

Interim Report Jan – Sep 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.*



The cover project for Cap&Design is a brilliant example of the options that the digital printing technology provides.



Elanders produces 11,003 unique covers for Cap&Design

Elanders challenges the concept of printed media in a unique and innovative project together with the Design Bureau Vår and Cap&Design, Sweden's largest magazine for designers and creators. Through the use of digital printing technology the covers of the latest edition of the magazine, a total of 11,003 copies, will be unique.

"We always strive to be on the cutting edge of technology in order to solve our customers' challenges and needs. The cover project for Cap&Design is a brilliant example of the options that the digital printing technology provides," says Jonas Brännerud, MD Elanders Sverige AB.

Elanders has extensive experience of variable data printing and delivers products such as personalized chocolate packaging, fund reports and marketing material, uniquely adapted to each recipient on different markets all over the world. What made the cover project for Cap&Design

so interesting was the combined expertise it required in advanced image refinement and the ability to manage large amounts of variable data and digital print. Both the image and the number on each copy varies randomly.

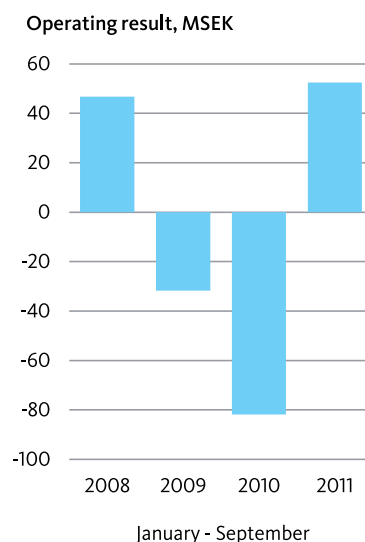
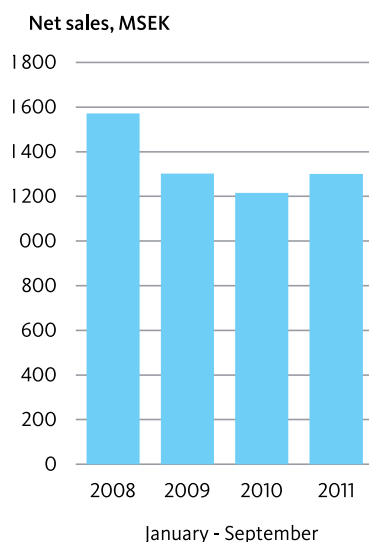
"The project is a great example of what an advantage it is to have a myriad of skills and knowledge under one roof as is the case with Elanders. By combining them we continue to develop our offer as well as the graphic industry," says Jonas Brännerud.

January – September

- Net sales increased by 7 % totaling MSEK 1,300 (MSEK 1,215).
- Operating result amounted to MSEK 52 (–82). The result was affected by one-off items of MSEK 0 (–40).
- Result before tax was MSEK 31 (–104).
- Net result amounted to MSEK 23 (–82) or SEK 1.17 (–8.29) per share.
- Operating cash flow amounted to MSEK 18 (–86), of which acquisitions were MSEK –6 (–27).
- The forecast for the full year 2011 remains unchanged with an expected positive result before tax.

The third quarter

- Net sales increased by 4 % totaling MSEK 423 (MSEK 406).
- Operating result amounted to MSEK 13 (–62). The result was affected by one-off items of MSEK 0 (–54).
- Result before tax was MSEK 4 (–71).
- Net result amounted to MSEK 3 (–52) or SEK 0.15 (–5.04) per share.
- Operating cash flow amounted to MSEK –12 (–14), of which acquisitions were MSEK –6 (–24).



Comments by the CEO



The third quarter is normally a weak quarter for Elanders, mainly due to the summer holidays. The third quarter 2011 is no exception but for the fifth quarter in a row we have increased net sales compared with the same period last year and for the fourth quarter in a row we can present positive operating results. Excluding one-off

items the operating result is MSEK 20 higher than for the same period last year. The quarter was also characterized by continued good demand and improved profitability compared to the last year. At the end of the quarter the uncertainty on the world financial market became noticeable and there seemed to be a certain hesitation on the European market.

