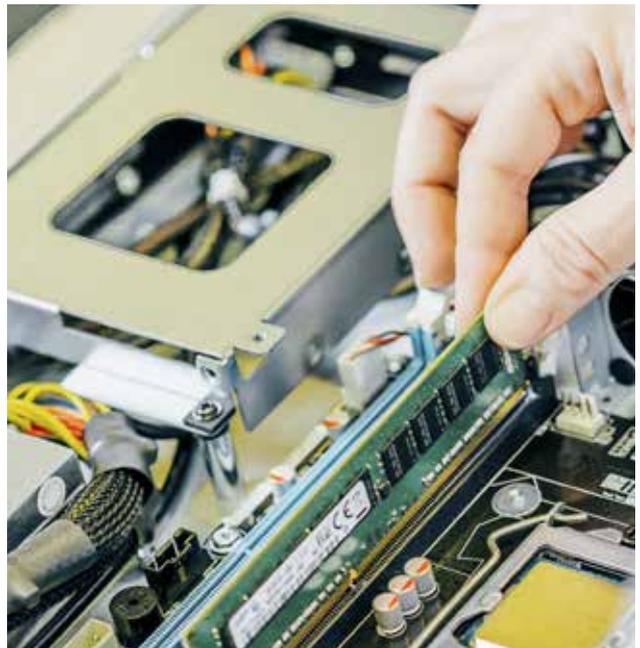


INVITATION TO SUBSCRIBE FOR SHARES IN ELANDERS AB (PUBL)



Nordea

S|E|B

IMPORTANT INFORMATION

This prospectus has been prepared by Elanders AB (publ) in accordance with the Swedish Financial Instruments Trading Act (1991:1980) (Sw. *lagen (1991:1980) om handel med finansiella instrument*) and the Commission's Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council. This document is a translation of the Swedish prospectus that has been approved by and registered with the Swedish Financial Supervisory Authority ("SFSA") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act. The approval of and registration with the SFSA do not imply that the SFSA guarantees that the factual information provided herein is correct or complete. In the event of any inconsistencies between the English and Swedish language versions, the Swedish language version shall prevail.

The Offer pursuant to the Prospectus is not, directly or indirectly, directed at shareholders or other investors resident in the United States, Australia, Japan or Canada. Further, this Prospectus does not constitute an offer to sell the New Shares, the interim shares ("BTA") or the subscription rights to any person in any jurisdiction in which such offer is unlawful or where such an offer would require additional prospectuses, registration or measures other than those pursuant to Swedish law. The Prospectus, application form or other documents associated with the Offer may not be distributed in or to any country where such distribution or the Offer would require such actions set forth in the preceding sentence or be in violation of the regulations of such country. The New Shares, BTAs and subscription rights have not been recommended or approved by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States. No New Shares, BTAs, subscription rights or other securities issued by Elanders have been or will be registered under the U.S. Securities Act of 1933, as amended, or under any other securities legislation in any state of the U.S. Accordingly, no New Shares, BTAs, subscription rights or other securities issued by Elanders may be transferred, exercised or offered for sale in the United States, other than in such exceptional cases that do not require registration or in a transaction not subject to such registration. There is no intention to register any portion of the Offer in the U.S. and the securities issued in the Offer will not be offered to the public in the United States.

The Company has not authorized any offer of securities referred to in this Prospectus to the public in any country in the European Economic Area ("EEA") other than Sweden. In other member states in the EEA the offer is only directed at (i) professional investors as defined in the Directive 2003/71/EC of the European Parliament and of the Council (the "Prospectus Directive") or (ii) in any other circumstances falling within Article 3(2) of the Prospectus Directive.

In the United Kingdom, this offer is only being communicated to and is only directed at "qualified investors" (as defined in section 86(7) of the Financial Services and Markets Act 2000) who are (i) investment professionals falling within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

Nordea Bank AB (publ) ("Nordea") and Skandinaviska Enskilda Banken AB (publ) ("SEB") are acting for Elanders and no one else in connection with the Offer and will not be responsible to anyone other than Elanders for providing the protections afforded to their respective clients or for providing advice in relation to the Offer or any other matter referred to in this announcement.

Anyone who is to make an investment decision must rely on their own assessment of Elanders and the Offer according to the Prospectus, including the merits and risks involved, and investors must rely solely on the information contained in the Prospectus or any supplements to the Prospectus. The distribution of the Prospectus entails neither that the information is current and up-to-date as per any date other than the date of this Prospectus, nor that Elanders' business has remained unchanged since this date. Should any material change occur in the information contained in the Prospectus, such material change will be published in accordance with the provisions on supplements to prospectuses as stipulated in the Swedish Financial Instruments Trading Act (1991:1980).

The board of directors of Elanders is responsible for the Prospectus. Information in respect of the board is provided in the section "Board of directors, senior executives and auditors". The Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus.

FORWARD-LOOKING STATEMENTS AND MARKET DATA

The Prospectus contains certain forward-looking statements that reflect Elanders' current views and expectations of future events as well as its financial and operational development. Words such as "intended", "assessed", "expected", "can", "plan", "estimate" and other expressions that relate to indications or predictions concerning future developments or trends and that are not based on historical facts constitute forward-looking information. Although Elanders consider that these statements are based on reasonable assumptions and expectations, Elanders cannot guarantee that such forward-looking statements will be realized. Since these forward-looking statements encompass both known and unknown risks and uncertainties, the actual outcome may differ considerably from what is stated in the forward-looking information.

Other factors that could result in Elanders' actual profit from operations or its actual performance deviate from the content of the forward-looking statements include, but are not limited to, anything that is described in the "Risk factors" section. Forward-looking statements in the Prospectus apply solely to the date of the Prospectus. Elanders makes no undertaking that it will disclose updates or revisions of forward-looking statements due to new information, future events or other such matters above and beyond what is required according to applicable laws.

The Prospectus also contains information about the markets in which Elanders is active and about Elanders' competitive status in these markets, including information about the size of the markets and market shares. Elanders is of the opinion that the information in the Prospectus about market sizes and market shares constitutes fair and appropriate estimates of the size of the markets in which Elanders is active and fairly reflects the Company's competitive status in these markets. However, the information has not been confirmed by any independent party and Elanders cannot guarantee that a third party using other methods for collecting, analyzing or compiling market information would arrive at the same conclusions. In addition, certain information is based on estimates made by Elanders. In the case of information in the Prospectus that was obtained from third parties, such information has been accurately reproduced and, as far as the Company is aware and has been able to ascertain by means of comparison with other information published by such a third party, no information has been omitted that could render the reproduced information inaccurate or misleading.

PRESENTATION OF FINANCIAL INFORMATION

Elanders' interim report for the period January - June 2016 has been incorporated in the Prospectus in its entirety. The interim report has not been audited by the Company's auditors. Elanders' financial statements and auditors' reports for the 2015, 2014 and 2013 financial years are incorporated in the Prospectus through reference and constitute part of the Prospectus. The financial statements for 2015, 2014 and 2013 have been audited by the Company's auditors. The consolidated financial statements have been prepared in compliance with the EU-approved International Financial Reporting Standards (IFRS) and with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The prospectus contains certain key performance indicators that are not required or prepared in accordance with IFRS. Such key performance indicators are nevertheless provided in the Prospectus as Elanders believes these figures to be important in connection with investors' assessment of the Company and the Offer. These key performance indicators are however not audited by the Company's auditors and must not be considered as substitutes for information prepared in accordance with IFRS. Since companies do not always calculate these key performance indicators in the same manner, it is not certain that the key performance indicators in question are comparable to other companies' key performance indicators with the same names.

Certain financial and other figure-based information that is presented in the Prospectus has been rounded off to make the information easily comprehensible to the reader. Accordingly, it could be the case that the figures in certain tables do not tally with the total amount specified. All financial figures are expressed in Swedish kronor unless otherwise stated and the words "SEK" or "kronor" refer to Swedish kronor. "GBP" refers to pounds sterling, "EUR" to Euros, "USD" to US dollars and "CNY" to Chinese yens.

With the exception of the Company's financial statements for the 2015, 2014 and 2013 financial years as well as the pro-forma financial statements presented in the Prospectus, no information in the Prospectus has been audited or examined by the Company's auditor.

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SUMMARY OF TERMS AND CONDITIONS

Pre-emptive rights:

Three existing class A or class B shares, respectively, entitle to subscription for one new class A or class B share, respectively.

Subscription price:

SEK 80 per share.

Record date:

30 September 2016.

Subscription period:

3–17 October 2016.

Trading in subscription rights:

4–13 October 2016.

Trading in paid subscription shares ("BTA"):

4–26 October 2016.

FINANCIAL CALENDAR:

7 November 2016:

Quarterly report for the third quarter 2016.

26 January 2017:

Year-end report for the financial year 2016.

26 April 2017:

Annual General Meeting 2017.

DEFINITIONS:

Elanders or the Company:

Refers to Elanders AB (publ), Reg. No. 556008-1621, or, depending on the context, the Group in which Elanders AB (publ) is the parent company.

The Offer:

Refers to the Offer to subscribe for New Shares in Elanders as described in the Prospectus.

LGI:

LGI Logistics Group International GmbH including subsidiaries.

New Shares:

Refers to the new shares in Elanders that are being issued through the Offer.

The Prospectus:

Refers to this prospectus.

As a shareholder in Elanders, you will receive subscription rights. Note that the subscription rights are expected to have a financial value.

To ensure that the value of the subscription rights is not lost, the holder must either:

- exercise the subscription rights to subscribe for New Shares no later than 17 October 2016, or in accordance with instructions received from the subscriber's trustee; or
- sell those subscription rights that are not to be exercised no later than 13 October 2016.

Note that shareholders with holdings held in the name of a trustee (i.e. held in custody by a bank or a securities institution) subscribe for New Shares through the trustee concerned.

Also note that it is possible to subscribe for a larger number of New Shares than the number for which subscription rights have been received. Refer further to the section "Terms and instructions".

Summary

INTRODUCTION

In accordance with information requirements, the summary has been compiled in the form of a number of “points” that are to contain certain information. These points are numbered in sections A – E (A.1 – E.7). This summary contains all the points that are required to be included in a summary for the securities and issuer of this type. Since certain points need not be included, there are gaps in the numbering of the points.

Even if a certain point is required to be included in the summary for securities and issuers of the type in question, it could be the case that no relevant information is available concerning such a point. In that case, the summary contains a brief description of the point in question, together with the designation “Not applicable”.

SECTION A – INTRODUCTION AND WARNINGS

A.1	Introduction and warnings	<p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor could, under the national legislation of the Member States, have to defray the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Financial intermediaries	Not applicable. The Offer does not include financial intermediaries.

