
	2011	2010
Result for the period	19.9	-30.5
<i>Other comprehensive income</i>		
Translation differences, net after tax	-7.7	-22.6
Cash flow hedges, net after tax	0.3	0.0
Hedging of net investment abroad, net after tax	-1.0	3.8
Other comprehensive income, net after tax	-8.4	-18.8
Total comprehensive income for the period	11.5	-49.3
<i>Total comprehensive income attributable to:</i>		
– parent company shareholders	11.5	-49.3
– non-controlling interests	–	–

MSEK	Second quarter		Last 12 months	Full year 2010
	2011	2010		
Result for the period	8.6	-11.8	-33.4	-83.7
<i>Other comprehensive income</i>				
Translation differences, net after tax	12.3	5.9	-61.0	-75.9
Cash flow hedges, net after tax	0.1	0.0	0.0	-0.3
Hedging of net investment abroad, net after tax	-1.1	1.1	1.8	6.6
Other comprehensive income, net after tax	11.3	7.0	-59.2	-69.6
Total comprehensive income for the period	19.9	-4.8	-92.6	-153.3
<i>Total comprehensive income attributable to:</i>				
– parent company shareholders	19.9	4.8	-92.6	-153.3
– non-controlling interests	–	–	–	–

Statements of cash flow

MSEK	First six months	
	2011	2010
Result after financial items	26.7	-33.5
Adjustments for items not included in cash flow	17.2	23.0
Paid tax	-3.0	-7.7
Changes in working capital	-8.8	-48.8
Cash flow from operating activities	32.1	-67.0
Cash flow from investing activities	-18.0	-25.7
Changes in long and short-term borrowing	-4.8	61.9
Cash flow from financing activities	-4.8	61.9
Cash flow for the year	9.3	-30.8
Liquid funds at the beginning of the year	50.1	78.9
Translation difference	-0.9	0.7
Liquid funds at the end of the year	58.5	48.8
Net debt at the beginning of the year	732.2	837.4
Translation difference in net debt	2.7	-12.6
Change in net debt	-14.3	80.8
Net debt at the end of the year	720.6	905.6
Operating cash flow	30.3	-71.4

MSEK	Second quarter		Last 12 months	Full year 2010
	2011	2010		
Result after financial items	14.2	-14.1	-45.0	-105.2
Adjustments for items not included in cash flow	5.7	16.9	113.3	119.1
Paid tax	-3.5	-2.4	-2.9	-7.6
Changes in working capital	-6.8	-37.0	-24.1	-64.1
Cash flow from operating activities	9.6	-36.6	41.3	-57.8
Cash flow from investing activities	-8.0	-9.2	-61.5	-69.2
Changes in long and short-term borrowing	-6.6	47.7	-172.7	-106.0
New share issue	-	-	208.1	208.1
Cash flow from financing activities	-6.6	47.7	35.4	102.1
Cash flow for the year	-5.0	1.9	15.2	-24.9
Liquid funds at the beginning of the year	62.1	45.1	48.8	78.9
Translation difference	1.4	1.8	-5.5	-3.8
Liquid funds at the end of the year	58.5	48.8	58.5	50.1
Net debt at the beginning of the year	718.3	868.1	905.6	837.4
Translation difference in net debt	3.0	-4.3	-4.0	-16.9
Net debt in acquisitions	-	-	8.6	8.6
Change in net debt	-0.7	41.8	-189.6	-96.9
Net debt at the end of the year	720.6	905.6	720.6	732.2
Operating cash flow	11.8	-37.2	11.3	-90.4