Our offer of production in Poland and Hungary for the Swedish and German markets continues to develop very well. This, in combination with higher productivity in our operations, has led to growing market shares for Elanders, both in Sweden and in Germany. Currently Elanders' unit in Hungary is one of the largest sheet-fed printers in the country.

The consolidation necessary in the graphic industry continues. Elanders has contributed to this by taking over operations from other companies that have completely

shut down their production. So far this year we have taken over parts of the operations in the Swedish sheet-fed printers Fälv & Hässler and NRS Tryckeri. And we have ongoing discussions with other partners.

Cash flow dwindled in the third quarter primarily due to production to inventory in order to be able to manage the deliveries in the fourth quarter. The takeover of operations has also tied up additional capital.

Our investments in personalized print and packaging are continuing to show results and we continue to win new customers and develop new, interesting product concepts in these segments. The product concept of customized luxury packaging has been well received by the market and we have customers in consumer electronics, automobiles, publishing companies, confectionery and cosmetics. Our clear strategy to be a global supplier that offers local deliveries to customers with a global presence has also generated positive results. This strategy has become increasingly effective as more and more global companies centralize their purchasing processes while at the same time they want local deliveries.

Magnus Nilsson
President and Chief Executive Officer

Three year overview

MSEK	January – September		
	2011	2010	2009
Net sales	1,300	1,215	1,302
Operating expenses	-1,248	-1,297	-1,334
Operating result	52	-82	-32
Net financial items	-21	-22	-25
Result after financial items	31	-104	-57

MSEK	July – September		
	2011	2010	2009
Net sales	423	406	381
Operating expenses	-410	-468	-402
Operating result	13	-62	-21
Net financial items	-8	-9	-6
Result after financial items	4	-71	-28

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 (Newcastle), Sweden (Falköping, Gothenburg, Malmö and Stockholm), Germany (Stuttgart), Hungary (Zalaegerszeg and Jászberény) as well as the USA (Atlanta). Elanders is also represented through sales offices in a number of locations.

Net sales and result

JANUARY – SEPTEMBER

Consolidated net sales increased by MSEK 85 to MSEK 1,300 (1,205), i.e. 7 %. If exchange rates were unchanged compared to the same period last year the increase would have been MSEK 155, i.e. 13 %, of which MSEK 85 or 7 % is organic growth. The positive development is mainly due to success in Poland, Sweden, Germany and Hungary.

The operating result improved by MSEK 134 to MSEK 52 (–82) compared to the first nine months in the previous year. Cleared of one-off items the operating result improved by MSEK 94. The improvement comes from an increase in net sales as well as cost reductions made primarily in the Swedish operations.

The necessary consolidation in the industry has continued. So far this year Elanders has taken over parts of the operations in the Swedish sheet-fed printers Fäth & Hässler and NRS Tryckeri and their integration is proceeding according to plan. There are also ongoing discussions with other interested parties.

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 will during 2011 consider to also submitting claims for the fiscal years 2005–2007.

THIRD QUARTER

Consolidated net sales increased by MSEK 17 to MSEK 423 (406) or 4 %. With comparable units and unchanged exchange rates in a comparison to the same period last year the increase would have been MSEK 2.

The operating result improved by MSEK 75 to

MSEK 13 (–62) compared to the same period the previous year. Cleared of one-off items the operating result improved by MSEK 20. The improvement is a direct result of cost reductions made primarily in Swedish operations.

Events in the third quarter

During the third quarter Elanders announced the acquisition of parts of the Swedish printer NRS Tryckeri's operations which had net sales of MSEK 56 in 2010. The acquisition is expected to make a positive contribution to Elanders' net sales in 2011, and to the result and net sales beginning in 2012.

Developments on the market

The graphic industry is still characterized by a surplus capacity and prices are pressed as a result. The industry is undergoing a consolidation, both through mergers and bankruptcies. Orders received continued to be high in the third quarter, even though there was a certain hesitation in the market at the end of the quarter due to the uncertainty on how the economy will develop.

Personnel

JANUARY – SEPTEMBER

The average number of employees during the period was 1,539 (1,506), of which 392 (454) were in Sweden. At the end of the period the Group had 1,562 (1,556) employees.

THIRD QUARTER

The average number of employees during the period was 1,546 (1,544), of which 394 (439) were in Sweden.

