

YEAR-END REPORT 2015

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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.*

## CONTACT INFORMATION

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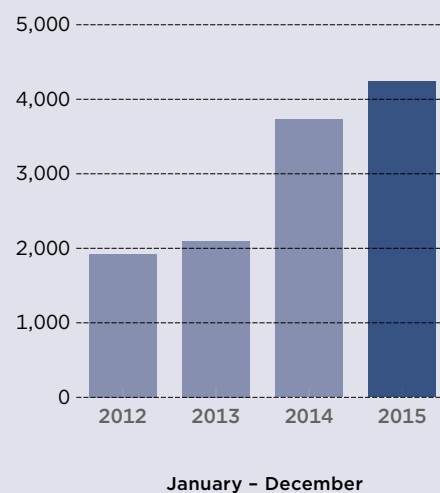
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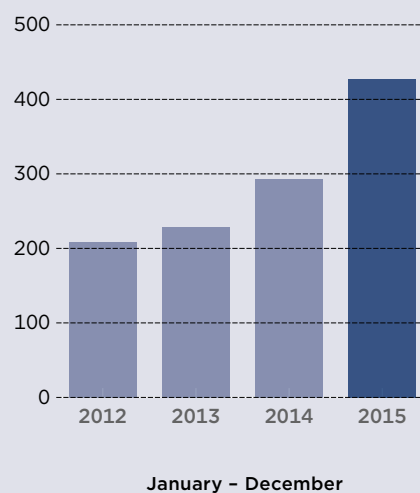
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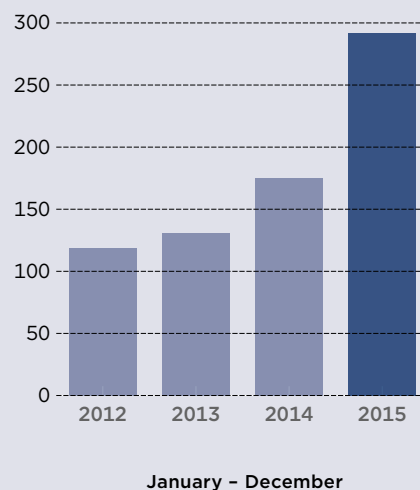
## NET SALES, MSEK



## EBITDA, MSEK



## OPERATING RESULT, MSEK



# January – December

- *Net sales increased by 14% and amounted to MSEK 4,236 (3,730).*
- *The operating result before depreciation (EBITDA) increased to MSEK 428 (292).*
- *The operating result (EBIT) increased to MSEK 292 (175), which is an improvement of 67% over the same period last year. The operating margin increased to 6.9 (4.7)%.*
- *One-off items charged the operating result for the period by MSEK -16 (-42).*
- *The result before tax increased to MSEK 259 (140), which is an improvement of 85%.*
- *The net result increased to MSEK 175 (88) corresponding to SEK 6.58 (3.48) per share.*
- *Operating cash flow increased to MSEK 344 (-38). Excluding acquisitions, the operating cash flow amounted to MSEK 344 (216).*
- *A contract was signed in December to acquire Schmid Druck, a niched packaging company in Germany, which is consolidated as of 1 January 2016.*
- *The Board proposes an increase in dividends to SEK 2.20 (1.10) per share, entailing an increase of 100%.*
- *Change in dividend policy: Dividends to shareholders will follow the long-term result development in the company and correspond on average to 30-50% of the result after tax (previously approx. 30%).*

## The fourth quarter

- *Net sales increased by 2% to MSEK 1,124 (1,099).*
- *The operating result before depreciation (EBITDA) increased to MSEK 154 (101).*
- *The operating result (EBIT) increased to MSEK 111 (71) while the operating margin increased to 9.9 (6.4)%.*
- *One-off items charged the operating result for the period by MSEK -16 (-38).*
- *The result before tax increased to MSEK 105 (62).*
- *The net result increased to MSEK 73 (45) corresponding to SEK 2.77 (1.70) per share.*
- *Operating cash flow increased to MSEK 237 (175).*