SECTION B – ISSUER

B.1	Registered name of the company and trading symbol	The registered name of the Company is Elanders AB (publ), Reg. No. 556008-1621. The short name for the Company’s shares of class B on Nasdaq Stockholm is ELAN B.
B.2	Registered office and legal form	Elanders is formed as a legal entity in Sweden and its registered office is in Mölnlycke. Elanders is a public Swedish limited liability company and it operates under Swedish law. The Company’s form of association is governed by the Swedish Companies Act (2005:551).
B.3	Description of the Issuer’s operations	<p>Elanders is a global provider of integrated solutions in the areas supply chain management, print & packaging and e-commerce. Elanders offers different products and services necessary for other companies’ products to reach the end consumers. The offer comprises everything from a comprehensive responsibility for complex and global delivery undertakings including procurement, configuration, production, picking, distribution, payment solutions, and after sales services to producing single printed matter and packaging. In addition to the B2B offer, the Company also sells photo products directly to consumers via the own brands fotokasten, myphotobook, and d o m. The business areas that the Company operates within are Supply Chain Solutions, Print & Packaging Solutions, and e-Commerce Solutions.</p> <p>During 2015 Supply Chain Solutions represented 47 percent of net sales and 56 percent of operating result. Supply chain management is about managing and optimizing the flow of goods, money, and information between manufacturer and end customer. Many different players work together directly or indirectly to deliver an ordered product. The demand for supply chain services has grown as more companies choose to outsource their non-core business areas. By outsourcing supply chain management companies can avoid to tie up capital in plants, personnel and service commitments.</p> <p>During the same year, Print & Packaging Solutions represented 47 percent of the net sales and 38 percent of the operating result. In the business area, Elanders offers cost efficient and innovative solutions that fulfill customers’ needs for printed material and packaging, locally and globally. Elanders has developed advanced, user-friendly and internet-based ordering platforms that streamline the process from order to delivery and enable customized just-in-time or just-in-sequence deliveries.</p>

B.3	Description of the Issuer's operations (cont.)	Within e-Commerce Solutions, selling of photo products direct to customers comprise the largest share of the Company's sales. In addition to this, d o m offers so called white label solutions allowing other companies to sell parts of Elanders' range of photo products under their own brand. Elanders is responsible for the entire order flow, the production process and the delivery while the brand owner is responsible for marketing and sales. The business area represented six percent of the net sales and the operating result during 2015.																																																																	
B.4a	Description of industry trends	<p>Increased outsourcing creates a demand for efficient supply chain services. The automotive industry and global companies in the consumer electronics industry have been outsourcing a large part of their operations for a long time in order to concentrate on product development, production, and marketing. Other industries are following in their footsteps. Furthermore, an efficient management of the supply chain contributes to lower consumption of resources and energy.</p> <p>In the print and packaging industry, smart packaging can reduce environmental impact. Furthermore, nanotechnology and electronic print are growing as inbuilt traceability becomes a requirement, especially from the pharmaceutical industry in order to fight pirate copying and as more information becomes digital, editions decrease while personalisation and the proportion of variable print are growing. These requirements imply increased needs for specialised equipment and competence in the industry.</p> <p>Moreover, the consumers use mobile phones for both photography and creation of photo products and other consumer goods. The tools are becoming more and more accessible when they are adapted to smart telephones and tablets through apps.</p>																																																																	
B.5	Group	Elanders AB (publ) is the parent company of a Group comprising 67 subsidiaries.																																																																	
B.6	Ownership structure, etc.	As per 31 August 2016, the number of shareholders in Elanders was 3,411. The largest shareholders as per 31 August 2016 are presented in the table below.																																																																	
<p>Largest shareholders on 31 August 2016</p> <table border="1"> <thead> <tr> <th></th> <th>No. of Class A shares</th> <th>No. of Class B shares</th> <th>Share of capital, %</th> <th>Share of votes, %</th> </tr> </thead> <tbody> <tr> <td>Carl Bennet AB</td> <td>1,361,110</td> <td>15,171,447</td> <td>62.3</td> <td>74.2</td> </tr> <tr> <td>Carnegie Fonder</td> <td>-</td> <td>2,165,035</td> <td>8.2</td> <td>5.6</td> </tr> <tr> <td>Sommer, Peter</td> <td>-</td> <td>674,333</td> <td>2.5</td> <td>1.7</td> </tr> <tr> <td>Lannebo Fonder</td> <td>-</td> <td>426,030</td> <td>1.6</td> <td>1.1</td> </tr> <tr> <td>P-A Bendt AB</td> <td>-</td> <td>407,500</td> <td>1.5</td> <td>1.1</td> </tr> <tr> <td>Danica Pension</td> <td>-</td> <td>392,849</td> <td>1.5</td> <td>1.0</td> </tr> <tr> <td>Försäkringsaktiebolaget, Avanza Pension</td> <td>-</td> <td>354,828</td> <td>1.3</td> <td>0.9</td> </tr> <tr> <td>Nordnet Pensionsförsäkring AB</td> <td>-</td> <td>295,014</td> <td>1.1</td> <td>0.8</td> </tr> <tr> <td>Olsson, Dan</td> <td>-</td> <td>223,014</td> <td>0.8</td> <td>0.6</td> </tr> <tr> <td>Skandia Försäkring</td> <td>-</td> <td>133,368</td> <td>0.5</td> <td>0.3</td> </tr> <tr> <td>Other shareholders</td> <td>-</td> <td>4,913,786</td> <td>18.6</td> <td>12.7</td> </tr> <tr> <td>Total</td> <td>1,361,110</td> <td>25,157,204</td> <td>100.0</td> <td>100.0</td> </tr> </tbody> </table>				No. of Class A shares	No. of Class B shares	Share of capital, %	Share of votes, %	Carl Bennet AB	1,361,110	15,171,447	62.3	74.2	Carnegie Fonder	-	2,165,035	8.2	5.6	Sommer, Peter	-	674,333	2.5	1.7	Lannebo Fonder	-	426,030	1.6	1.1	P-A Bendt AB	-	407,500	1.5	1.1	Danica Pension	-	392,849	1.5	1.0	Försäkringsaktiebolaget, Avanza Pension	-	354,828	1.3	0.9	Nordnet Pensionsförsäkring AB	-	295,014	1.1	0.8	Olsson, Dan	-	223,014	0.8	0.6	Skandia Försäkring	-	133,368	0.5	0.3	Other shareholders	-	4,913,786	18.6	12.7	Total	1,361,110	25,157,204	100.0	100.0
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<p>As per the day of this Prospectus, Carl Bennet AB owns approximately 62 percent of the shares in Elanders, of which 1,361,110 are class A shares and 15,171,447 are class B shares, corresponding to approximately 74 percent of the votes. Accordingly, Carl Bennet AB has the possibility, based on its holdings, of exercising a significant influence over all matters pertaining to the Company.</p> <p>As far as the Company is aware, there are no shareholders' agreements or similar agreements with the aim of exercising joint control over the Company. Nor is the board of directors aware of any shareholders' agreements or similar agreements that could lead to changes in control over the Company.</p>																																																																			

B.7 Historical financial information

The below information in summary refers to the 2015, 2014 and 2013 financial years and the first six months of 2016 and 2015. The financial information for 2015, 2014 and 2013 have been audited by the Company's auditors, while the financial information for the first six months of 2016 and 2015 have not been reviewed by the Company's auditors. Unless otherwise stated, no other information in the Prospectus has been audited nor reviewed by the company's auditors. The financial information has been prepared in accordance with the EU approved International Reporting Standards (IFRS) and the interpretations of the International Financial Interpretations Committee (IFRIC). In addition, the Prospectus contains certain performance measures that are not required or have not been calculated in accordance with IFRS. These performance measures are presented in the Prospectus as Elanders believes that these performance measures are important for investors' assessment of the Company and the Offer. These performance measures have not been audited by the Company's auditors and should not be considered as a substitute for Elanders' financial information prepared in accordance with IFRS. Elanders' performance measures that have not been calculated in accordance with IFRS are not necessary comparable with similar measures presented by other companies since they might calculate the ratios in a different manner.

Income statements in summary

SEKm	First six months		Full year		
	2016	2015	2015	2014	2013
Net sales	2,077	2,072	4,236	3,730	2,096
Cost of products and services sold	-1,639	-1,617	-3,252	-2,897	-1,591
Gross profit	438	454	984	833	505
Selling and administrative expenses	-340	-354	-718	-680	-416
Other operating income	26	25	51	33	50
Other operating expenses	-2	-8	-26	-11	-9
Operating result	122	117	292	175	131
Net financial items	-10	-18	-33	-35	-29
Result after financial items	111	99	259	140	102
Taxes	-31	-34	-85	-52	-32
Result for the period	80	65	175	88	70
Result for the period attributable to:					
- Parent company shareholders	80	65	175	88	70
- Non-controlling interests	-	-	-	-	-
<i>Earnings per share, SEK^{1) 2) 3)}</i>	<i>3.03</i>	<i>2.46</i>	<i>6.58</i>	<i>3.48</i>	<i>2.99</i>
<i>Average number of outstanding shares, thousands</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>25,204</i>	<i>23,395</i>
<i>Outstanding shares at end of the period, thousands</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>23,395</i>

¹⁾ Earnings per share before and after dilution.

²⁾ Earnings per share calculated by dividing the result for the period attributable to parent company shareholders by the average number of outstanding shares during the period.

³⁾ Historic performance measures have been adjusted for the bonus issue element (the difference between subscription price and share price) in the new share issue in 2014.

B.7

Historical
financial
information
(cont.)**Statement of financial position in summary****ASSETS**

SEKm	30 June		31 December		
	2016	2015	2015	2014	2013
Intangible assets	1,290	1,289	1,269	1,297	1,156
Tangible assets	316	381	334	392	350
Other fixed assets	199	198	199	191	165
Total fixed assets	1,805	1,868	1,802	1,880	1,672
Inventory	274	261	266	253	107
Accounts receivable	785	817	825	844	387
Other current assets	158	154	139	136	82
Cash and cash equivalents	489	405	529	457	215
Total current assets	1,705	1,636	1,758	1,690	792
Total assets	3,510	3,504	3,560	3,570	2,464

EQUITY AND LIABILITIES

SEKm	30 June		31 December		
	2016	2015	2015	2014	2013
Equity	1,512	1,409	1,488	1,348	1,039
Liabilities					
Non-interest-bearing long-term liabilities	86	86	83	86	69
Interest-bearing long-term liabilities	20	23	20	25	432
Total long-term liabilities	106	109	103	111	501
Non-interest-bearing current liabilities	639	721	722	784	402
Interest-bearing current liabilities	1,254	1,264	1,247	1,327	522
Total current liabilities	1,892	1,986	1,969	2,111	924
Total equity and liabilities	3,510	3,504	3,560	3,570	2,464

B.7

Historical financial information (cont.)

Statement of cash flows in summary

SEKm	First six months		Full year		
	2016	2015	2015	2014	2013
Result after financial items	111	99	259	140	102
Adjustments for non-cash items	32	22	102	172	81
Paid taxes	-40	-48	-85	-61	-57
Changes in working capital	-46	14	-8	-89	3
Cash flow from operating activities	58	86	269	162	128
Cash flow from investing activities	-40	-21	-42	-296	-164
Amortization of loans	-53	-53	-107	-215	-43
Other changes in long- and short-term borrowing	46	-44	-18	439	134
Dividend	-58	-29	-29	-18	-14
Cash flow from financing activities	-65	-126	-154	326	77
Cash flow for the period	-48	-61	73	192	41
Liquid funds at the beginning of the period	529	457	457	215	168
Translation difference	8	10	-0	49	6
Liquid funds at the end of the period	489	405	529	457	215
Net debt at the beginning of the period	738	895	895	739	688
Translation difference in net debt	8	22	40	76	-0
Net debt in acquired operations	-3	-	-	-94	-18
Change in net debt	42	-36	-198	174	69
Net debt at the end of the period	785	882	738	895	739
Operating cash flow	68	132	344	-38	50

B.7

Historical
financial
information
(cont.)**Performance measures**

SEKm	30 June		31 December		
	2016	2015	2015	2014	2013
Net sales	2,077	2,072	4,236	3,730	2,096
EBITDA	177	178	428	292	229
Operating result	122	117	292	175	131
Operating margin, %	5.9	5.6	6.9	4.7	6.2
Result after financial items	111	99	259	140	102
Result after tax	80	65	175	88	70
Operating cash flow	68	132	344	-38	50
Depreciation, amortization and write-downs	55	61	136	118	98
Net investments	40	21	42	296	164
Goodwill	1,228	1,209	1,200	1,205	1,090
Total assets	3,510	3,504	3,560	3,570	2,464
Equity	1,512	1,409	1,488	1,348	1,039
Net debt	785	882	738	895	739
Capital employed	2,297	2,291	2,226	2,243	1,777
Return on capital employed, % ¹⁾	10.8	10.3	12.6	8.7	7.7
Debt/equity ratio, times	0.5	0.6	0.5	0.7	0.7
Equity ratio, %	43.1	40.2	41.8	37.8	42.2
Number of employees at the end of the period	3,101	3,166	3,177	3,320	1,898

¹⁾ Return ratios have been annualized.