Investments and depreciation

JANUARY – SEPTEMBER

Investments for the period totaled MSEK 33 (52), of which MSEK 6 (27) referred to acquisitions. Group depreciation and write-downs for the period amounted to MSEK 64 (76). Most of the investments have been in production equipment, primarily in Eastern Europe.

THIRD QUARTER

Investments for the period totaled MSEK 8 (31), of which MSEK 6 (24) referred to acquisitions. Group depreciation and write-downs for the period amounted to MSEK 22 (32).

Financial position, cash flow, equity ratio and financing

Group net debt amounted to MSEK 750 (722) and operating cash flow for the first nine months was MSEK 18 (–86), of which company acquisitions were MSEK –6 (–27). Operating cash flow for the third quarter amounted to

Group cont.

- ▶ MSEK –12 (–14), of which MSEK –6 (–24) are attributable to company acquisitions. Cash flow was affected negatively by production to inventory in order to be able to manage the deliveries in the fourth quarter. The fourth quarter is traditionally the strongest for Elanders. The takeover of operations has also tied up capital, resulting in increased borrowing. At the end of the period equity

was MSEK 854 (825), which resulted in an equity ratio of 42 % (40 %).

As of 30 September 2011 loans from the Group's main banks are reported as interest-bearing current liabilities if the credit agreement expires 30 September 2012. Negotiations regarding new credit agreements are expected to start at the beginning of 2012.

Parent company

The Parent company has provided joint Group services. The average number of employees in the third quarter was 8 (18) and at the end of the period 8 (14).

Other information

Elanders at a glance

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, manuals & product information. In combination with these products Elanders also offers services in Web-to-Print (W2P), EDI, advanced premedia, fulfillment and logistics.

The customer can handle the entire printing logistics through a single contact at Elanders, no matter how extensive they are or where in the world they need to be delivered. As a support for this process Elanders has developed global Web-based order interfaces.

Elanders' vision is to be one of the leading graphic companies in the world. By leading we do not mean largest. We mean it is going to be the company that best meets customer demands on efficiency and delivery ability.

Elanders' strategies to fulfill our vision, support our business concept and reach our goals are to:

- Develop local customers with global needs into global customers.
- Optimize use of the Group's global production and delivery capacity.
- Create uniform and automated processes in the Group.
- Develop products for future needs that can be used in our current business.
- Continue developing Web-to-print (W2P) and EDI solutions.
- Strong expansion in packaging and solutions for personalized products.
- Broaden our customer base and product offer to lower sensitivity to fluctuations in the business cycle.

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. Circumstances in the world around us since the Annual Report was published are not believed to have caused any new significant risks or influenced the way in which the Group works with these compared to the description in the Annual Report 2010.

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 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 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.

Nomination committee

The following are the members of the nomination committee for the Annual General Meeting on 3 May 2012:

Carl Bennet (Chair)	Carl Bennet AB
Göran Erlandsson	Representative for minor shareholders
Hans Hedström	Carnegie Funds

Please find the nomination committee's contact information on the company's website www.elanders.com under "Corporate Governance".

Future reports from Elanders

Annual Accounts Report 2011	27 January 2012
Interim report first quarter 2012	3 May 2012
Interim report second quarter 2012	12 July 2012

Mölnlycke 28 October 2011



Magnus Nilsson
President and Chief Executive Officer

Report of Review of Interim Financial Information

Introduction

We have reviewed this report for the period 1 January 2011 to 30 September 2011 for Elanders AB (publ), company reg. no 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.

Scope of 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 International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we

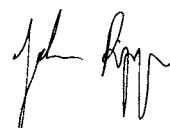
would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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 28 October 2011

PricewaterhouseCoopers AB



Johan Rippe
Authorised Public Accountant

Contact information

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

Questions concerning this report can be made to:

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Income statements

MSEK	January – September	
	2011	2010
Net sales	1,300.4	1,215.0
Cost of products and services sold	-1,059.2	-1,058.2
Gross profit	241.2	156.8
Sales and administrative expenses	-202.0	-249.4
Other operating income	18.7	52.3
Other operating expenses	-5.4	-38.4
Income from jointly controlled entities	-	-3.1
Operating result	52.5	-81.8
Net financial items	-21.4	-22.3
Result after financial items	31.1	-104.1
Income tax	-8.2	21.6
Result for the period	22.9	-82.5
Result for the period attributable to:		
– parent company shareholders	22.9	-82.5
– non-controlling interests	-	-
Earnings per share, SEK ^{1) 2)}	1.17	-8.29
Average number of shares, in thousands ³⁾	19,530	9,946
Outstanding shares at the end of the period, in thousands ³⁾	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.