# Comments by the CEO

It is with great satisfaction that we report Elanders' best quarterly and annual result ever! We are pleased to see the continued excellent development in Supply Chain Solutions with organic growth and a much better result than the previous year. We continue to grow with our existing customers. Combined with ever increasing new sales this has led to the strong development in Elanders' result. The result in Print & Packaging Solutions has also improved compared to last year due to the structural measures carried out in 2014. Not only that, we increased our market shares and developed our offer which is very positive considering the drop in demand for printed matter. e-Commerce Solutions had a slightly weaker result during the first three quarters than in previous years. However, there was a strong recovery in the fourth quarter.

All in all the Group operating result for 2015 improved by 67 percent and landed at MSEK 292 compared with MSEK 175 the previous year. Cash flow has been strong in 2015, operating cash flow was MSEK 344, of which the fourth quarter contributed MSEK 237. We have particularly worked on improving cash flow over the past few years through such actions as optimizing investments as well as consolidating our production capacity. Our efforts to achieve our own long-term goal of keeping the ratio of net

debt in relationship to the rolling twelve month EBITDA under 3.0 has also been successful. At the end of the year the ratio was 1.7. This is especially positive considering the size of the Mentor Media acquisition in 2014. We are also pleased that we achieved 13% on capital employed, surpassing our long-term goal of 10%.

Elanders now has an entirely different position than six years ago when our operations consisted to 95% of printed matter. We have successfully transformed into a global supplier of integrated solutions. We have dramatically expanded our customer base, engaged in a large number of strategic discussions and the amount of global business is rising. Despite volatile market conditions I am cautiously optimistic. Elanders has the potential to grow both organically and through acquisitions in the coming years. As we begin 2016 we are well prepared to continue our work on developing a global and integrated Elanders.



Magnus Nilsson  
President and Chief Executive Officer

## ■ THREE YEAR OVERVIEW

MSEK	Full year			Fourth quarter		
	2015	2014	2013	2015	2014	2013
Net sales	4,236	3,730	2,096	1,124	1,099	598
Operating expenses	-3,944	-3,555	-1,965	-1,013	-1,028	-544
<b>Operating result</b>	<b>292</b>	<b>175</b>	<b>131</b>	<b>111</b>	<b>71</b>	<b>54</b>
Net financial items	-33	-35	-29	-6	-8	-7
<b>Result after financial items</b>	<b>259</b>	<b>140</b>	<b>102</b>	<b>105</b>	<b>62</b>	<b>47</b>

# Group

### OUR BUSINESS

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

### NET SALES AND RESULT

#### January-December

Compared to the same period last year net sales increased by MSEK 506 to MSEK 4,236, i.e. 14%. The increase is primarily due to the development of the American dollar. If constant exchange rates were used net sales decreased by 1%. Sales in business area Print & Packaging Solutions decreased by 6% but this was compensated by organic growth in Supply Chain Solutions.

The operating result increased to MSEK 292 (175), corresponding to an operating margin of 6.9 (4.7)%. Exchange rates have had a positive effect on profit of about MSEK 43 but since most of our interest costs

are in USD and EUR this effect has been somewhat reduced in the net result. The operating result was charged with one-off items of MSEK -16 (-42) primarily due to writedowns of unused machines in Asia as well as the acquisition of Schmid Druck, a niched packaging company in Germany. One-off items in 2014 were primarily the cost of restructuring the Swedish operations of Print & Packaging Solutions

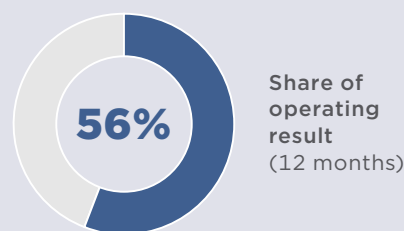
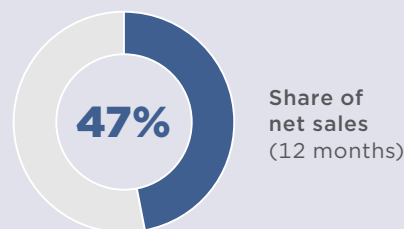
#### Fourth quarter