B.7

Historical financial information (cont.)

Reconciliation alternative performance measures

SEKm	First half year		31 December		
	2016	2015	2015	2014	2013
Operating result	122	117	292	175	131
Depreciation, amortization and write-downs	55	61	136	118	98
EBITDA	177	178	428	292	229
Cash flow from operating activities	58	86	269	162	128
Net financial items	10	18	33	35	29
Paid taxes	40	48	85	61	57
Net investments	-40	-21	-42	-296	-164
Operating cash flow	68	132	344	-38	50
Average total assets	3,531	3,537	3,559	3,017	2,363
Average cash and cash equivalents	-513	-431	-418	-336	-192
Average non-interest-bearing liabilities	-759	-839	-816	-671	-461
Average capital employed	2,259	2,267	2,325	2,010	1,710
Annualized operating result	244	234	292	175	131
Return on capital employed, %	10.8	10.3	12.6	8.7	7.7
Interest-bearing long-term liabilities	20	23	20	25	432
Interest-bearing current liabilities	1,254	1,264	1,247	1,327	522
Cash and cash equivalents	-489	-405	-529	-457	-215
Net debt	785	882	738	895	739
Equity	1,512	1,409	1,488	1,348	1,039
Debt/equity ratio, times	0.5	0.6	0.5	0.7	0.7
Equity	1,512	1,409	1,488	1,348	1,039
Total assets	3,510	3,504	3,560	3,570	2,464
Equity ratio, %	43.1	40.2	41.8	37.8	42.2

LGI's operating result (EBIT) for the financial year 2015, calculated in accordance with generally accepted accounting principles in Germany, amounted to EUR 19 million according to LGI's audited financial report 2015. In the Prospectus, this figure has been adjusted for depreciation, amortization and write-downs of EUR 7 million and one-off items of approximately EUR 4 million (so called adjusted EBITDA). Such one-off items were mainly attributable to restructuring costs in connection with a closure of one of LGI's operating units in Germany.

B.7

Historical
financial
information
(cont.)**Financial definitions**

Average	Average calculations based on the quarterly opening balances for the respective period.
Capital employed	Total assets less liquid funds and non-interest bearing liabilities.
Cash flow from operating activities per share	Cash flow from operating activities for the period divided by average number of shares.
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 period divided by the average number of shares.
EBIT	Earnings before interest and taxes; operating result.
EBITDA	Earnings before interest, taxes, depreciation, amortization and write-downs; operating result plus depreciation, amortization and write-downs of intangible assets and tangible fixed assets.
Equity per share	Equity divided by outstanding shares at the end of the period.
Equity ratio	Equity, including non-controlling interests, in relation to total assets.
Net debt	Interest-bearing liabilities less cash and cash equivalents.
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 sales.
Return on capital employed	Operating result in relation to average capital employed.

Events of material significance since 30 June 2016

Except for the completion of the acquisition of LGI, refinancing of the Company and the announcement of the Offer, no events of material significance for the Company's financial position or position on the market have occurred since the end of the first six month period of 2016.

Events of material significance during the period covered by the historical financial information

In February 2013, Elanders acquired the Scottish company McNaughtan's Printers Ltd, a specialist in printing labels and with several well-known whiskey distilleries as customers. The German company myphotobook, a leading e-commerce company in the segment personalized photo products to consumers, was acquired in August the same year. In order to reduce the exposure of traditional printing and to increase the presence in Asia, Mentor Media, a supply-chain management company with a strong position in Asia, was acquired in January 2014. To partly finance the acquisition, a share issue with pre-emptive rights for the shareholders of approximately SEK 125 million was implemented. In 2014, the restructuring of the Company's Swedish operations entailed one-off costs of SEK 42 million in the Print & Packaging business area. In line with the strategy to grow within the segment niched packaging products, Elanders acquired the German packaging company Schmid Druck in December 2015.

B.8 Pro-forma financial statements

The purpose of the below consolidated pro forma financial statements is to illustrate the hypothetical impact of the acquisition, the new loan financing and rights issue on Elanders' condensed consolidated income statement for 2015 and the first half year of 2016, and the condensed consolidated balance sheet as 30 June 2016. In accordance with the Prospectus Regulation, the transaction is accounted for in the pro forma income statements in the opening balances as well as in the pro forma statement of financial position as per the balance sheet date. The pro forma financial information is intended solely as information and to illustrate facts. The pro forma financial statements are, by nature, intended to describe a hypothetical situation and do not, therefore, serve to describe Elanders' actual financial position or earnings. In addition, the pro forma financial statements are not representative of the future operating results. Investors should exercise caution when reading these pro forma financial statements.

Income statements in summary full year 2015

SEKm	Elanders	LGI	Pro forma adjustments	New group
Net sales	4,236	4,125	-	8,362
Cost of products and services sold	-3,252	-3,655	-	-6,907
Gross profit	984	470	-	1,454
Selling and administrative expenses	-718	-322	-38 ¹⁾	-1,077
Other operating income	51	34	-	85
Other operating expenses	-26	-18	-	-44
Operating result	292	165	-38	419
Net financial items	-33	-33	-19 ²⁾	-84
Result after financial items	259	132	-57	334
Taxes	-85	-43	18 ³⁾	-109
Result for the period	175	89	-39	225
Result for the period attributable to:				
- Parent company shareholders	175	89	-39	225

¹⁾ Depreciation/amortization of customer relations according to preliminary acquisition analysis.

²⁾ Financial costs based on loan structure and loan terms following the acquisition.

³⁾ Tax effect on pro forma adjustments based on a tax rate in Sweden of 22 percent and in Germany of 32 percent.

B.8

Pro-forma
financial
statements
(cont.)**Income statements in summary first half year 2016**

SEKm	Elanders	LGI	Pro forma adjustments	New group
Net sales	2,077	2,082	-	4,159
Cost of products and services sold	-1,639	-1,851	-	-3,490
Gross profit	438	231	-	669
Selling and administrative expenses	-340	-180	1 ¹⁾	-519
Other operating income	26	13	-	39
Other operating expenses	-2	-7	-	-9
Operating result	122	57	1	180
Net financial items	-10	-17	-7 ²⁾	-34
Result after financial items	111	41	-7	145
Taxes	-31	-20	4 ³⁾	-47
Result for the period	80	21	-3	98
Result for the period attributable to:				
- Parent company shareholders	80	21	-3	98

¹⁾ Depreciation/amortization of SEK 19 million relating to customer relations according to preliminary acquisition analysis and reversal of transaction costs of SEK 20 million.

²⁾ Financial costs based on loan structure and loan terms following the acquisition.

³⁾ Tax effect on pro forma adjustments based on a tax rate in Sweden of 22 percent and in Germany of 32 percent. As acquisition related costs do not affect the taxable result, no tax adjustment is made.

SEKm	Elanders	LGI	Pro forma adjustments	New group
Statement of financial position in summary 30 June 2016				
ASSETS				
Intangible assets	1,290	20	1,803 ¹⁾	3,113
Tangible assets	316	453	-	769
Other fixed assets	199	51	-	250
Total fixed assets	1,805	525	1,803	4,133
Inventory	274	8	-	282
Accounts receivable	785	567	239 ²⁾	1,590
Other current assets	158	136	-	293
Cash and cash equivalents	489	48	-	536
Total current assets	1,705	758	239	2,702
Total assets	3,510	1,283	2,042	6,835
EQUITY AND LIABILITIES				
EQUITY	1,512	140	533^{1) 3)}	2,186
Liabilities				
Non-interest-bearing long-term liabilities	86	102	124 ¹⁾	312
Interest-bearing long-term liabilities	20	187	1,119 ¹⁾	1,325
Total long-term liabilities	106	288	1,243	1,637
Non-interest-bearing current liabilities	639	604	27 ³⁾	1,270
Interest-bearing current liabilities	1,254	249	239 ²⁾	1,742
Total current liabilities	1,892	854	266	3,012
Total equity and liabilities	3,510	1,283	2,042	6,835
¹⁾ Acquisition elimination, including new share issue, according to preliminary acquisition analysis. ²⁾ Redemption of factoring debt. ³⁾ Reservation of additional acquisition costs.				
B.9	Profit forecast	Not applicable. The Prospectus does not contain a profit forecast or a calculation of expected earnings.		
B.10	Critical observations in the auditors' report	Not applicable. There are no critical observations in the auditors' reports for the three most recent financial years.		
B.11	Working capital	The board of directors assesses the Company's working capital as adequate to finance the current needs at least for the next twelve-month period. To partly finance the acquisition of LGI, Elanders is carrying out the Offer, which is covered by subscription and guarantee undertakings in its entirety. The remaining financing required for the acquisition of LGI is covered by external credit facilities.		

SECTION C – SECURITIES

C.1	Type of securities	The Offer comprises not more than of 8,839,437 New Shares in Elanders, of which not more than 453,703 class A shares and not more than 8,385,734 class B shares. The ISIN code for the class A shares is SE0000182123 and the code for the class B shares is SE0000119299.
C.2	Currency	The shares are denominated in SEK.
C.3	Number of shares, etc.	The Company has two classes of shares: class A shares and class B shares. As per the date of this Prospectus, Elanders' share capital amounts to SEK 265,183,140, divided into a total of 26,518,314 shares, of which 1,361,110 class A shares and 25,157,204 class B shares. The share's quota value is SEK 10. Following completion of the Offer, which is covered by subscription and guarantee undertakings in its entirety, the Company's share capital will amount to SEK 353,577,510, divided into 35,357,751 shares, of which 1,814,813 are class A shares and 33,542,938 class B shares.
C.4	Rights associated with the shares	At a shareholders' meeting in Elanders, one class A share carries ten votes and one class B share carries one vote. Class A shares and class B shares carry equal rights to the Company's assets and profit. Elanders' shares are not the subject of offers submitted due to mandatory bids, right of redemption or redemption obligation. No public takeover bid for Elanders shares has occurred.
C.5	Limitations on transfer	Elanders' class A shares are subject to post-sale purchase rights under the articles of association. Elanders' class B shares are not subject to any limitations on transfer.
C.6	Trading in securities	Elanders' class B share is admitted for trading on Nasdaq Stockholm, Small Cap, with the ticker symbol ELAN B. Elanders' class A shares are not subject to organized trading. Trading in the class B shares that are being issued as part of the Offer is scheduled to commence on or around 1 November 2016.
C.7	Dividend policy	In connection with proposing dividend to shareholders, the board of directors takes into account the Elanders Group's development potential as well as its financial position and the adopted key performance measures relating to debt/equity ratio, equity ratio and profitability. The objective is to have dividends follow the long-term profit trend and, on the average, represent approximately 30-50 percent of profit after tax. The Annual General Meeting on 28 April 2016 adopted a dividend of SEK 2.20 per share.