Statements of financial position

MSEK	Jun. 30 2011	Jun. 30 2010	Dec. 31 2010
Assets			
Intangible assets	873.6	914.8	875.2
Tangible assets	348.5	397.8	371.7
Other fixed assets	161.2	147.4	164.6
Total fixed assets	1,383.3	1,460.0	1,411.5
Inventories	116.3	103.7	118.7
Accounts receivable	321.7	331.3	365.0
Other current assets	72.3	88.2	67.0
Cash and cash equivalents	58.5	48.8	50.1
Total current assets	568.8	572.0	600.8
Total assets	1,952.1	2,032.0	2,012.3
Equity and liabilities			
Equity	830.8	715.2	819.3
Liabilities			
Non-interest-bearing long-term liabilities	38.2	40.9	36.1
Interest-bearing long-term liabilities	468.1	70.9	434.8
Total long-term liabilities	506.3	111.8	470.9
Non-interest-bearing current liabilities	304.0	321.5	374.6
Interest-bearing current liabilities	311.0	883.5	347.5
Total current liabilities	615.0	1,205.0	722.1
Total equity and liabilities	1,952.1	2,032.0	2,012.3

Statements of changes in equity

MSEK	Equity attributable to parent company shareholders	Equity attributable to non-controlling interests	Total equity
Equity at year-end 2009	763.3	1.8	765.1
Transactions with shareholders with non-controlling interest	1.2	-1.8	-0.6
New share issue	208.1	-	208.1
Total comprehensive income for the year	-153.3	-	-153.3
Equity at year-end 2010	819.3	-	819.3
Equity at year-end 2009	763.3	1.8	765.1
Transactions with shareholders with non-controlling interest	1.2	-1.8	-0.6
Total comprehensive income for the period	-49.3	-	-49.3
Equity at the end of the first months 2010	715.2	-	715.2
Equity at year-end 2010	819.3	-	819.3
Total comprehensive income for the period	11.5	-	11.5
Equity at the end of the first six months 2011	830.8	-	830.8

Segment reporting

Effective the fourth quarter 2009 Group operations are reported as one reportable segment, since this is how the Group is now governed. This analysis identified the President as the highest decision-maker and the units in different countries were identified as operating segments. The operating segments were then merged to create a single operating segment, consisting of the entire Group, since the units have similar economic characteristics and resemble each other regarding the nature of their products and services, production processes, customer types etc. Regarding the financial information for the operating segment please see the consolidated income statements and the statements of financial position along with related notes.

Parent company

Income statements

MSEK	First six months	
	2011	2010
Net sales	–	–
Cost of products and services sold	–	–
Gross profit	–	–
Operating expenses	–7.7	–12.9
Operating result	–7.7	–12.9
Net financial items	–2.3	13.9
Result after net financial items	–10.0	1.0
Income tax	3.7	2.2
Result for the period	–6.3	3.2

MSEK	Second quarter		Last 12 months	Full year 2010
	2011	2010		
Net sales	–	–	–	–
Cost of products and services sold	–	–	–	–
Gross profit	–	–	–	–
Operating expenses	–2.7	–11.7	–24.2	–29.4
Operating result	–2.7	–11.7	–24.2	–29.4
Net financial items	0.2	–1.9	–2.4	13.8
Result after net financial items	–2.5	–13.6	–26.6	–15.6
Income tax	0.5	3.5	8.4	6.9
Result for the period	–2.0	–10.1	–18.2	–8.7

A reversal of MSEK 14.7 of a previous reserve for a guarantee commitment is included in operating costs for the first six months of 2010.

Statements of comprehensive income

MSEK	First six months	
	2011	2010
Result for the period	–6.3	3.2
Other comprehensive income	–	–
Total comprehensive income for the period	–6.3	3.2

MSEK	Second quarter		Last 12 months	Full year 2010
	2011	2010		
Result for the period	–2.0	–10.1	–18.2	–8.7
Other comprehensive income	–	–	–	–
Paid Group contribution, net after tax	–	–	–51.6	–51.6
Total comprehensive income	–	–	–51.6	–51.6
Total comprehensive income for the period	–2.0	–10.1	–69.8	–60.3