During the fourth quarter net sales increased by MSEK 25 to 1,124 (1,099), i.e. 2% compared to the same period last year. Organic net sales contracted by around 6%, primarily in Print & Packaging Solutions. The operating result improved and increased to MSEK 111 (71), which corresponded to an operating margin of 9.9 (6.4)%. Adjusted for one-off items of MSEK -16 (-38) the operating result was MSEK 127 (109). The difference in the exchange rates compared to last year had a positive effect on the operating result of about MSEK 10. However, since most of our interest costs are in USD and EUR this effect has been reduced in the net result.

## SUPPLY CHAIN SOLUTIONS

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

The positive trend has continued in business area Supply Chain Solutions. The business area grew organically by nearly 9% in 2015 and the operating margin continued to improve as well. The operating result for the business area during the period 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 with both new and existing customers that includes services from all our business areas.

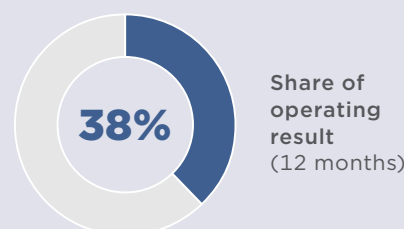
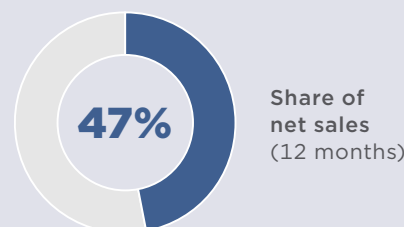


Supply Chain Solutions	Full year		Fourth quarter	
	2015	2014	2015	2014
Net sales, MSEK	2,045.0	1,525.2	526.1	457.7
Operating result, MSEK	181.9	106.4	59.9	43.7
Operating margin, %	8.9	7.0	11.4	9.5
ROCE (12m), %	42.1	27.1	-	-
Average number of employees	1,430	1,506	1,423	1,535

## 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.*

For years now the market for business area Print & Packaging has been weighed down by tough price pressure, contracting total volumes and overcapacity. Some of the Group's largest customers are active in mining and construction industry and therefore fewer orders from these industries has also had a negative effect on sales. Despite this several units in the business area produced significantly better numbers, particularly Print & Packaging Europe. The effects of the structural measures taken during the fourth quarter of 2014 in the Swedish operations can still be seen in the result of this area. In combination with consciously selected volumes this has led to a noticeable improvement in results and margins. Print & Packaging Asia has continued to struggle with diminishing demand from one of its larger customers which has had a negative effect on net sales and the result.

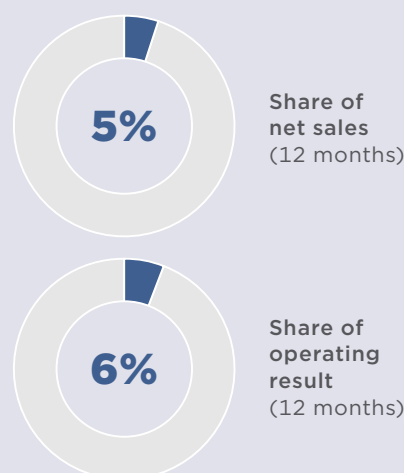


Print & Packaging Solutions	Full year		Fourth quarter	
	2015	2014	2015	2014
Net sales, MSEK	2,053.7	2,029.5	527.3	563.7
Operating result, MSEK	122.3	71.2	35.4	9.9
Operating margin, %	6.0	3.5	6.7	1.8
ROCE (12m), %	7.7	4.1	-	-
Average number of employees	1,676	1,764	1,669	1,754