MSEK	Third quarter		Last 12 months	Full year 2010
	2011	2010		
Net sales	422.7	405.8	1,791.3	1,705.9
Cost of products and services sold	-346.9	-376.1	-1,451.3	-1,450.3
Gross profit	75.8	29.7	340.0	255.6
Sales and administrative expenses	-66.0	-88.1	-287.2	-334.6
Other operating income	4.9	27.4	23.1	49.7
Other operating expenses	-2.2	-29.5	-14.6	-40.6
Income from jointly controlled entities	-	-1.3	-3.2	-6.3
Operating result	12.5	-61.8	58.1	-76.2
Net financial items	-8.1	-8.7	-28.1	-29.0
Result after financial items	4.4	-70.5	30.0	-105.2
Income tax	-1.5	18.5	-8.4	21.4
Result for the period	2.9	-52.0	21.6	-83.7
Result for the period attributable to:				
– parent company shareholders	2.9	-52.0	21.6	-83.7
– non-controlling interests	-	-	-	-
Earnings per share, SEK ^{1) 2)}	0.15	-5.04	1.11	-6.79
Average number of shares, in thousands ³⁾	19,530	10,308	19,530	12,342
Outstanding shares at the end of the period, in thousands ³⁾	19,530	19,530	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	January – September	
	2011	2010
Result for the period	22.9	–82.5
<i>Other comprehensive income</i>		
Translation differences, net after tax	13.9	–70.2
Cash flow hedges, net after tax	0.1	0.1
Hedging of net investment abroad, net after tax	–1.7	5.3
Other comprehensive income, net after tax	12.3	–64.8
Total comprehensive income for the period	35.2	–147.3
<i>Total comprehensive income attributable to:</i>		
– parent company shareholders	35.2	–147.3
– non-controlling interests	–	–

MSEK	Third quarter		Last 12 months	Full year 2010
	2011	2010		
Result for the period	2.9	–52.0	21.6	–83.7
<i>Other comprehensive income</i>				
Translation differences, net after tax	21.6	–47.6	8.2	–75.9
Cash flow hedges, net after tax	–0.2	0.1	–0.3	–0.3
Hedging of net investment abroad, net after tax	–0.7	1.5	–0.4	6.6
Other comprehensive income, net after tax	20.7	–46.0	7.5	–69.6
Total comprehensive income for the period	23.6	–98.0	29.1	–153.3
<i>Total comprehensive income attributable to:</i>				
– parent company shareholders	23.6	–98.0	29.1	–153.3
– non-controlling interests	–	–	–	–

Statements of cash flow

MSEK	January – September	
	2011	2010
Result after financial items	31.1	-104.1
Adjustments for items not included in cash flow	37.6	93.6
Paid tax	-7.3	-8.8
Changes in working capital	-46.8	-50.2
Cash flow from operating activities	14.6	-69.5
Cash flow from investing activities	-25.5	-47.1
Changes in long- and short-term borrowing	25.5	-74.5
New share issue	-	208.1
Cash flow from financing activities	25.5	133.6
Cash flow for the year	14.6	17.0
Liquid funds at the beginning of the year	50.1	78.9
Translation difference	1.6	-3.3
Liquid funds at the end of the year	66.3	92.6
Net debt at the beginning of the year	732.2	837.4
Translation difference in net debt	7.2	-32.0
Net debt in acquisitions	-	8.6
Change in net debt	11.0	-91.6
Net debt at the end of the year	750.4	722.4
Operating cash flow	17.8	-85.5