Balance sheets

MSEK	Jun. 30 2011	Jun. 30 2010	Dec. 31 2010
Assets			
Fixed assets	1,276.2	1,261.9	1,272.4
Current assets	89.4	89.0	76.6
Total assets	1,365.6	1,350.9	1,349.0
Equity, provisions and liabilities			
Equity	694.4	566.1	700.7
Provisions	3.8	4.4	3.8
Long-term liabilities	238.0	0.1	238.2
Current liabilities	429.4	790.3	406.3
Total equity and liabilities	1,365.6	1,350.9	1,349.0

Statements of changes in equity

MSEK	Share capital	Statutory reserve	Retained earnings and result for the period	Total equity
Equity at year-end 2009	97.7	332.4	122.8	552.9
New share issue	97.7	–	110.4	208.1
Total comprehensive income for the year	–	–	–60.3	–60.3
Equity at year-end 2010	195.3	332.4	173.0	700.7
Equity at year-end 2009	97.7	332.4	122.8	552.9
Total comprehensive income for the period	–	–	3.2	3.2
Equity at the end of the first months 2010	97.7	332.4	126.0	556.1
Equity at year-end 2010	195.3	332.4	173.0	700.7
Total comprehensive income for the period	–	–	–6.3	–6.3
Equity at the end of the first months 2011	195.3	332.4	166.7	694.4

Key ratios

Quarterly data

MSEK	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2
Net sales	434	443	491	406	409	401	455	381	445
Operating result	21	19	6	-62	-8	-12	-28	-21	-22
Operating margin, %	4.8	4.3	1.	-15.2	-2.0	-3.0	-6.2	-5.6	-4.9
Result after financial items	14	12	-1	-71	-14	-19	-40	-28	-32
Result after tax	9	11	-1	-52	-12	-19	-37	-17	-24
Earnings per share, SEK ¹⁾	0.44	0.58	-0.07	-5.04	-1.21	-1.92	-3.79	-1.67	-2.46
Operating cash flow	12	18	-5	-14	-37	-34	8	-33	45
Net cash flow per share, SEK	-0.26	0.73	-2.15	4.63	0.19	-3.35	-0.22	-1.76	-3.32
Depreciation	22	21	25	33	22	22	24	26	24
Net investments	8	10	22	21	9	17	24	12	12
Goodwill	840	831	836	843	863	868	895	889	920
Total assets	1,952	1,956	2,012	2,041	2,032	2,020	2,114	2,083	2,203
Equity	831	811	819	825	715	720	765	787	860
Net debt	721	718	732	722	906	868	837	836	806
Capital employed	1,551	1,529	1,552	1,548	1,621	1,588	1,602	1,622	1,667
Return on total assets, % ²⁾	5.8	5.5	1.7	-11.1	-1.5	-1.9	-5.3	-4.1	-4.0
Return on equity, % ²⁾	4.2	5.5	-0.6	-27.0	-6.6	-10.0	-19.3	-8.1	-10.9
Return on capital employed, % ²⁾	5.4	4.9	1.4	-15.6	-2.0	-3.0	-7.0	-4.6	-5.2
Debt/equity ratio	0.9	0.9	0.9	0.9	1.3	1.2	1.1	1.1	0.9
Equity ratio, %	42.6	41.5	40.7	40.4	35.2	35.6	36.2	37.8	39.0
Interest coverage ratio ³⁾	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Number of employees at the end of the period	1,554	1,523	1,564	1,556	1,523	1,457	1,538	1,541	1,557

¹⁾ There is no dilution.

²⁾ Return ratios have been annualized.

³⁾ Interest coverage ratio calculation is based on a moving 12 month period.