SECTION D – RISKS

D.1	Risks regarding the Company and its operations	<p>An investor should carefully consider the risk factors described in the Prospectus before deciding to invest in Elanders. Each of these risk factors may adversely affect the Company's operations, financial position and earnings and thus may reduce the value of the Company's shares. The risk factors described in the Prospectus are deemed to have major significance on the future development of Elanders. Main risks relating to Elanders and its operations, which could have a material adverse effect on the Group's operations, financial position and earnings consist of:</p> <ul style="list-style-type: none"> • the risk that the integration of LGI is unsuccessful or that LGI, following an integration, does not perform as expected and that the motives and considerations constituting the base for the acquisition of LGI turn out to be incorrect, causing Elanders significant acquisition and administrative expenses and expenses for restructuring or other expenses in connection with the acquisition; • the risk that a downturn of the global business cycle on the markets where Elanders operates, result in a lower demand for the Company's products and services and that Elanders' customers within industries less sensitive to the business cycle may be impacted by economic fluctuations to a greater extent, resulting in a lower ability to pay their debts; • the risk that several larger customers, in part or in whole, choose to reduce their purchases from the Company and that Elanders fails to establish new customer relations to the same extent; • the risk that the challenges within some of the markets where the Company operates, such as lower volumes for traditional printing products and the increasing demand for i.a. out-sourcing and e-commerce, cannot be met by the Company and that Elanders' assessment regarding the development and growth of the Company's products and services on such markets are inaccurate;
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Summary

D.1	Risks regarding the Company and its operations (cont.)	<ul style="list-style-type: none">• the risk that increased environmental issues and sustainability requirements from customers and authorities may result in that the Company is not considered to comply with applicable laws and regulations; and• the risk that Elanders, in the future, will not be able to find suitable acquisition targets or that the Company will not be able to secure the necessary financing for future acquisition targets at acceptable terms.
D.3	Risks involving the securities	<p>Main risks relating to the Offer and Elanders' shares, which could have a material adverse effect on the Group's financial position and earnings, consist of:</p> <ul style="list-style-type: none">• the risk that the Company's share price develops negatively following the Offer and that shares in Elanders cannot be sold, at a price acceptable to the holder, or at all, at any time, resulting in an investor not being able to recover the capital invested;• the risk that the major shareholder Carl Bennet AB's interest, following the Offer, may differ materially from or compete with Elanders' and/or other shareholders' interests; and• the risk that dividends will not be paid in the years ahead, entailing that any returns for an investor will depend entirely on the future share price trend.

SECTION E - THE OFFER

E.1	Proceeds and expenses associated with the issuance	<p>The Offer, which is covered by subscription and guarantee undertakings in its entirety, will raise approximately SEK 707 million for Elanders. It is estimated that transaction costs, including guarantee commission, attributable to the Offer of approximately SEK 12 million will be deducted from the issue amount. The Company is expected to obtain a net amount of approximately SEK 695 million.</p>
E.2a	Background and reasons	<p>In order to partly finance the acquisition of LGI, the extraordinary general meeting in Elanders resolved on 23 September 2016 to carry out a new share issue of not more than SEK 707 million before issue expenses. The remaining financing required for the acquisition will be covered by external credit facilities. Elanders has during July 2016 entered into a three year credit facility agreement regarding refinancing of the Group with a total credit limit of approximately SEK 3.8 billion, including a bridge financing of SEK 610 million which will be needed until the Offer is completed. The purchase price for LGI amounts to approximately EUR 257 million on a debt free basis.</p> <p>Through the acquisition of LGI, Elanders moves forward and expands the global offering within supply chain services. The acquisition is done as part of Elanders' strategy to reduce its exposure to traditional print and to ensure the continued development of Elanders operations and create conditions for future organic growth. LGI is one of Germany's leading players in contract logistics and has the vision to become one of the market leaders in Europe in the long term.</p> <p>LGI was formed through a spin-off from Hewlett Packard Deutschland GmbH in 1995. Since then, LGI has grown significantly and has today approximately 4,000 employees and more than 45 facilities worldwide, of which 35 are in Germany. In addition to Germany, which is LGI's most important market, LGI also conducts business in the Netherlands, Poland, Russia, the United Kingdom, Sweden, the Czech Republic, Hungary, USA and Austria. LGI provides solutions and manages warehouse logistics, production processes and transportation services for companies in primarily the automotive industry, electronics industry, manufacturing industry, health care industry, as well as the fashion and lifestyle industry. LGI has a particular focus on product and component flows with short lead times and provides everything from simple logistics solutions to complete supply chain management solutions.</p> <p>In 2015, LGI had a turnover of approximately EUR 430 million and EBITDA, excluding non-recurring items, of approximately EUR 29 million. Non-recurring items amounted to approximately EUR 4 million and was attributable to restructuring costs.³⁾ Through the acquisition of LGI, Elanders has advanced its position significantly in the business area Supply Chain Solutions, and Elanders' annual turnover increases from about SEK 4.2 billion to about SEK 8.3 billion, and the number of employees increases from about 3,200 to about 7,200. The acquisition is expected contribute positively to earnings per share already during the financial year 2016.</p>

³⁾ For further information, refer to the summary section "Reconciliation alternative performance measures - The acquisition of LGI".

E.3	Terms and conditions	<p>The Offer comprises up to 8,839,437 New Shares, of which not more than 453,703 class A shares and not more than 8,385,734 class B shares. A person who on the record date of 30 September 2016 is registered as a shareholder in Elanders will receive one (1) class A subscription right for each class A share held and one (1) class B subscription right for each class B share held. Three class A subscription rights entitle the holder to subscribe for one (1) new class A share. Three class B subscription rights entitle the holder to subscribe for one (1) new class B share. The subscription price is SEK 80 per New Share.</p> <p>Elanders' largest shareholder, Carl Bennet AB, which holds approximately 62 percent of the shares and approximately 74 percent of the voting rights in Elanders, has undertaken to subscribe for its pre-emptive part of the Offer. Carl Bennet AB has also undertaken to subscribe for all New Shares in the Offer that are not subscribed for by others. Consequently, the Offer is covered by subscription and guarantee undertakings in its entirety.</p> <p>Subscription of New Shares will take place during the period 3 October 2016 through 17 October 2016. Subscription of New Shares can also be made without subscription rights.</p> <p>Trading in the class B subscription rights on Nasdaq Stockholm exchange will occur during the period 4 October 2016 through 13 October 2016. Upon the sale of subscription rights, both the primary and subsidiary pre-emptive right will be transferred to the new owner of the subscription right. No trading will take place in the class A subscription rights.</p> <p>If not all New Shares have been subscribed for with subscription rights (primary pre-emptive right), the board of directors shall decide on allotment of New Shares within the highest amount of the Offer according to the following order:</p> <ul style="list-style-type: none"> • Firstly, New Shares shall be allotted to those having subscribed for New Shares with subscription rights (subsidiary pre-emptive right), regardless of whether such persons were shareholders on the record date or not. In case of over-subscription, allotment shall be made pro rata in relation to the number of shares such persons have subscribed for in the Offer, and if that is not possible, by drawing of lots. • Secondly, allotment shall be made to other persons having applied for subscription without subscription rights, upon which - in case of over-subscription - allotment shall be made pro rata in relation to the number of shares they have applied to subscribe for, and if that is not possible, by drawing of lots. • Finally, any outstanding New Shares shall be allotted to the issue guarantor Carl Bennet AB. <p>Following the sale of a subscription right, the primary as well as the secondary pre-emptive right are transferred to the new holder of the subscription right.</p>
E.4	Material and conflicting interests	<p>None of the Elanders' board members or senior executives has a close relationship with any other board member or senior executive. One of the Company's board members, Erik Gabrielson, is partner of Advokatfirman Vinge, which has received remuneration from the Company for legal consultation. Besides this, there are no conflicts of interest between Elanders' board members' and senior executives' obligations to Elanders and their private interests or other duties.</p> <p>In connection with the Offer, Nordea and SEB provide financial advice and other services in connection with the Offer, for which they will receive a fixed fee from the Company. From time to time, Nordea and SEB may also provide services to the Company within the ordinary course of business and in connection with other transactions. Furthermore, Nordea and SEB are creditors of the Company and the net income from the Offer will mainly be used to repay the bridge financing Elanders has received from Nordea and SEB in connection with the acquisition of LGI.</p>
E.5	Seller of the securities	Not applicable. The Offer comprises newly issued shares.
E.6	Dilution effect	Shareholders who choose not to take part in the Offer may be diluted by 8,839,437 shares corresponding to approximately 25 percent. However, such shareholders can receive financial compensation for the dilutive effect by selling their subscription rights.
E.7	Expenses for the investor	Not applicable. Investors will not be charged any costs for participating in the Offer.

Risk factors

Investing in shares is, by its very nature, associated with the fact that the investment may either increase or decrease in value. The various operations of limited liability companies are constantly exposed to the effects of factors from within the company itself and from factors beyond the control of the individual company but that can nevertheless, directly or indirectly, impact the operations. An investor should carefully consider the risk factors described below before deciding to invest in Elanders. Each of these risk factors may adversely affect the Company's operations, financial position and earnings and thus may reduce the value of the Company's shares. Elanders' operations are subject to a number of risk factors that are partly or completely beyond the Company's control and that affect or could affect the value of the shares. The factors described below are deemed to have major significance for the future development of Elanders. The following description of risk factors does not claim to be exhaustive and is provided in no particular order of priority. Additional risks and uncertainties that Elanders is unaware of, or that are currently deemed to be less material, may also have a negative impact on Elanders' operations, financial position and earnings.

In addition to the risk factors presented below, investors should carefully consider all the information provided in this Prospectus in its entirety. The Prospectus contains forward-looking statements that are conditional upon future events, risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below and elsewhere in the Prospectus.

Risks related to Elanders and its operations

The acquisition of LGI

Elanders' acquisition of LGI entails significant financial and organizational undertakings for Elanders. Due to the acquisition, Elanders net debt increase significantly and a successful integration of the acquired operation impose great demands on Elanders' organization and relevant senior executives. There is a risk that the integration of LGI is unsuccessful or that LGI, following implementation of the integration, does not perform as expected. The motives and considerations constituting the basis for the acquisition of LGI may also turn out to be incorrect, which could force Elanders to make material capital contributions to the acquired business and/or make significant depreciations of the booked value of LGI. Elanders may also incur significant acquisition and administrative expenses and expenses for restructuring or other expenses in connection with the acquisition. Moreover, suppliers, customers or key individuals that have been of material importance for the operations in LGI may leave LGI as a consequence of, or in connection with, the acquisition. Such unforeseen development may entail a significant adverse effect on Elanders' operations, earnings and financial position.

The business cycle's effect on the demand for the Company's products and services

Changes in the global business cycle affect the sales of Elanders' various products. The most tangible business cycle sensitivity can be found in the operations that supply Elanders' customers in the manufacturing industry, particularly in the automotive and consumer electronics industry. Elanders' exposure towards these industries is increased through the acquisition of LGI.

The market's demand for Elanders' services and products is affected by various elements beyond the Company's control. A weakening in the economic climate in the markets in which Elanders operates can cause a decreased demand for the Company's services and products, which may have a negative

impact on the Company's operations, financial position and earnings, particularly since many of Elanders' major customers are found in the manufacturing industry. There is a risk that Elanders' customers within industries that are currently less sensitive to the business cycle may be impacted by economic fluctuations to a greater extent in the future, resulting in a lower ability to pay their debts. As a result, a downturn of the business cycle could have a material adverse effect on Elanders' operations, financial position and earnings.

Customer concentration

The Elanders Group's major customers are primarily manufacturing companies and the agreements with these customers normally run over two to three years. Before the acquisition of LGI, Elanders' ten largest customers represented 60 percent of the total Group net sales in 2015 (52 percent in 2014). In 2015, the sales to the Group's largest customer amounted to 21 percent of the net sales (25 percent in 2014) and to the Group's second largest to 14 percent (nine percent in 2014). The sales to these customers are made to several of their divisions, in three global regions and under several independent agreements. In 2015, LGI's largest customer represented 26 percent of the total LGI group net sales and the second largest represented 14 percent.

There is a risk that several of the Group's larger customers choose, in part or in whole, to reduce their purchased quantities from the Group. In this event, there is a risk that the Company does not obtain new customers to the same extent, which could have a material adverse effect on Elanders' operations, financial position and earnings.