## E-COMMERCE SOLUTIONS

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

The business area has substantial seasonal sales variations and the fourth quarter is by and far the strongest. Normally nearly all revenue for the year occurs in this quarter which was the case this year as well. After three weak quarters a very strong recovery in the fourth quarter led to a good result for the full year of 2015.



e-Commerce Solutions	Full year		Fourth quarter	
	2015	2014	2015	2014
Net sales, MSEK	237.0	263.3	112.1	121.6
Operating result, MSEK	18.4	23.9	23.1	25.5
Operating margin, %	7.8	9.1	20.6	21.0
ROCE (12m), %	13.6	20.2	-	-
Average number of employees	67	81	69	69

## IMPORTANT EVENTS DURING THE PERIOD

### Book VAT

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

On 22 December 2015 the Supreme Court of Sweden rendered a judgement which stated that customers have the legal right to demand compensation from the printing company as a result of the consequential amendments made by the Swedish Tax Agency on them. Nonetheless, this verdict is not expected to have any negative effect on either Elanders' result or financial position. The sum Elanders

can be required to pay to customers has already been reported as an interest-bearing liability and is included in net debt.

### Acquisitions

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

## INVESTMENTS AND DEPRECIATION

### January-December

Net investments for the year amounted to MSEK 42 (296), of which acquisitions were MSEK 0 (254). Investments for the period refer primarily to replacement investments in production plants. Depreciation and write-downs amounted to MSEK 136 (118).

# GROUP, PARENT COMPANY & OTHER INFORMATION

## Fourth quarter

Net investments for the quarter amounted to MSEK 14 (7), depreciation and write-downs to MSEK 43 (30).

## FINANCIAL POSITION, CASH FLOW AND FINANCING

Group net debt per 31 December 2015 was MSEK 738 compared to MSEK 895 at the beginning of the year. In the net change is an increase of MSEK 40 due to a weakening of the Swedish crown against primarily the US dollar. Operating cash flow, excluding acquisitions, for the year amounted to MSEK 344 (216). Operating cash flow in the fourth quarter was MSEK 236 (175).

Net debt in relation to rolling twelve month EBITDA decreased to 1.7 compared to 3.1 at the beginning of the year.

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 MUS\$ 75, i.e. a total of SEK 1.4 billion. 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

### January-December

The average number of employees during the year was 3,182 (3,360), of which 276 (319) were in Sweden. At the end of the period the Group had 3,177 (3,320) employees, of which 277 (281) in Sweden.

### Fourth quarter

During the fourth quarter the average number of employees was 3,170 (3,332), of which 280 (292) in Sweden.

## Parent Company

The parent company has provided joint Group services during the period. The average number of employees during the period was 9 (8) and at the end of the year 9 (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. Historically the fourth quarter have been the strongest.

#### **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 2016.

#### **DIVIDEND POLICY**

The Board has decided to change Elanders' dividend policy. The previous wording was that dividends to shareholders would follow the long-term development of the company and on the average correspond to around 30% of the result after tax. The new policy states that dividends to shareholders will follow the long-term development of the company and on the average correspond to between 30–50% of the result after tax.

#### **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.

#### **NOMINATION COMMITTEE**

The nomination committee for the Annual General Meeting on 28 April 2016 is as follows:

Carl Bennet, Chair	Carl Bennet AB
Hans Hedström	Carnegie Funds
Britt-Marie Årenberg	representative for the smaller shareholders