Five year summary – full year

	2010	2009	2008	2007	2006
Net sales, MSEK	1,705.9	1,756.7	2,191.2	2,035.6	1,988.2
Result after financial items, MSEK	-105.2	-96.1	-34.3	184.1	-31.8
Result after tax, MSEK	-83.7	-74.4	-25.7	172.2	-49.0
Earnings per share, SEK ¹⁾	-6.79	-7.57	-2.62	18.06	-5.54
Dividends per share, SEK	0.00	0.00	0.00	4.50	2.36
Operating margin, %	-4.5	-3.4	0.7	11.1	-0.4
Return on equity, %	-10.6	-9.1	-3.0	24.2	-8.2
Return on total assets, %	-3.2	-2.2	1.7	12.0	-0.3
Return on capital employed, %	-4.8	-3.6	0.9	16.0	-0.7
Debt/equity ratio	0.9	1.1	1.0	0.9	1.1
Equity ratio, %	40.7	36.2	36.8	38.9	33.9
Average number of shares, in thousands ²⁾	12,342	9,765	9,765	9,537	8,855

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

¹⁾ There is no dilution.

²⁾ No adjustment of the historic number of shares has been made since the new share issue in 2010 did not entail any bonus issue element.

Five year summary – first six months

	2011 Jan – Jun	2010 Jan – Jun	2009 Jan – Jun	2008 Jan – Jun	2007 Jan – Jun ¹⁾
Net sales, MSEK	878	809	921	1,054	978
Result after tax, MSEK	20	–30	–10	26	55
Earnings per share, SEK ²⁾	1.02	–3.13	–2.11	2.66	5.88
Return on equity, % ³⁾	4.8	–8.3	–4.8	6.1	14.9
Return on capital employed, % ³⁾	5.1	–2.5	–1.2	6.8	11.8
Operating margin, %	4.5	–2.5	–1.1	5.3	9.0
Average number of shares, in thousands ⁴⁾	19,530	9,765	9,765	9,765	9,310

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

²⁾ There is no dilution.

³⁾ Return ratios have been annualized.

⁴⁾ No adjustment of the historic number of shares has been made since the new share issue in 2010 did not entail any bonus issue element.

Five year summary – second quarter

	2011 Q2	2010 Q2	2009 Q2	2008 Q2	2007 Q2
Net sales, MSEK	434	409	445	532	512
Result after tax, MSEK	9	–12	24	13	30
Earnings per share, SEK ¹⁾	0.44	–1.21	–2.46	1.36	3.02
Return on equity, % ²⁾	4.2	–6.6	–10.9	6.1	16.0
Return on capital employed, % ²⁾	5.4	–2.0	–5.2	6.0	13.0
Operating margin, %	4.8	–2.0	–4.9	4.7	9.4
Average number of shares, in thousands ³⁾	19,530	9,765	9,765	9,765	9,765

¹⁾ There is no dilution.

²⁾ Return ratios have been annualized.

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

Definitions

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 minority interests.
Equity ratio	Equity (including minority interests) in relation to total assets.
Interest coverage ratio	Operating result plus interest income divided by interest costs.
Operating cash flow	Cash flow from operating activities and investing activities adjusted for paid taxes and net financial items.
Operating margin	Operating profit/loss in relation to net turnover.
Return on capital employed	Operating result in relation to average capital employed
Return on equity	Result for the year in relation to average equity.
Return on total assets	Operating result plus financial income in relation to total assets.

Elanders' offer @ product areas

Elanders is a spot on example of how technological development and the way modern society communicates and spreads information impacts a company. In Elanders' case this has led us to make changes in the services and products we offer.

The circumstances for everyone active in the communication industry have changed radically in the past few years, especially for graphic companies.

From a national printer for telephone directories Elanders has grown into a global player with operations in ten countries on four continents. As an international printing group we have a broad spectrum of services in offset, digital and special print and we can produce wherever it works out best economical, for our customers and for Elanders.

We are often problem solvers for customers that need to communicate on one or several markets simultaneously. In some cases we have unique information and technical solutions which we have developed for our customers. A common denominator in many of our assignments is that we can use our global resources to create great logistics solutions that are competitive and environmentally smart.