MSEK	Third quarter		Last 12 months	Full year 2010
	2011	2010		
Result after financial items	4.4	-70.5	30.0	-105.2
Adjustments for items not included in cash flow	20.4	70.5	63.1	119.1
Paid tax	-4.3	-1.1	-6.1	-7.6
Changes in working capital	-38.0	-1.4	-60.7	-64.1
Cash flow from operating activities	-17.5	-2.5	26.3	-57.8
Cash flow from investing activities	-7.5	-21.4	-47.6	-69.2
Changes in long and short-term borrowing	30.3	-136.4	-6.0	-106.0
New share issue	-	208.1	-	208.1
Cash flow from financing activities	30.3	71.7	-6.0	102.1
Cash flow for the year	5.3	47.8	-27.3	-24.9
Liquid funds at the beginning of the year	58.5	48.8	92.6	78.9
Translation difference	2.5	-4.0	1.0	-3.8
Liquid funds at the end of the year	66.3	92.6	66.3	50.1
Net debt at the beginning of the year	720.6	905.6	722.4	837.4
Translation difference in net debt	4.5	-19.4	22.3	-16.9
Net debt in acquisitions	-	8.6	-	8.6
Change in net debt	25.3	-172.4	5.7	-96.9
Net debt at the end of the year	750.4	722.4	750.4	732.2
Operating cash flow	-12.5	-14.1	12.9	-90.4

Statements of financial position

MSEK	Sep. 30 2011	Sep. 30 2010	Dec. 31 2010
Assets			
Intangible assets	887.2	887.7	875.2
Tangible assets	340.7	371.3	371.7
Other fixed assets	164.7	163.8	164.6
Total fixed assets	1,392.6	1,422.8	1,411.5
Inventories	143.2	113.1	118.7
Accounts receivable	362.7	335.1	365.0
Other current assets	71.9	77.5	67.0
Cash and cash equivalents	66.3	92.6	50.1
Total current assets	644.1	618.3	600.8
Total assets	2,036.7	2,041.1	2,012.3
Equity and liabilities			
Equity	854.5	825.3	819.3
Liabilities			
Non-interest-bearing long-term liabilities	40.5	38.6	36.1
Interest-bearing long-term liabilities	41.1	326.4	434.8
Total long-term liabilities	81.6	365.0	470.9
Non-interest-bearing current liabilities	324.9	362.2	374.6
Interest-bearing current liabilities	775.7	488.6	347.5
Total current liabilities	1,100.6	850.8	722.1
Total equity and liabilities	2,036.7	2,041.1	2,012.3

As of 30 September 2011 loans from the Group's main banks are reported as interest-bearing current liabilities since the credit agreement expires within a year.

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
New share issue	208.1	-	208.1
Total comprehensive income for the period	-147.3	-	-147.3
Equity at the end of the third quarter 2010	825.3	-	825.3
Equity at year-end 2010	819.3	-	819.3
Total comprehensive income for the period	35.2	-	35.2
Equity at the end of the third quarter 2011	854.5	-	854.5

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	January – September	
	2011	2010
Net sales	–	–
Cost of products and services sold	–	–
Gross profit	–	–
Operating expenses	–14.3	–23.4
Operating result	–14.3	–23.4
Net financial items	–5.9	11.7
Result after net financial items	–20.2	–11.7
Income tax	6.4	5.5
Result for the period	–13.8	–6.2

A reversal of MSEK 14.7 of a previous reserve for a guarantee commitment is included in operating costs for the period January–September 2010.

MSEK	Third quarter		Last 12 months	Full year 2010
	2011	2010		
Net sales	–	–	–	–
Cost of products and services sold	–	–	–	–
Gross profit	–	–	–	–
Operating expenses	–6.6	–10.5	–20.3	–29.4
Operating result	–6.6	–10.5	–20.3	–29.4
Net financial items	–3.6	–2.2	–3.8	13.8
Result after net financial items	–10.2	–12.7	–24.1	–15.6
Income tax	2.7	3.3	7.8	6.9
Result for the period	–7.5	–9.4	–16.3	–8.7

Statements of comprehensive income

MSEK	January – September	
	2011	2010
Result for the period	–13.8	–6.2
Other comprehensive income	–	–
Total comprehensive income for the period	–13.8	–6.2

MSEK	Third quarter		Last 12 months	Full year 2010
	2011	2010		
Result for the period	–7.5	–9.4	–16.3	–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	–7.5	–9.4	–67.9	–60.3