#### **FUTURE REPORTS FROM ELANDERS**

Q1 2016	28 April 2016
Q2 2016	13 July 2016
Q3 2016	20 October 2016

# CONSOLIDATED FINANCIAL STATEMENTS

## INCOME STATEMENTS

MSEK	Full year		Fourth quarter	
	2015	2014	2015	2014
Net sales	4,236.1	3,730.1	1,123.6	1,098.8
Cost of products and services sold	-3,252.0	-2,897.4	-822.0	-840.4
<b>Gross profit</b>	<b>984.1</b>	<b>832.7</b>	<b>301.6</b>	<b>258.4</b>
Sales and administrative expenses	-717.6	-679.8	-191.3	-192.3
Other operating income	51.1	32.8	12.8	9.5
Other operating expenses	-25.7	-11.1	-12.0	-5.1
<b>Operating result</b>	<b>291.9</b>	<b>174.6</b>	<b>111.0</b>	<b>70.5</b>
Net financial items	-32.6	-34.7	-6.1	-8.3
<b>Result after financial items</b>	<b>259.3</b>	<b>139.9</b>	<b>104.9</b>	<b>62.2</b>
Income tax	-84.8	-52.1	-31.5	-17.0
<b>Result for the period</b>	<b>174.5</b>	<b>87.8</b>	<b>73.4</b>	<b>45.2</b>
<b>Result for the period attributable to:</b>				
- parent company shareholders	174.5	87.8	73.4	45.2
<i>Earnings per share, SEK<sup>1) 2) 3)</sup></i>	<i>6.58</i>	<i>3.48</i>	<i>2.77</i>	<i>1.70</i>
<i>Average number of shares, in thousands<sup>3)</sup></i>	<i>26,518</i>	<i>25,204</i>	<i>26,518</i>	<i>26,518</i>
<i>Outstanding shares at the end of the year, in thousands<sup>3)</sup></i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>

<sup>1)</sup> Earnings per share before and after dilution.

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

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

## STATEMENTS OF COMPREHENSIVE INCOME

MSEK	Full year		Fourth quarter	
	2015	2014	2015	2014
<b>Result for the period</b>	<b>174.5</b>	<b>87.8</b>	<b>73.4</b>	<b>45.2</b>
Translation differences, net after tax	38.7	180.9	-23.9	85.7
Cash flow hedges, net after tax	0.1	2.0	0.0	-0.6
Hedging of net investment abroad, net after tax	-43.9	-64.5	-6.4	-27.3
<b>Total items that may be reclassified to the income statement</b>	<b>-5.1</b>	<b>118.4</b>	<b>-30.3</b>	<b>57.8</b>
<b>Other comprehensive income</b>	<b>-5.1</b>	<b>118.4</b>	<b>-30.3</b>	<b>57.8</b>
<b>Total comprehensive income for the period</b>	<b>169.4</b>	<b>206.2</b>	<b>43.1</b>	<b>103.0</b>
<b>Total comprehensive income attributable to:</b>				
- parent company shareholders	169.4	206.2	43.1	103.0

## STATEMENTS OF CASH FLOW

MSEK	Full year		Fourth quarter	
	2015	2014	2015	2014
<b>Result after financial items</b>	<b>259.3</b>	<b>139.9</b>	<b>104.9</b>	<b>62.2</b>
Adjustments for items not included in cash flow	101.6	172.2	70.8	78.4
Paid tax	-84.9	-61.2	-9.4	-15.1
Changes in working capital	-7.5	-89.1	68.7	33.5
<b>Cash flow from operating activities</b>	<b>268.5</b>	<b>161.8</b>	<b>235.0</b>	<b>159.0</b>
Net investments in intangible and tangible assets	-45.9	-43.7	-15.1	-7.7
Acquisition of operations	-	-254.2	-	-
Payments received regarding long-term holdings	4.3	2.2	1.3	0.6
<b>Cash flow from investing activities</b>	<b>-41.7</b>	<b>-295.7</b>	<b>-13.9</b>	<b>-7.1</b>
Amortization of loans	-106.9	-215.2	-27.6	-51.8
Changes in long- and short-term borrowing	-18.2	438.6	-24.3	-6.3
New share issue	-	121.0	-	-
Dividend to parent company shareholders	-29.2	-18.2	-	-
<b>Cash flow from financing activities</b>	<b>-154.3</b>	<b>326.2</b>	<b>-51.9</b>	<b>-58.1</b>
<b>Cash flow for the period</b>	<b>72.5</b>	<b>192.3</b>	<b>169.2</b>	<b>93.8</b>
Liquid funds at the beginning of the period	456.7	215.3	372.2	337.5
Translation difference	-0.3	49.0	-12.5	25.3
<b>Liquid funds at the end of the period</b>	<b>529.0</b>	<b>456.7</b>	<b>529.0</b>	<b>456.7</b>
<b>Net debt at the beginning of the period</b>	<b>895.3</b>	<b>738.9</b>	<b>951.3</b>	<b>1,015.7</b>
Translation difference in net debt	40.5	76.4	8.8	31.2
Net debt in acquired operations	-	-93.5	-	-
Change in net debt	-198.1	173.6	-222.4	-151.5
<b>Net debt at the end of the period</b>	<b>737.7</b>	<b>895.3</b>	<b>737.7</b>	<b>895.3</b>
<b>Operating cash flow</b>	<b>344.3</b>	<b>-38.0</b>	<b>236.7</b>	<b>175.4</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENTS OF FINANCIAL POSITION