The course of Elanders' operations and future market development

The past few years have been eventful for Elanders. Mainly due to the acquisitions of Mentor Media in 2014 and LGI in 2016, Elanders has progressed from being a Swedish printing Group to become a supplier of integrated comprehensive solu-

tions within supply chain management on a global market. In the light of, among other things, the long-term negative trend of the printing industry with lower volumes in general for traditional printing products mainly in Western Europe and North America (see below for more information) and increased outsourcing, consumption and e-commerce, which create a demand for efficient supply chain services, Elanders has chosen to pursue a successive, strategic conversion of the Company's operations. As regards printed matter, operations are currently going through a transition from traditional demand for large editions in offset print to shorter series in digital prints and from printed to digital media. These changes affect, among other things, the consumption of fine paper in Western Europe and North America, which has decreased in the recent past years. Despite this, printing volumes are rising globally, primarily in packaging. The packaging market in everywhere in the world Elanders is active continue to grow and the highest growth is expected in Asia. In view of the challenges occurring in certain sections of the Company's markets, geographically as well as for some Group products and services, Elanders strives towards adapting its services and products to suit the global structural transformation. Should Elanders' assessment regarding future trends and growth of the Company's products and services in various geographic markets prove to be incorrect, there is the risk that the Company's operations will be adversely affected.

Competition

Elanders operates in an industry that faces current and prospective competition. Elanders' future growth and earnings therefore depend on the development and supply of products and services that are competitive with respect to price and quality. The Company's future competitive situation depends on factors such as its ability to meet existing and future customer needs. Intensified competition from existing or new actors, or Elanders' inability to meet the demand for the Company's products and services, could have a negative impact on Elanders' operations, financial position and earnings.

Also, Elanders' competitive situation varies between various markets, geographically as well as for some Group products and services. Due to increasing competition from low cost countries, Elanders must be able to offer production in countries with lower costs. On all markets, there is also a risk of the emergence of new actors, capturing market shares with their new product and service offerings, against which Elanders is unable to compete. Such competing services and products may decrease the demand for services and products provided by Elanders. This could have a material adverse effect on Elanders' operations, financial position and earnings.

Operational risk

Elanders' operations are dependent on reliable and effective production units in order to ensure that products are delivered on time and meet the expected quality. The Group's

operations could suffer from production disturbances due to, for example, delayed or incorrect deliveries, technical faults, labor action, accidents or incorrect administrative procedures. There is a risk that the Company's measures to prevent such major production disturbances are insufficient, which – if such events were to occur – could negatively affect Elanders' customer relationships. This could have a material adverse effect on Elanders' operations, financial position and earnings.

Supplier risk

In order to manufacture, sell and deliver products and services, Elanders depends on external suppliers' availability, production, quality assurance and deliveries. Incorrect, delayed or non-deliveries from suppliers of various types could entail that Elanders' deliveries are, in turn, delayed, incomplete, incorrect or must be discontinued, which could result in reduced sales which could adversely affect the Company's earnings and customer relationships. There is also a risk that incorrect or delayed deliveries, or the loss of one or more suppliers, could have negative consequences on the Company's customer relationships, which in turn could have an adverse effect on Elanders' financial position and earnings.

Risks in operating expenses

Prior to the acquisition of LGI, a large part of the total operating expenses consisted of commodities and personnel. In 2015, all these expenses represented 59 percent (55 percent in 2014) of the total operating expenses. As regards LGI, services acquired on behalf of customers constitute a large part of the operational costs. In 2015, these costs represented 44 percent of LGI's total operating expenses and the corresponding post for Elanders represented eight percent (ten percent in 2014). Elanders' subsidiaries are primarily responsible for monitoring cost trends, but certain purchases of, for example, production utilities, electronic components and certain input goods are also carried out jointly. There is a future risk that the Group's operating expenses increase to such extent that it could materially affect Elanders' operations, whereby major price fluctuations could have a negative effect on the Company's operations, earnings and financial position.

In terms of personnel costs, the salary trend for employees mainly follows the general trend in the labor market in the respective country, which in turn is largely attributable to the general economic climate. Unforeseen, major salary increases and/or increases in average sick leave among the Company's personnel could have a negative impact on the Company's operations, financial position and earnings.

Contracts and disputes

Companies in the Elanders Group are occasionally involved in disputes as part of their normal business operations. The Company may, similar to other actors in Elanders' markets, be subject to claims regarding, for example, product liability,

Risk factors

alleged errors in deliveries of goods and services, environmental issues and intellectual property rights. In some proceedings, the counterparty may seek damages and other remedies, which, if imposed or charged, would require expenditures by the Company with an adverse effect on the Company's financial position and earnings as a result. Furthermore, it is uncertain if such expenditures are covered by insurances. In its Swedish operations, Elanders uses in certain cases contracts prepared by trade organizations. However, some of Elanders' contractual relations are not formalized in written agreements. In terms of customer relationships, the Company sometimes relies on the custom between the parties, which has often been in place for many years. The content of such contracts may be difficult to clarify if the parties were to have differing opinions about them, which in a worst-case scenario could lead to strained relationships and costly disputes. LGI's contract relations are generally on a long-term basis and are normally formalized in, relatively, comprehensive written agreements. However, most of the agreements do not contain any volume undertakings from LGI's counter parties and hence there is a risk that the contracts generate lower volumes than was initially expected. Besides the fact that such lower volumes may entail lower income than calculated, they may also entail that resources reserved for managing the expected volumes cannot be used to the extent intended. This could have an adverse effect on the Company's operations, financial position and earnings.

Potential, future disputes arising in Elanders' operations may be time-consuming, disrupt normal operations, involve large amounts and result in significant costs, even if the outcome of such disputes was to be in Elanders' favor. Hence, there is a risk that such disputes may have a significantly negative impact on the Company's operations, financial position and earnings.

One of Elanders' subsidiaries in the USA is subject to a law suit by a group of employees that demand indemnifications because another employee employed by the same company installed a hidden camera in some of the company's facilities. The employees claim that the company knew, or should have known, about the situation and should therefore be held liable for incurred damages. Elanders has denied any responsibility. Presently, it is difficult to assess the outcome and length of the dispute as well as the costs for potential liability, should the outcome of the dispute be to Elanders' disadvantage.

Moreover, Elanders has, in connection with the sale of a subsidiary in February 2007, undertaken to compensate the subsidiary for potential expenses relating to certain land contaminations. The Environmental Authority in Gothenburg, which currently handles the matter, has assessed that the contamination, because of its location, does not entail any risk to health or to the environment. An investigation has been conducted to determine the cost of various decontamination measures and discussions are being held with the property owner on how to continue the process. Based on the circumstances concerning responsibility and the limited scope

of the contamination, Elanders estimates that any material financial risk for Elanders does not exist.

Insurance

Elanders' insurance program includes global liability insurance that covers general liability, product liability, crime fidelity, business interruption and limited protection against environmental damage. The Company also has liability insurance for members of the board of directors and Group management. Elanders believes that it has adequate insurance cover for its current operations. However, the scope and amounts of compensation provided by the insurance coverage are limited. Accordingly, there is a risk that Elanders may not be fully indemnified for any damage that may arise or claims that may be made against the Company, which could have negative consequences for Elanders' operations, financial position and earnings.

Key individuals

Elanders is dependent on certain key individuals, in the Group management as well as in various subsidiaries. There is a risk that one or more senior executives or other key individuals leave the Company with short notice. In the event Elanders fails to retain such key individuals, and/or fails to recruit such key individuals in the future, this could have negative consequences for the Company's operations, financial position and earnings.

Relationships with employee organizations

Most of Elanders' employees in Sweden are members of and represented by various trade unions. There is a risk that the Company's relations with employees and the unions in the future would deteriorate which could entail strikes, lock-outs or similar industrial action which, in turn, could result in production disruptions and a significantly negative impact on Elanders' operations.

Permits

Several of the companies within the Elanders Group carry out operations that in one way or another are licensable, primarily within the printing operations. Elanders currently holds all of the necessary permits, primarily related to the environment, for conducting its operations. However, there is a risk that such permits may not be extended or that they will be revoked or restricted in the future. Moreover, there is a risk that Elanders' interpretation of applicable laws and regulations pertaining to Elanders' operations may prove to be incorrect, and relevant authorities' interpretations of such laws and regulations or their administrative practices may change. Such changes could trigger the need for additional operational licenses, which can be time and cost consuming and could also have an adverse effect on the Company's operations, financial position and earnings.

Environment and sustainability

Within the manufacturing industry, high demands for lowering the current environmental impact are imposed and packaging is, from an environment and sustainability perspective, often regarded as something negative. The environmental demands from customers and authorities may vary depending on which geographic market Elanders operates on and there is a risk that higher demands on, among other things, emissions, energy consumption and recycling may entail that the Company is not considered to comply with applicable laws and rules in the future. In order to comply with the demands, extensive co-operations with, among others, customers, suppliers as well as competitors may be deemed necessary. Such co-operations could require an increased exchange of information with a potential adverse effect on the Company's competitive situation as a result. If Elanders would fail to comply with the environmental and sustainability requirements applicable from time to time, it would have a significant adverse effect on Elanders' operations, financial position and earnings.

Acquisitions

Elanders' business strategy includes the acquisition of businesses that entail additional sales, a broadened customer base and a complement to Elanders' current offer. Accordingly, potential acquisitions and divestments are continuously being evaluated. Growth through acquisitions involves both operating and financial risks. For example, Elanders may incur significant acquisition and administrative expenses and expenses for restructuring or other expenses in connection with acquisitions. Moreover, suppliers, customers or key individuals that have been of material importance for the operations in the acquired company may leave as a consequence of or in connection with the acquisition. Elanders may further be unsuccessful in integrating operations that are acquired or procuring that, following integration, the acquired company performs as expected, whereby expected synergies may not be realized. Such failures could result in additional capital contributions in order to maintain the business, which could adversely affect Elanders' operations, earnings and financial position. In the event that the Company will not be able to find suitable acquisition targets in the future or that the Company will not be able to secure the necessary financing for future acquisition targets at acceptable terms, this could lead to lower growth for Elanders.

IT risk

Elanders needs to use advanced IT systems to manage, among other things, delivery of products and input goods and to receive and manage customer orders. A large part of Elanders' operations is directed towards customers with high demand on reliable and exact deliveries, which demands for functioning and safe IT systems that are well integrated in the

Company's various business lines. The maintenance, development and investment of such systems require significant capital investment and other resources and there is thereby a risk that future necessary investments in IT systems may be greater than the Company expects. There is further a risk that the Company's IT systems can be disrupted by, for example, software and hardware complications, data viruses, hacker attacks and physical damage. Such complications and disruptions could, depending on extent, adversely affect Elanders' operations and financial position.

Goodwill

Goodwill is primarily a result of surplus values arising in connection with acquisitions and values that cannot be attributed to a particular asset class are recognized as goodwill. Elanders is normally evaluating the need for depreciation of goodwill at least once a year. There is a risk that such needs, following, for example, the realization of one or several of the risks described in this section, will arise in the future, which could have a material adverse effect on the Company's financial position and earnings.

Currency risk

The most important currencies within the Group are EUR, USD and CNY. Elanders is exposed to currency risk through transactions in currencies other than the subsidiaries' local currency (transaction exposure) and when converting net profit and net assets from foreign subsidiaries (translation exposure). The transaction risk is, despite Elanders Group's global operations, relatively low since most income and costs in the respective companies are in the respective companies' functional currency. There is a risk that forward exchange contracts, or other hedging measures taken to handle Elanders' currency exposure, does not eliminate the Company's currency risk, which is why significant reductions in the value of any foreign currency (in relation to SEK) that Elanders receives payment in, may have negative effects on the Company's operations, financial position and earnings. In addition, currency risk can be assumed to increase in the future since the acquisition of LGI entails a significant expansion of Elanders' international operations.