We have a host of multinational companies as customers but we are increasing our scope to include marketing and communication bureaus. We have a special team called the PM Group in Sweden aimed at further developing our relationships with bureaus.

Books & magazines

In these digitalized times sales show that there is still a high demand for books and new sales channels in addition to traditional book stores. When it comes to printing books Elanders can deliver the most exclusive books with advanced quality demands. Our customers include famous auction houses and editors specialized in high quality cookbooks.

Publishers of educational material are still an important customer group for Elanders. We primarily deliver printed educational material but we intend to offer more related services.

We also produce books and educational material in low-cost countries, especially the second or third editions after the first edition of a book has been printed.



Packaging

A trend that has been growing the past couple of years is that more and more of our customers are putting higher demands on packaging design. When a customer in a store is about to decide which product to choose, an attractive packaging can be the deciding factor. Elanders offers an entire range of boxes from simple to exclusive hand-made packages and from very small to really large editions. And thanks to our experience we can offer personalized packaging as well.

Elanders can handle the entire chain from design and manufacturing to distribution. Advanced finishing techniques guarantee high quality results, which is highly valued by many strong brands.



Photo products

Digital technology has made it easier for everyone to express their personality or surprise with gifts that they have designed themselves. Today everybody is their own photographer, which has led to an increase in the orders for personalized photo books, canvases, almanacs and wallpaper. At Elanders both companies and indirectly consumers are our customers on a rapidly growing market.



Information & marketing material

Information and marketing material are a big part of the work Elanders does. One rapidly growing sector is recipient-oriented information containing customized solutions for different target groups all the way down to individuals.

The product area information & marketing material comprises magazines, catalogues, annual reports, fund reports and in-store material.

The demand for specifically targeted information has led to more and more specialized products. This trend is the answer to why the number of magazine and book titles is on the rise. When it comes to in-store material Elanders offers comprehensive solutions including design, production and delivery of finished sets to individual stores.



Manuals & product information

One of Elanders' specialties is manuals and other product information. Manuals are going through a metamorphosis. They are getting slimmer and more simplified but they are still an important service to customers buying a product. The way a manual is packaged together with a product is vital to creating the right feeling for the product and it contributes to strengthening the customer's own brand.

There is also an increase in demand from the automotive industry for customized and chassis specific manuals designed so that they harmonize with the extra features chosen by the end customer.