### ASSETS

MSEK	December 31	
	2015	2014
Intangible assets	1,268.8	1,296.7
Tangible assets	333.9	392.3
Other fixed assets	199.0	190.9
<b>Total fixed assets</b>	<b>1,801.6</b>	<b>1,879.8</b>
Inventories	265.9	253.5
Accounts receivable	824.6	843.8
Other current assets	138.7	136.0
Cash and cash equivalents	529.0	456.7
<b>Total current assets</b>	<b>1,758.2</b>	<b>1,690.0</b>
<b>Total assets</b>	<b>3,559.8</b>	<b>3,569.8</b>

### EQUITY AND LIABILITIES

MSEK	December 31	
	2015	2014
<b>Equity</b>	<b>1,488.0</b>	<b>1,347.7</b>
<b>Liabilities</b>		
Non-interest-bearing long-term liabilities	83.2	86.1
Interest-bearing long-term liabilities	19.7	25.0
<b>Total long-term liabilities</b>	<b>102.9</b>	<b>111.1</b>
Non-interest-bearing current liabilities	701.1	784.0
Interest-bearing current liabilities	1,247.0	1,327.1
<b>Total current liabilities</b>	<b>1,948.1</b>	<b>2,111.1</b>
<b>Total equity and liabilities</b>	<b>3,539.0</b>	<b>3,569.8</b>

## STATEMENTS OF CHANGES IN EQUITY

MSEK	Equity attributable to parent company shareholders	Total equity
<b>Opening balance on 1 Jan. 2014</b>	<b>1,038.6</b>	<b>1,038.6</b>
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
<b>Closing balance on 31 Dec. 2014</b>	<b>1,347.7</b>	<b>1,347.7</b>
<b>Opening balance on 1 Jan. 2015</b>	<b>1,347.7</b>	<b>1,347.7</b>
Dividend to parent company shareholders	-29.2	-29.2
Total comprehensive income for the year	169.4	169.4
<b>Closing balance on 31 Dec. 2015</b>	<b>1,488.0</b>	<b>1,488.0</b>

## 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	Full year		Fourth quarter	
	2015	2014	2015	2014
Supply Chain Solutions	2,045.0	1,525.2	526.1	457.7
Print & Packaging Solutions	2,053.7	2,029.5	527.3	563.7
e-Commerce Solutions	237.0	263.3	112.1	121.6
Group functions	26.9	24.3	8.4	8.0
Eliminations	-126.5	-112.2	-50.3	-52.2
<b>Group net sales</b>	<b>4,236.1</b>	<b>3,730.1</b>	<b>1,123.6</b>	<b>1,098.8</b>