Balance sheets

MSEK	Sep. 30 2011	Sep. 30 2010	Dec. 31 2010
Assets			
Fixed assets	1,279.0	1,268.1	1,272.4
Current assets	64.0	163.5	76.6
Total assets	1,343.0	1,431.6	1,349.0
Equity, provisions and liabilities			
Equity	686.9	754.8	700.7
Provisions	3.7	3.9	3.8
Long-term liabilities	0.1	146.3	238.2
Current liabilities	652.3	526.6	406.3
Total equity and liabilities	1,343.0	1,431.6	1,349.0

As of 30 September 2011 loans from the Group's main banks are reported as current liabilities since the credit agreement expires within a year.

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
New share issue	97.7	–	110.4	208.1
Total comprehensive income for the period	–	–	–6.2	–6.2
Equity at the end of the third quarter 2010	195.3	332.4	227.1	754.8
Equity at year-end 2010	195.3	332.4	173.0	700.7
Total comprehensive income for the period	–	–	–13.8	–13.8
Equity at the end of the third quarter 2011	195.3	332.4	159.2	686.9

Key ratios

Quarterly data

MSEK	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3
Net sales	423	434	443	491	406	409	401	455	381
Operating result	13	21	19	6	-62	-8	-12	-28	-21
Operating margin, %	3.0	4.8	4.3	1.1	-15.2	-2.0	-3.0	-6.2	-5.6
Result after financial items	4	14	12	-1	-71	-14	-19	-40	-28
Result after tax	3	9	11	-1	-52	-12	-19	-37	-17
Earnings per share, SEK ¹⁾	0.15	0.44	0.58	-0.07	-5.04	-1.21	-1.92	-3.79	-1.67
Operating cash flow	-12	12	18	-5	-14	-37	-34	8	-33
Cash flow per share, SEK ²⁾	-0.90	0.49	1.15	0.60	-0.24	-3.75	-3.11	3.22	-3.14
Depreciation	22	22	21	25	33	22	22	24	26
Net investments	8	8	10	22	21	9	17	24	12
Goodwill	847	840	831	836	843	863	868	895	889
Total assets	2,037	1,952	1,956	2,012	2,041	2,032	2,020	2,114	2,083
Equity	854	831	811	819	825	715	720	765	787
Equity per share, SEK	43.75	42.55	41.53	41.94	42.24	73.22	73.73	78.34	80.59
Net debt	750	721	718	732	722	906	868	837	836
Capital employed	1,605	1,551	1,529	1,552	1,548	1,621	1,588	1,602	1,622
Return on total assets, % ³⁾	4.0	5.8	5.5	1.7	-11.1	-1.5	-1.9	-5.3	-4.1
Return on equity, % ³⁾	1.4	4.2	5.5	-0.6	-27.0	-6.6	-10.0	-19.3	-8.1
Return on capital employed, % ³⁾	3.2	5.4	4.9	1.4	-15.6	-2.0	-3.0	-7.0	-4.6
Debt/equity ratio	0.9	0.9	0.9	0.9	0.9	1.3	1.2	1.1	1.1
Equity ratio, %	42.0	42.6	41.5	40.7	40.4	35.2	35.6	36.2	37.8
Interest coverage ratio ⁴⁾	2.4	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Number of employees at the end of the period	1,562	1,554	1,523	1,564	1,556	1,523	1,457	1,538	1,541

¹⁾ There is no dilution.

²⁾ Cash flow from operating activities per share, SEK.

³⁾ Return ratios have been annualized.

⁴⁾ 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	1,706	1,757	2,191	2,036	1,988
Result after financial items, MSEK	-105	-96	-34	184	-32
Result after tax, MSEK	-84	-74	-26	172	-49
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 – January – September