Interest risk

Exposure in the form of changes in the interest rate stems mainly from the Elanders Group's interest-bearing liabilities at floating interest. Outstanding liabilities are primarily in EUR, SEK and USD. In light of the relatively low interest rate that is expected to remain within in near future, there has been no hedging in relation to interest rates. Elanders is following developments closely and there is a risk that changes in interest rates may result in increased interest costs for the Group, which could have an adverse effect on the Company's operations, financial position and earnings.

Risk factors

Financing risk

Elanders is dependent on receiving financing via credit institutions. The Group's financing needs comprise current operations and preparedness for possible future investments. The availability of financing depends on such factors as the general availability of capital and Elanders' credit rating.

In July 2016, Elanders entered into a three-year credit facility agreement for the refinancing of the Group with its two main Swedish banks, Nordea and SEB. As a result of a longer agreement term, increased leverage and a substantial increase of credit limits in order to finance the acquisition of LGI, the Group's financing costs will be higher than previously. The total credit limits amount to approximately SEK 3.8 billion, including the bridge financing of SEK 610 million which is to be repaid six months from 26 July 2016 when the acquisition of LGI was completed, consisting of facilities in EUR, SEK and USD. The new agreement contains certain financial conditions that have to be fulfilled to secure the continued financing. The conditions refer to certain future levels for net debt in relation to EBITDA, net debt in relation to equity, the ability to pay interests and debt with operating cash flow and investments.

Should the Company's performance deviate from the existing strategic plan, there is a risk that a situation may arise whereby the Company will need to acquire new capital. There is a risk that Elanders fails to acquire additional capital on favorable terms, or at all, or that such capital contribution, if acquired, is insufficient to complete the Company's strategy.

Credit risk

Elanders is exposed to losses through the risk of a financial counterparty not meeting its obligations. Credit risk can be divided into financial credit risk and commercial credit risk where the financial risk primarily concerns investing surplus liquidity and trading in currency derivative instruments and the commercial risk concerns accounts receivables. A relatively large portion of the Elanders Group's total receivables is concentrated to a small number of customers. If one or more of these customers were to be unable to meet its future financial obligations for whatever reason, Elanders' operations, financial position and earnings would be significantly negatively affected.

Taxes

Elanders conducts operations through subsidiaries in a large number of countries. The business, including transactions between Group companies, is conducted in accordance with Elanders' interpretation of current tax law, tax agreements, provisions and tax authority requirements in the countries concerned. However, there is a risk that Elanders' interpretation of applicable laws, tax agreements and provisions, or relevant authorities' interpretations of such laws and provisions or their administrative practices, are not entirely correct,

or that such rules, interpretations and practices could be changed, possibly with retroactive effect, which could alter Elanders' tax situation and have a negative impact on the Company's operations, financial position and earnings.

Laws, treaties and other regulations on taxation have historically been subject to frequent changes and future changes could have a significant impact on the Company's tax burden, as well as a material adverse effect on the Company's operations, financial position and earnings.

Risks related to the Elanders share and the Offer

Share price and liquidity

A potential investor in the Elanders share should take into account that such an investment is associated with risks. In addition to Elanders' earnings, the market's pricing of the Company's shares is dependent on several factors beyond the control of Elanders and hence there is a risk that there is a drop in the Company's share price. Following completion of the Offer, the Company's share price may fall below the price in the Offer, for example, due to the higher number of shares in the Company. In addition, the share price may be negatively impacted due to shares being divested in the market to an unusual extent or due to expectations of such divestment taking place or for any other reason as a consequence of or related to the Offer. Limited liquidity in the Elanders share could also contribute to strengthening fluctuations in the Company's share price and lead to problems in divesting shares for individual shareholders. There is a risk that the Elanders share cannot be sold, at a price acceptable to the holder, or at all, at any time. Since an investment in shares may increase as well as decrease in value, there is a risk that investors in the Elanders share could lose their investment.

Subscription rights and BTAs

Individuals registered as shareholders of Elanders on the record day of the Offer will receive subscription rights in relation to their existing shareholding. The subscription rights are expected to have an economic value, which only accrues to the holder if the rights to subscribe for New Shares in the Offer are exercised no later than 17 October 2016 or are sold no later than 13 October 2016. Following 17 October 2016, subscription rights that have not been exercised will be deleted, without notification, from the holder's securities account and the holder will thus forfeit the expected financial value of the subscription rights.

Both class B subscription rights and class B BTAs that, following payment are booked on securities accounts belonging to the individual who has subscribed for New Shares, will be subject to time-limited trading on Nasdaq Stockholm. However, there is a risk that the trading in these instruments may be limited, which could lead to problems in selling subscription rights and/or BTAs for individual holders. Limited liquidity may also strengthen fluctuations in the market price

of subscription rights and/or BTAs. There is also a risk that the pricing for these instruments may be incorrect or misleading.

Dividends

The size of future potential dividends from Elanders is dependent on several factors. Elanders' board of directors takes into account the Elanders Group's development potential, its financial position and the adopted financial targets relating to debt/equity ratio, equity ratio and profitability when assessing potential dividend payments. The objective is that dividends will follow the long-term profit trend and, on average, represent approximately 30-50 percent of profit after tax. Elanders has paid dividends for the past three financial years: SEK 0.80 per share was paid in 2013 (corresponding to SEK 0.78 after conversion for the share issue made in 2014), SEK 1.10 per share in 2014 and SEK 2.20 per share in 2015. However, there is a risk that dividends will not be paid in the years ahead. If no dividends are paid, any returns for an investor will depend entirely on the future share price trend.

Shareholders with significant influence

As per the date of this Prospectus, Carl Bennet AB holds approximately 62 percent of the shares in Elanders, of which 1,361,110 class A shares and 15,171,447 class B shares, corresponding to approximately 74 percent of the voting rights. Accordingly, Carl Bennet AB has the possibility, based among other things on its holdings, of exercising a significant influence over all matters submitted to the Company's shareholders for approval, including appointment of board members and future acquisitions or divestments of parts of the operations. The principal owner further has also a significant influence over the Company's board of directors and senior executives. This may benefit the Company but could also be to the disadvantage of other shareholders that may have different interests than the principal owner. Other than applying the protection rules stipulated by law, for example, the Swedish Companies Act's minority shareholder protection regulations, Elanders is unable to take any action to guarantee that Carl Bennet AB's influence will not be abused.

Risks regarding subscription undertaking and guarantee agreements

Elanders' largest shareholder, Carl Bennet AB, has undertaken to subscribe for its pre-emptive right in the Offer. Carl Bennet AB has also undertaken to subscribe for any additional shares

in the Offer that are not subscribed for by other persons. Accordingly, the Offer is covered by subscription and guarantee undertakings in its entirety. However, since Carl Bennet AB's undertakings vis-à-vis Elanders in this respect have not been secured through any pledge of collateral, blocked funds or similar arrangement, there is a risk that Carl Bennet AB, in part or in whole, will not meet its undertakings.

Dilution

Shareholders who, in part or in whole, choose not to exercise their subscription rights to subscribe for New Shares in the Offer will be diluted. Their share of the shares and votes in the Company will thereby be decreased, which may entail that future earnings, if any, will not be accrued to the same extent as before the Offer.

Participation in future rights issues

If Elanders issues new shares against cash payment, shareholders have, as a general rule, pre-emptive rights to subscribe for such shares in proportion to the number of shares held at the time of the issue. Shareholders in other countries than Sweden may however be subject to limitations, preventing them from participating in such new share issues and/or restricting and hindering their participation in other ways. For example, the Offer is not directed at shareholders or other investors resident in the United States, Australia, Japan or Canada or at any person in any jurisdiction in which the Offer is unlawful or where the Offer would require additional prospectuses, registration or measures other than those pursuant to Swedish law.

Shareholders in the USA may be prevented from exercising their pre-emptive rights to subscribe for new shares or warrants which are not registered under the Securities Act and no exemption from the registration requirements is applicable. Shareholders in other jurisdictions outside of Sweden may be similarly affected if the subscription rights or the new shares are not registered with the relevant authorities in such jurisdictions. Elanders has no obligation to investigate the registration requirements under the Securities Act or similar legislation in other jurisdictions than Sweden and the Company has no obligation to apply for registration of the Company's shares or the sale of the Company's shares in accordance with such legislation outside of Sweden. The possible restrictions for shareholders in countries outside Sweden to participate in rights issues may entail that their ownership share is diluted and decreases in value.

Invitation to subscribe for shares in Elanders

In order to partly finance the acquisition of LGI¹, the extraordinary general meeting in Elanders resolved on 23 September 2016 to carry out a new share issue with pre-emptive rights for the shareholders in Elanders.

Through the rights issue, which is covered by subscription and guarantee undertakings in its entirety, the Company's share capital will increase by not more than SEK 88,394,370 from the current SEK 265,183,140 to not more than SEK 353,577,510, through issuance of not more than 8,839,437 New Shares, of which not more than 453,703 class A shares and not more than 8,385,734 class B shares. The Company's shareholders have pre-emptive right to subscribe for New Shares in the Offer in relation to the number of Elanders shares they previously held.

The record date for determining which shareholders will be entitled to subscribe for New Shares is 30 September 2016. Subscription will take place during the period from and including 3 October 2016 up to and including 17 October 2016.

Persons registered on the record date as shareholder in

Elanders will receive one (1) subscription right of class A for each share of class A held on the record date and one (1) subscription right of class B for each share of class B held on the record date. Three (3) subscription rights of class A entitle to subscription of one (1) New Share of class A. Three (3) subscription rights of class B entitle to subscription of one (1) New Share of class B.

The subscription price is SEK 80 per New Share, which means that the Offer will generate proceeds of in aggregate approximately SEK 707 million to Elanders.²

Elanders' largest owner, Carl Bennet AB who owns approximately 62 percent of the shares and approximately 74 percent of the votes in Elanders has undertaken to subscribe for its pre-emptive rights share in the Offer. Carl Bennet AB has also undertaken to subscribe for all New Shares in the Offer that are not subscribed for by other parties. Consequently, subscription and guarantee undertakings have been obtained for the entire Offer (see further the section "Legal considerations and supplementary information").

The shareholders of Elanders are hereby invited to, with pre-emptive rights, subscribe for New Shares in Elanders in accordance with the terms and conditions in this Prospectus.

Mölnlycke, 27 September 2016

Elanders AB (publ)
The board of directors

¹ Refer further to the sections "Background and reasons" and "Capital structure and other financial information - Credit facility agreement".

² From the issue proceeds of approximately SEK 707 million, reductions for expenses related to fees to the issuer agent, financial and legal advisors and other estimated transaction costs, including guarantee commission, attributable to the Offer (issue expenses) are estimated to approximately SEK 12 million. The Company is expected to obtain a net amount of approximately SEK 695 million.

Background and reasons

In order to partly finance the acquisition of LGI, the extraordinary general meeting in Elanders resolved on 23 September 2016 to carry out a new share issue of not more than SEK 707 million before issue expenses. The remaining financing required for the acquisition will be covered by external credit facilities. Elanders has during July 2016 entered into a three year credit facility agreement regarding refinancing of the Group with a total credit limit of approximately SEK 3.8 billion, including a bridge financing of SEK 610 million which will be needed until the Offer is completed. The purchase price for LGI amounts to approximately EUR 257 million on a debt free basis.¹

Through the acquisition of LGI, Elanders moves forward and expands the global offering within supply chain services. The acquisition is done as part of Elanders' strategy to reduce its exposure to traditional print and to ensure the continued development of Elanders operations and create conditions for future organic growth. LGI is one of Germany's leading players in contract logistics and has the vision to become one of the market leaders in Europe in the long term.