### OPERATING RESULT

MSEK	Full year		Fourth quarter	
	2015	2014	2015	2014
Supply Chain Solutions	181.9	106.4	59.9	43.7
Print & Packaging Solutions	122.3	71.2	35.4	9.9
e-Commerce Solutions	18.4	23.9	23.1	25.5
Group functions	-30.7	-26.9	-7.4	-8.6
<b>Group operating result</b>	<b>291.9</b>	<b>174.6</b>	<b>111.0</b>	<b>70.5</b>

## 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	December 31	
	2015	2014
Other current assets - Derivative instruments in hedge accounting relationships	0.1	-
Non-interest-bearing current liabilities - Derivative instruments in hedge accounting relationships	-	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	Full year		Fourth quarter	
	2015	2014	2015	2014
Net sales	26.4	24.3	7.6	8.0
Operating expenses	-55.7	-54.5	-15.7	-21.0
<b>Operating result</b>	<b>-29.3</b>	<b>-30.2</b>	<b>-8.1</b>	<b>-13.0</b>
Net financial items	83.5	-19.1	-7.6	-9.8
<b>Result after financial items</b>	<b>54.2</b>	<b>-49.3</b>	<b>-15.7</b>	<b>-22.8</b>
Appropriations	-	-69.5	-	-69.5
Income tax	15.3	40.3	2.2	25.8
<b>Result for the period</b>	<b>69.5</b>	<b>-78.5</b>	<b>-13.5</b>	<b>-66.5</b>

## STATEMENTS OF COMPREHENSIVE INCOME

MSEK	Full year		Fourth quarter	
	2015	2014	2015	2014
<b>Result for the period</b>	<b>69.5</b>	<b>-78.5</b>	<b>-13.5</b>	<b>-66.5</b>
Other comprehensive income	-	1.4	-	-
<b>Total comprehensive income for the period</b>	<b>69.5</b>	<b>-77.1</b>	<b>-13.5</b>	<b>-66.5</b>

## BALANCE SHEETS

MSEK	December 31	
	2015	2014
<b>ASSETS</b>		
Fixed assets	2,055.7	2,078.9
Current assets	212.8	133.1
<b>Total assets</b>	<b>2,268.5</b>	<b>2,212.0</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>		
Equity	902.0	861.7
Provisions	2.9	2.9
Long-term liabilities	70.6	70.6
Current liabilities	1,293.0	1,276.7
<b>Total equity, provisions and liabilities</b>	<b>2,268.5</b>	<b>2,212.0</b>

## STATEMENTS OF CHANGES IN EQUITY

MSEK	Share capital	Statutory reserve	Retained earnings and result for the period	Total equity
<b>Opening balance on 1 Jan. 2014</b>	<b>227.3</b>	<b>332.4</b>	<b>276.4</b>	<b>836.1</b>
Dividend	-	-	-18.2	-18.2
New share issue	37.9	-	83.1	121.0
Total comprehensive income for the year	-	-	-77.1	-77.1
<b>Closing balance on 31 Dec. 2014</b>	<b>265.2</b>	<b>332.4</b>	<b>264.2</b>	<b>861.8</b>
<b>Opening balance on 1 Jan. 2015</b>	<b>265.2</b>	<b>332.4</b>	<b>264.2</b>	<b>861.8</b>
Dividend	-	-	-29.2	-29.2
Total comprehensive income for the year	-	-	69.5	69.5
<b>Closing balance on 31 Dec. 2015</b>	<b>265.2</b>	<b>332.4</b>	<b>304.4</b>	<b>902.0</b>