	2011 Jan – Sep	2010 Jan – Sep	2009 Jan – Sep	2008 Jan – Sep	2007 Jan – Sep ¹⁾
Net sales, MSEK	1,300	1,215	1,302	1,571	1,449
Result after tax, MSEK	23	–83	–37	4	109
Earnings per share, SEK ²⁾	1.17	–8.29	–3.78	0.41	11.50
Cash flow from operating activities per share, SEK	0.75	–6.99	2.40	1.27	3.55
Equity per share, SEK	43.75	42.24	80.59	86.97	80.66
Return on equity, % ³⁾	3.6	–13.8	–6.0	0.6	20.4
Return on capital employed, % ³⁾	4.4	–6.9	–2.5	3.8	13.8
Operating margin, %	4.0	–6.7	–2.4	3.0	9.8
Average number of shares, in thousands ⁴⁾	19,530	9,946	9,765	9,765	9,462

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 – third quarter

	2011 Q3	2010 Q3	2009 Q3	2008 Q3	2007 Q3
Net sales, MSEK	423	406	381	516	471
Result after tax, MSEK	3	–52	–17	–22	54
Earnings per share, SEK ¹⁾	0.15	–5.04	–1.67	–2.25	5.54
Cash flow from operating activities per share, SEK	–0.90	–0.24	–3.14	–2.69	–3.04
Equity per share, SEK	43.75	42.24	80.59	86.97	80.66
Return on equity, % ²⁾	1.4	–11.0	–8.1	–10.4	28.3
Return on capital employed, % ²⁾	3.2	–5.1	–4.6	–2.2	13.8
Operating margin, %	3.0	–15.2	–5.6	–1.7	11.5
Average number of shares, in thousands ³⁾	19,530	10,308	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.

Specific terms

Commercial printing	Printing production provided by printers that only produce for external customers as opposed to publishing and newspaper printers that produce their own material.
Digital print and digital print technique	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 and four color production.
Electronic Data Interchange (EDI)	The transfer of structured information according to an agreed-upon format. The acronym EDI refers often, but not always, to the transfer of information such as stock balances, catalogue information, orders, order confirmation, delivery notification and invoices between companies.
Fulfilment	This term is increasingly used, particularly in the automotive industry, to describe a number of steps in the process between printing and distribution. They can include packaging for end customers, bar-coding, adding other objects such as plastic cards etc.
Offset technique	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. For smaller editions (1,000 – 30,000) sheet-fed offset is used. In this process the paper is fed into the press page by page. Web offset is usually more efficient for larger editions (over 30,000). The press is fed from a roll of paper and the printed paper is then cut into sheets.
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, POD	With the help of high-speed printers printed matter can be produced as needed and in very small editions.
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.

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 and 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 handmade 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

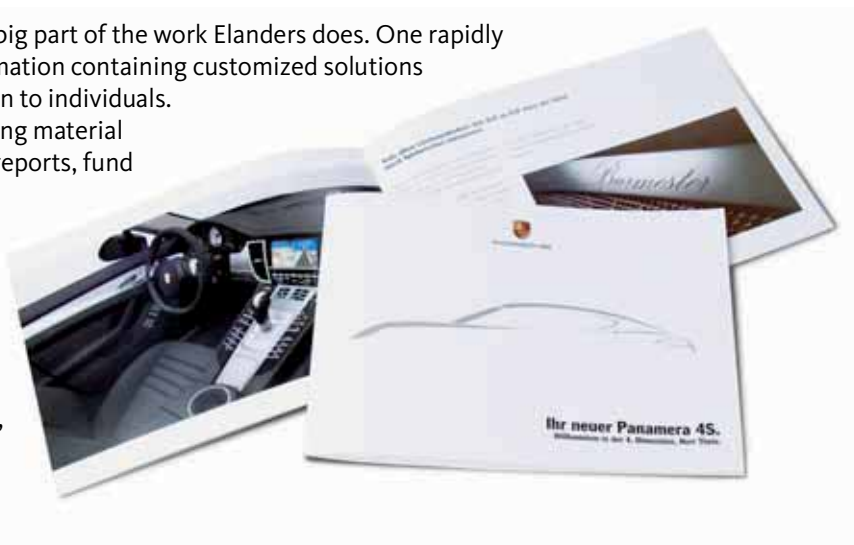
Digital technology has made it easier for everyone to express their personality or surprise with gifts that they have designed themselves. Today everybody is their own photographer, which has led to an increase in the orders for personalized photo books, canvases, almanacs and wallpaper. At Elanders 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