LGI was formed through a spin-off from Hewlett Packard Deutschland GmbH in 1995. Since then, LGI has grown significantly and has today approximately 4,000 employees and more than 45 facilities worldwide, of which 35 are in Germany. In addition to Germany, which is LGI's most important market, LGI also conducts business in the

Netherlands, Poland, Russia, the United Kingdom, Sweden, the Czech Republic, Hungary, USA and Austria. LGI provides solutions and manages warehouse logistics, production processes and transportation services for companies in primarily the automotive industry, electronics industry, manufacturing industry, health care industry, as well as the fashion and lifestyle industry. LGI has a particular focus on product and component flows with short lead times and provides everything from simple logistics solutions to complete supply chain management solutions.

In 2015, LGI had a turnover of approximately EUR 430 million and EBITDA, excluding non-recurring items, of approximately EUR 29 million. Non-recurring items amounted to approximately EUR 4 million and was attributable to restructuring costs.²

Through the acquisition of LGI, Elanders has advanced its position significantly in the business area Supply Chain Solutions, and Elanders' annual turnover increases from about SEK 4.2 billion to about SEK 8.3 billion, and the number of employees increases from about 3,200 to about 7,200.³ The acquisition is expected contribute positively to earnings per share already during the financial year 2016.

In other respects, the board of directors refers to this Prospectus, which has been drawn up in connection with the Offer.

The board of directors of Elanders is responsible for the contents of the Prospectus. It is hereby assured that all reasonable precautionary measures have been taken to ensure that the information contained in the Prospectus, as far as the board of directors is aware, corresponds to the facts and that nothing has been omitted that would affect its import.

Mölnlycke, 27 September 2016

Elanders AB (publ)
The board of directors

¹ For further information regarding the conditions for the acquisition of LGI, refer to the section "Legal considerations and supplementary information - The acquisition of LGI".

² For further information, refer to the section "The Group's financial development in brief - Reconciliation alternative performance measures".

³ Refer further to the section "Pro forma financial statements" for financial information regarding LGI in a pro forma context in accordance with Elanders' accounting principles and re-calculated to SEK.



Terms and instructions

Pre-emptive rights and subscription rights

Persons who on the record date of 30 September 2016 are registered as shareholders of Elanders have pre-emptive rights to subscribe for New Shares in the Offer.

Those persons who on the record date are registered as shareholders in Elanders will receive one (1) subscription right of class A for each class A Share held on the record date and one (1) subscription right of class B for each class B share held on the record date. Three (3) subscription rights of class A entitle to subscription of one (1) New class A Share. Three (3) subscription rights of class B entitle to subscription of one (1) New class B Share.

Shareholders holding shares of class B not participating in the Offer will be diluted by 8,839,437 shares corresponding to approximately 25 percent, but have the opportunity to be compensated for the economic dilution effect through the sale of their subscription rights.¹

Application can also be made to subscribe for shares not subscribed for based on subscription rights, see further the section "Terms and instructions – Subscription for New Shares without subscription rights".

Subscription price

The New Shares are issued at a subscription price of SEK 80 per New Share. Brokerage commission will not be charged.

Record date

The record date at Euroclear Sweden AB ("Euroclear") to determine which persons are entitled to receive subscription rights in the Offer is 30 September 2016. The last day of trading in Elanders' shares inclusive of the right to participate in the Offer is 28 September 2016. The shares in Elanders are trading exclusive of the right to participate in the Offer from and including 29 September 2016.

Subscription period

Subscription for the New Shares will take place during the period from and including 3 October 2016 up to and including 17 October 2016. The board of directors of Elanders is entitled to extend the subscription period, which – in such case – will be announced through a press release as soon as such decision has been taken.

Issue statements

Directly registered shareholdings

The Prospectus and pre-printed issue statements with attached pre-printed payment forms will be sent to directly registered shareholders and representatives of shareholders that on the

record date are registered in the share register maintained by Euroclear on behalf of Elanders. The issue statements will state, among others, the number of subscription rights received and the number of New Shares that may be subscribed for by virtue of the subscription rights. No securities notification (Sw. *VP-avi*) will be sent out regarding the registration of subscription rights on the securities accounts. Those who are included in the special list of pledge holders and trustees that is maintained in connection with the share register will not receive any issue statement but will be informed separately.

Nominee-registered shareholdings

Shareholders whose holdings are nominee-registered at a bank or other nominee will not receive the Prospectus (or English language offering circular) or an issue statement. Subscription and payment for New Shares subscribed for with primary as well as subsidiary pre-emptive right should instead be made to the respective nominee and in accordance with instructions from the respective nominee.

Shareholders resident in certain unauthorized jurisdictions

The allotment of subscription rights and the issue of New Shares to persons who are resident in countries other than Sweden may be affected by securities legislation in such countries, refer to the section "Important information". Consequently, subject to certain exceptions, shareholders whose existing shares in Elanders are directly registered in a securities account with registered address in Australia, Canada, Japan or USA will not receive any subscription rights or be allowed to subscribe for New Shares. The subscription rights that otherwise would have been delivered to such shareholders will be sold and the sales proceeds, less a deduction for costs, will be paid to such shareholders. Amounts of less than SEK 100 will not be paid out.

Trading in subscription rights

The subscription rights of class B will be traded at Nasdaq Stockholm during the period from and including 4 October 2016 to and including 13 October 2016 with ticker ELAN B TR. SEB and other securities institutions with required licenses will provide brokerage services in connection with the sale and purchase of subscription rights. The primary as well as the subsidiary pre-emptive right will be transferred to the acquirer upon sale of the subscription right. The ISIN-code for the subscription rights of class B is SE0008991582. Subscription rights of class A will not be traded.

¹⁾ The dilution percentage is calculated as the number of New Shares and votes, respectively, divided by the total number of shares and votes in the Company, respectively, following the implementation of the Offer.

Subscription for New Shares with subscription rights

Subscription for New Shares with subscription rights will take place during the subscription period, no later than 17 October 2016. Upon expiry of the subscription period, unexercised subscription rights will lapse and become worthless. After 17 October 2016, unexercised subscription rights will be deleted from the holder's securities account without any notice from Euroclear.

In order not to lose the value of the subscription rights, the holder must either:

- exercise the subscription rights to subscribe for New Shares no later than 17 October 2016, or in accordance with instructions from the subscriber's nominee, or
- sell the subscription rights that will not be exercised no later than 13 October 2016.

Subscription by directly registered shareholders

Subscription for New Shares with subscription rights will be made through payment in cash together with a notification, either by use of the pre-printed payment form or a special application form in accordance with one of the following options:

- If all subscription rights pursuant to the issue statement from Euroclear are to be exercised, the pre-printed attached payment form shall be used. No additions or amendments may be made on the payment form.
- If subscription rights have been purchased, sold or transferred from another securities account, or if, for some other reason, the number of subscription rights to be exercised for subscription differs from the number set out in the pre-printed issue statement, the application form named "Subscription for shares with subscription rights" shall be used. When the duly filled out subscription form is submitted to SEB at the address below, payment shall be made for the subscribed New Shares in accordance with the payment instruction on the application form. Subscription forms in accordance with the above can be ordered from SEB during office hours on telephone: +46 (0)8 639 27 50. The subscription form can be sent to SEB, Emissioner R B6, SE-106 40 Stockholm, Sweden or be handed in at any SEB office in Sweden. Subscription forms shall be received by SEB no later than 17 October 2016.

Directly registered shareholders not resident in Sweden eligible for subscription of New Shares with subscription rights

Directly registered shareholders that are not resident in Sweden but eligible for subscription for New Shares with subscription rights (i.e. which are not subject to the restrictions described in the section "Shareholders resident in certain

unauthorized jurisdictions") and that cannot use the pre-printed payment form, can pay in SEK through a foreign bank in accordance with the instructions below:

SEB
Emissioner R B6
SE-106 40 Stockholm, Sweden
IBAN number: SE105000000058651004400
Bank account number: 5865-10 044 00
SWIFT/BIC: ESSESESS

Upon payment, the subscriber's name, address, securities account number, and the payment identity stated on the issue statement must be quoted. Last day for payment is 17 October 2016. If the number of subscription rights to be exercised for subscription differs from the number on the pre-printed issue statement, the application form "Subscription for shares with subscription rights" shall be used, which can be ordered from SEB during office hours on telephone: +46 (0)8 639 27 50. Payment shall be made in accordance with the instructions above; however, the payment identity from the subscription form shall be quoted. The subscription form shall be received by SEB at the address above no later than 17 October 2016.

Subscription by nominee-registered shareholders

Shareholders whose holdings are nominee-registered and who wish to subscribe for New Shares with subscription rights shall apply for subscription in accordance with instructions from their nominee or nominees.

Paid subscribed shares (BTAs)

After payment and subscription, Euroclear will distribute a securities notification confirming the registration of the paid and subscribed shares (Sw. *betalda tecknade aktier*, "BTAs") on the securities account. The newly subscribed shares are entered as BTAs on the securities account until the New Shares have been registered at the Swedish Companies Registration Office (Sw. *Bolagsverket*) and the BTAs have been re-classified as regular shares. Delivery of the New Shares are expected around 1 November 2016. No securities notification will be issued in connection with such re-classification.

Trading in BTAs of class B is expected to take place on Nasdaq Stockholm during the period from and including 4 October 2016 to and including 26 October 2016. SEB and other securities institutions with required licenses will provide brokerage services in connection with the purchase and sale of BTAs of class B. The ISIN-code for the BTAs of class B is SE0008991590. Trading in BTAs of class A will not take place.

Subscription for New Shares without subscription rights

Subscription of New Shares can also be made without subscription rights.

Directly registered shareholders and others

Application for subscription of New Shares without subscription rights must be made on a special application form named "Subscription for shares without subscription rights". More than one application form may be submitted, however, only the most recently dated form will be considered. Subscription forms can be obtained at SEB's offices in Sweden or on SEB's website www.sebgroup.com/prospectuses as well as on Elanders' website www.elanders.com. The subscription form can be sent to SEB, Emissioner R B6, SE-106 40 Stockholm or handed in at one of SEB's branch offices in Sweden. The subscription form must be received by SEB no later than 17 October 2016.

Nominee-registered shareholdings

Subscription for New Shares without subscription rights shall be made to the respective nominee and in accordance with instructions from the nominee, or if the holding is registered with several nominees, from each of these.

Allotment of New Shares subscribed for without subscription rights

If not all New Shares have been subscribed for with subscription rights (primary pre-emptive right), the board of directors shall decide on allotment of New Shares within the highest amount in the Offer in accordance with the following:

- Firstly, New Shares shall be allotted to those having subscribed for New Shares with subscription rights (subsidiary pre-emptive right), regardless of whether such persons were shareholders on the record date or not. In case of over-subscription, allotment shall be made pro rata in relation to the number of shares such persons have subscribed for in the Offer, and if that is not possible, by drawing of lots.
- Secondly, allotment shall be made to other persons having applied for subscription without subscription rights, upon which – in case of over-subscription – allotment shall be made pro rata in relation to the number of shares they have applied to subscribe for, and if that is not possible, by drawing of lots.
- Finally, any outstanding New Shares shall be allotted to the issue guarantor Carl Bennet AB.

At transfer of a subscription right, the primary as well as the subsidiary pre-emptive right is transferred to the new holder of the subscription right.

As confirmation of the allotment of New Shares subscribed for without subscription rights, a settlement note will be sent to directly registered shareholders and others with a securities account (Sw. *VP-konto*). New Shares which have been subscribed for and allotted must be paid for in cash in accordance with the instruction on the settlement note, however, no later than three business days from obtaining the settlement note. Shareholders whose holdings are nominee-registered will receive confirmation of the allotment in accordance with the procedure of the respective nominee. No confirmation will be sent to those who have not been

TIMETABLE

The timetable below shows and concludes certain important dates in relation to the Offer.