# QUARTERLY DATA

## QUARTERLY DATA

MSEK	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4
Net sales	1,124	1,041	1,066	1,006	1,099	870	910	850	598
EBITDA	154	95	93	85	101	56	69	66	78
Operating result	111	64	63	54	71	27	40	37	54
Operating margin, %	9.9	6.2	5.9	5.4	6.4	3.1	4.4	4.4	9.0
Result after financial items	105	55	55	44	62	18	32	28	46
Result after tax	73	36	38	27	45	11	15	16	35
Earnings per share, SEK <sup>1) 2)</sup>	2.77	1.35	1.43	1.04	1.70	0.43	0.61	0.69	1.49
Operating cash flow	237	-24	116	16	175	-21	81	-273	104
Cash flow per share, SEK <sup>2) 3)</sup>	8.86	-1.99	3.96	-0.71	6.00	-1.04	2.74	-1.55	4.24
Depreciation and write-downs	43	31	30	31	30	29	29	29	24
Net investments	14	7	19	2	7	8	10	270	13
Goodwill	1,200	1,217	1,209	1,224	1,205	1,168	1,150	1,127	1,090
Total assets	3,539	3,547	3,504	3,629	3,570	3,336	3,277	3,116	2,464
Equity	1,488	1,445	1,409	1,433	1,348	1,245	1,203	1,053	1,039
Equity per share, SEK <sup>2)</sup>	56.11	54.48	53.13	54.03	50.82	46.93	45.36	45.01	44.39
Net debt	738	951	882	945	895	1,016	949	1,107	739
Capital employed	2,226	2,396	2,291	2,378	2,243	2,260	2,151	2,161	1,777
Return on total assets, % <sup>4)</sup>	12.6	7.3	7.1	6.0	8.2	3.3	5.1	5.4	9.1
Return on equity, % <sup>4)</sup>	20.0	10.0	10.7	7.9	14.0	3.7	5.3	6.2	13.8
Return on capital employed, % <sup>4)</sup>	19.2	10.9	10.8	9.3	12.5	4.9	7.4	7.6	12.1
Debt/equity ratio	0.5	0.7	0.6	0.7	0.7	0.8	0.8	1.1	0.7
Equity ratio, %	42.0	40.7	40.2	39.5	37.8	37.3	36.7	33.8	42.2
Interest coverage ratio <sup>5)</sup>	12.7	10.0	7.2	5.9	5.0	4.6	5.1	5.2	5.3
Number of employees at the end of the period	3,177	3,182	3,166	3,146	3,320	3,327	3,389	3,372	1,898

<sup>1)</sup> There is no dilution.

<sup>2)</sup> Historic key ratios have been adjusted for the bonus issue element in the new share issue in 2014.

<sup>3)</sup> Cash flow per share refers to cash flow from operating activities.

<sup>4)</sup> Return ratios have been annualized.

<sup>5)</sup> Interest coverage ratio calculation is based on a moving 12 month period.



## FIVE YEAR OVERVIEW - THE FULL YEAR

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

<sup>1)</sup> There is no dilution.

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

<sup>3)</sup> Proposed by the board.

## FIVE YEAR OVERVIEW - THE FOURTH QUARTER

	2015	2014	2013	2012	2011
Net sales, MSEK	1,124	1,099	598	527	538
Result after tax, MSEK	73	45	35	8	37
Earnings per share, SEK <sup>1) 2)</sup>	2.77	1.70	1.49	0.35	1.87
Cash flow from operating activities per share, SEK <sup>2)</sup>	8.86	6.00	4.24	5.42	3.47
Equity per share, SEK <sup>2)</sup>	56.11	50.82	44.39	40.77	43.75
Return on equity, % <sup>3)</sup>	20.0	14.0	9.1	3.5	17.3
Return on capital employed, % <sup>3)</sup>	19.2	12.5	13.8	11.9	14.5
Operating margin, %	9.9	6.4	9.0	9.0	10.6
Average number of shares, in thousands <sup>2)</sup>	26,518	26,518	23,395	23,395	20,102

<sup>1)</sup> There is no dilution.

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

<sup>3)</sup> Return ratios have been annualized.

# 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.

## EBITDA

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

## 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 (ROCE)

Operating result in relation to average capital employed.

## Return on equity

Result for the year in relation to average equity.

## Return on total assets

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

## 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.



*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.*