Our services

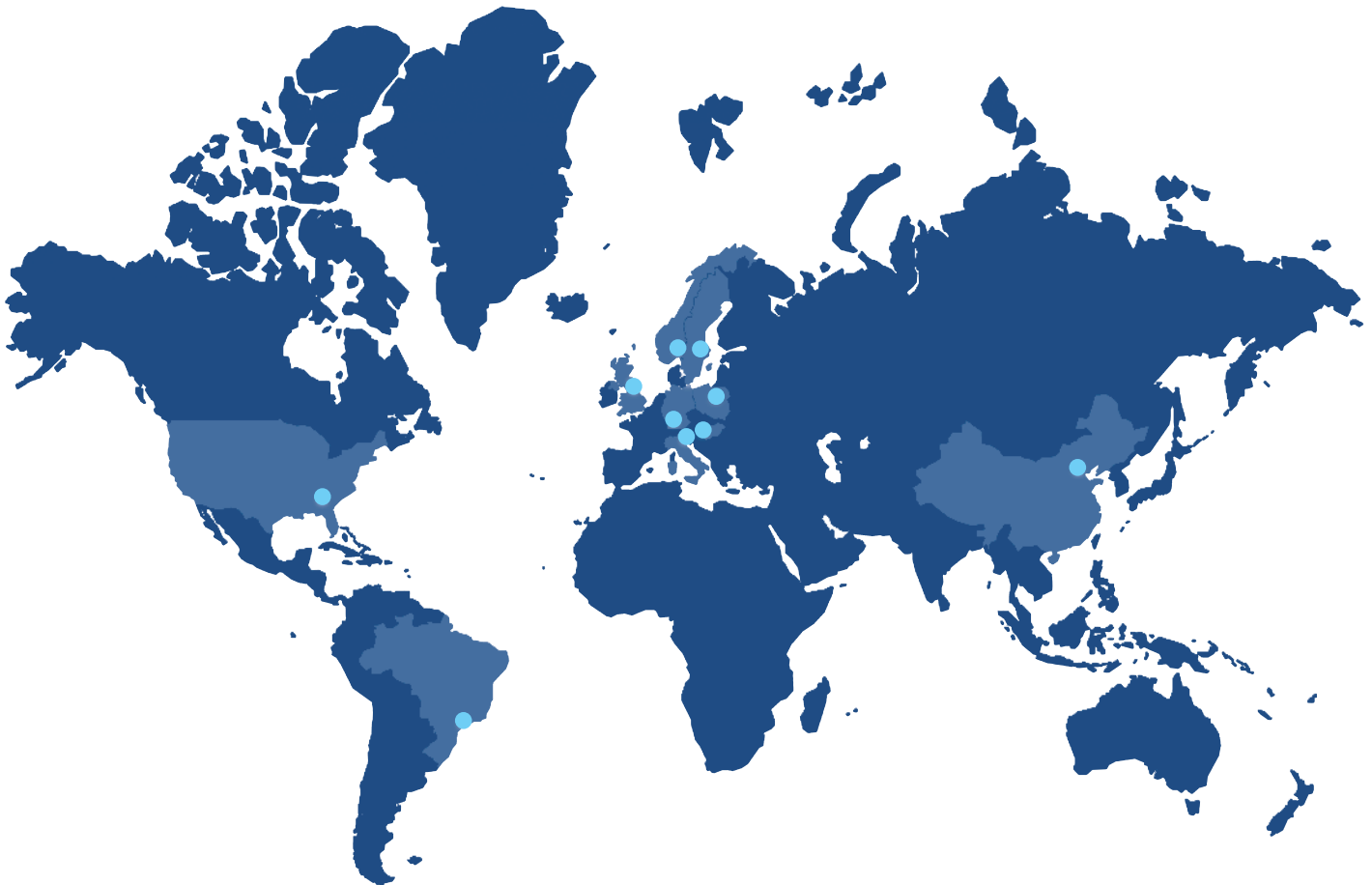
Several of the services that Elanders offers are included in the term Premedia and comprise the stages that come before printing and publishing. Some examples of arts and graphics services are layout, typography, image retouching and production of originals.

Our Premedia personnel all have years of experience and are all dedicated to achieving excellent results. Elanders also offers advanced just-in-time deliveries with different picking and packing solutions along with the storage and distribution of printed material.

Elanders' considerable investment in Web-to-print (W2P) goes hand-in-hand with the increased demand for print-on-demand solutions. This service is mainly intended for businesses but we are increasingly supplying consumers as well.

your worldwide printing partner

BRAZIL CHINA GERMANY GREAT BRITAIN HUNGARY ITALY NORWAY POLAND SWEDEN USA



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

Our product areas are books & magazines, photo products, packaging, information & marketing material as well as manuals & product information. In combination with these products Elanders also offers services in web-to-print (W2P), EDI, advanced premedia, fulfilment and logistics. Elanders has approximately 1,500 employees and net sales of more than SEK 1.7 billion. The Elanders share is listed on the NASDAQ OMX Stockholm, Small Cap. The Group's production units are located in Brazil (São Paulo), Italy (Treviso), China (Beijing), Norway (Oslo), Poland (Płock), Great Britain (Harrogate and Newcastle), Sweden (Falköping, Ludvika, Lund, Malmö, Mölnlycke, Stockholm, Uppsala, Vällingby and Västerås), Germany (Stuttgart), Hungary (Zalaegerszeg and Jászberény) as well as the USA (Atlanta).

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