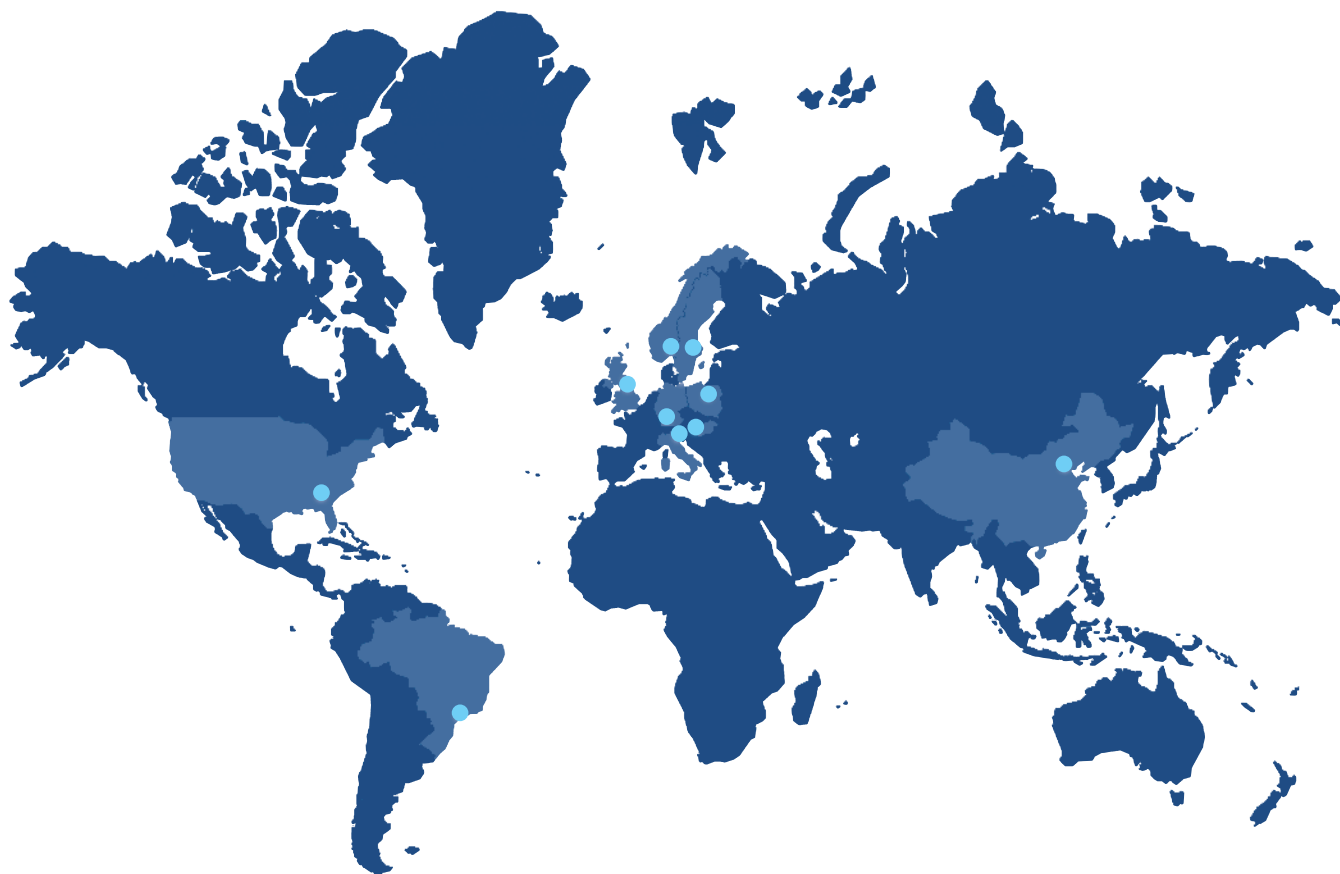
Several of the services that Elanders offers are included in the term Premedia and comprise the stages that come before printing and publishing. Some examples of arts and graphics services are layout, typography, image retouching and production of originals.

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 (Płońsk), Great Britain (Newcastle), Sweden (Falköping, Gothenburg, Malmö and Stockholm), Germany (Stuttgart), Hungary (Zalalövö and Jászberény) as well as the USA (Atlanta). Elanders is also represented through sales offices in a number of locations.

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