First day of trading in shares exclusive of the right to receive subscription rights	29 September 2016
Record date for participation in the Offer	30 September 2016
Subscription period commences	3 October 2016
Trading in subscription rights commences	4 October 2016
Trading in BTAs commences	4 October 2016
Trading in subscription rights concluded	13 October 2016
Subscription period concluded	17 October 2016
Outcome of the Offer is announced	24 October 2016
Trading in BTAs is concluded	26 October 2016
Delivery of New Shares	Around 1 November 2016
Trading in New Shares commences	Around 1 November 2016

allotted New Shares. The subscription of New Shares is binding. If payment is not duly made, the New Shares will be transferred to others. In case the sale price of the shares is below the subscription price, the person who was initially allotted New Shares is responsible for paying the entire or part of the difference.

The New Shares will be delivered as soon as the required registration has taken place at the Swedish Companies Registration Office. Such delivery is expected to take place around 1 November 2016. A securities notification will be sent to the directly registered shareholders or nominees as confirmation that the New Shares have been registered on the securities account.

Right to dividend

The New Shares will carry right to dividends commencing from the first record date for dividends occurring following the registration of the New Shares in the Company's share register.

Announcement of the outcome of the Offer

The final subscription outcome of the Offer is expected to be announced around 24 October 2016 through a press release from Elanders.

Trading in New Shares

Elanders' class B shares are traded on Nasdaq Stockholm. Following registration of the New Shares at the Swedish Companies Registration Office class B shares issued in the Offer will also be traded on Nasdaq Stockholm. Such trading is expected to begin around 1 November 2016. Elanders' class A shares are not subject to organized trading.

Irrevocable subscription

Elanders is not entitled to revoke the Offer. Subscription of New Shares, with or without subscription rights, is irrevocable and the subscriber cannot withdraw or change the subscription of the New Shares, unless otherwise stated in this Prospectus or in accordance with applicable law.

Other information

In the event a larger amount than necessary has been paid by a subscriber of New Shares, Elanders will arrange for the excess amount to be refunded. No interest will be paid for such excess amount.

Incomplete or incorrect subscription forms may be rejected. Furthermore, if the subscription payment is made late, is insufficient or incomplete, the subscription application may be rejected or subscription may be deemed to have occurred at a lower amount. The unutilized part of the subscription payment will in such case be refunded. No interest will be paid for such amount. Questions regarding the Offer will be answered by SEB during office hours on telephone: +46 (0) 8 639 27 50.

Taxation

For information regarding taxation, please refer to the section "Tax issues in Sweden".



Market overview

The Prospectus contains some market and industry information obtained from third parties. Even if the information has been accurately reproduced and Elanders consider the information to be credible, Elanders has not independently verified the information. Elanders confirms that the information in the Prospectus obtained from third party has been accurately reproduced and as far the Company is aware and has been able to ascertain by means of comparison with other information published by such third parties, no information has been omitted that could render the reproduced information inaccurate or misleading.

Introduction

Elanders is a global supplier of integrated solutions in the areas supply chain management, print & packaging, and e-commerce. The Company's business areas, which are described in greater detail in the section "Business description", are titled Supply Chain Solutions, Print & Packaging Solutions, and e-Commerce Solutions. Elanders' offer also comprises integrated comprehensive solutions including services from all business areas. Below is a description of the market for each business area.

Supply Chain Solutions

Globalisation, increased e-commerce and digitalisation are driving forces strongly affecting the development of the market for supply chain management. The supply chain market has been heavily affected by the availability of the Internet and the ability to send information electronically. The demand for supply chain services grows, among others because of intense competition, price pressure, shorter product life cycles, and a growing middle class that demands more mobile consumption goods which means expanding e-commerce. By outsourcing major parts of the production and the supply chain to external players, companies can better guarantee deliveries while not having to tie up capital in plants, personnel, and systems. It also lets them concentrate more on their core business processes like product development, production, and marketing. With today's abundance of products, many companies have to deal with fierce competi-

tion and more highly informed consumers. Correctly designed and performed, supply chain services can provide distinct competitive advantages for customers using the services. These services have therefore become an important competitive tool for companies in various industries.

The development of the market for supply chain services has been particularly rapid on the Asian market, where a significant share of the world's production occurs today. The high share of outsourced production plants in the region has created a demand for coordination and distribution services.

The future of outsourcing is expected to remain positive even if the Company perceives that the outsourcing trend that has prevailed in recent years has been replaced by balanced decisions about which processes are best suited for outsourcing. Insourcing of specific processes is becoming more important for customers, but not within areas which make up a relevant share of logistics costs such as warehousing and transportation. According to a study conducted by an independent consulting firm in 2014, 53 percent of the customers assessed that the outsourcing trend will increase, 36 percent assessed that it will stagnate, and eleven percent assessed that it will decrease. In 2002, 63 percent assessed that the trend would increase, 30 percent that the trend would stagnate and seven percent that the trend would decrease.

The degree of outsourcing varies widely between different services and different industries. For example, standard transport solutions (e.g. transport of parcels and small cargo volumes as well as loading) are almost always completely

MARKET TRENDS WITHIN THE BUSINESS AREA SUPPLY CHAIN SOLUTIONS

Outsourcing

Increased outsourcing creates a demand for efficient supply chain services. The automotive industry and global companies in the consumer electronics industry have been outsourcing a large part of their operations for a long time in order to concentrate on product development, production, and marketing. Other industries are following in their footsteps.

Environment

The manufacturing industry meets high demands to reduce the environmental impact. An efficient management of the supply chain contributes to lower consumption of resources and energy, both in transportation and storage.

Urbanization

The ongoing urbanization in large parts of the world will affect the manufacturing industry. Roads to and from city centres risk heavy congestion, and laws, regulations and fees limit transportation in to and out of major cities.

outsourced while there is still great growth potential for outsourcing within e.g. contract logistics. Within areas that to a less extent are about physical services or are adjacent steering processes, the companies are normally more conservative in their approach to outsourcing, which is due to a fear of becoming dependent and losing control of important services and processes. Furthermore, the potential cost savings are normally larger in physical services than in management processes.

The consumer electronics and automotive industries have for a long time been and are today leaders in the development of the supply chain area. Many companies within these industries outsource significant parts of their operations. Also in the PC industry the outsourcing trend is expected to continue, which is primarily due to companies more keenly focusing on core business and that product lifecycles are becoming shorter. The major computer manufacturers and other players in the consumer electronics industry are developing products at an increasingly rapid pace, with the aim of reaching consumers quickly. Samsung, Apple, HP, and other major players in the consumer electronics industry have shortened the time from launch of a new model to its arrival in stores to just a few weeks. A key factor underlying success in these efforts is that the preparatory supply chain work is well planned.

Through the acquisition of LGI, Elanders has strengthened its position on the supply chain service market, mainly in Germany but also in the rest of Europe and particularly within the contract logistics area. Germany had a logistics volume of approximately EUR 235 billion in 2014 which accounts for approximately 25 percent of the European logistics market. The European logistics market has had an average annual growth rate of approximately 1.8 percent between 2009 and 2014.¹

The global challenges that come with creating a sustainable society are enormous. Higher demands on reduced emissions, lower energy consumption, traceability, recycling, and

reduced traffic on roads are expected to result in a major part of present structures not meeting the demands. According to Elanders' view, an increased focus on sustainable development will probably imply that future supply flows will have to change continuously. Industries will be forced into far-reaching co-operations to meet sustainability demands. The transparency between suppliers, customers, and even competitors needs to grow since a sustainable society requires coordinated production and storage, joint distribution and a much greater exchange of information. Furthermore, the demands will increase the complexity of the supply chains which will require even more of intelligent IT solutions, traceability, and control. Elanders is of the view that the focus on sustainable development likely will imply that the demand for external supply chain solutions will increase.

The main competition in supply chain management is from the customers' own solutions, meaning that the companies themselves develop supply chain management operations locally or in low cost countries. There are also some that use local companies that offer parts of an integrated supply chain solution. A few competitors manage to offer comprehensive global solutions for supply chain management, such as Arvato Bertelsman in Germany and Modus-Link as well as RR Donnelley in the USA.

Print & Packaging Solutions

Packaging and commercial print represent a significant share of the global graphic industry, which is expected to reach a size of USD 980 billion in 2018. The market for packaging is increasing almost every year, while the market for traditional print is decreasing on almost every geographic market.²

Just like the conventional graphic industry, the packaging industry is experiencing a constant price pressure resulting in lower margins. At the same time, there is major interest in new and smarter packaging among ordering companies and consumers. Nanotechnology and electronic printing are begin-

MARKET TRENDS WITHIN THE BUSINESS AREA PRINT & PACKAGING SOLUTIONS

Environment	Inbuilt traceability	Digitalization	Increased e-commerce
Even if packaging is often seen as harmful when it comes to the environment, smart packaging can reduce environmental impact, for instance contribute to discarding less food.	Nanotechnology and electronic print are growing as inbuilt traceability becomes a requirement, especially from the pharmaceutical industry in order to fight pirate copying. Even the food industry is interested in being able to trace the origin and authenticity of the products. These requirements imply increased needs for specialized equipment and competence in the industry.	The industry is in the process of a radical transformation when information becomes digital. Printed offset editions decrease while personalisation and variable print are growing.	More e-commerce means a greater need for packaging goods to consumers.

¹ Study conducted by an independent consulting firm, 2016.

² Smithers Pira, 2014.

ning to be used and, to increase safety, built-in traceability is becoming a requirement, particularly from the pharmaceutical industry, which has problems with pirate copies. The food industry is also interested in being able to account for and trace the origin and authenticity of its products.

Product development and continuous development of offers around print and packaging are essential to finding niches and businesses with better margins. Profitable niches with less competition can for example be areas where there are high demands on capacity and know-how, or where the services are a part of an integrated offer. Interesting market segments to Elanders are, for example, in comprehensive global solutions for chassis unique manuals in the automotive industry, personalized packaging for the candy industry, luxury packaging, and after sales information in the home electronics market, where there are better conditions for somewhat higher margins. In the case of so-called just-in-time production of manuals and other aftermarket information, competition is less severe, and derives primarily from local printing firms that lack the capacity and competence to fully meet the requirements of global customers.

The graphic industry is essentially similar in most countries. There are thousands of small, family-owned printing firms with traditional printing as the sole offering and this part of the market is undergoing extensive restructuring when a large share of printed media passes to become digital and where the variants are growing in numbers but the heap sizes decrease. There are just a few larger groups in each country. Many of them are not conventional printers but are instead publishers or newspapers, whose own printing units sell their excess capacity on the market.

Elanders has come far in the internationalisation and currently offers a competitive production of printed materials in low-cost countries such as China, Hungary, India, and Poland, but are also represented in Brazil, Germany, the United Kingdom, Sweden and the USA. In Sweden for

example, which is one of Elanders' larger markets for packaging and traditional print, Elanders is alone in being able to accompany its major customers across borders, offering own comprehensive global solutions that include printed materials, packaging, as well as services within for example the supply chain management area. Elanders' main competitor within Print & Packaging Solutions is, except for smaller companies, RR Donnelley in the USA.

e-Commerce Solutions

Elanders' operation in the e-Commerce Solutions business area consists of online sales of photo products mainly in Europe.

The market for photo products is mainly driven by the growing use of mobile phones for photography and by the fact that the technology is becoming more accessible when it is adapted to smart phones and tablets. The market is going through a consolidation phase since a few years back. Smaller local companies are acquired by a few larger international players that dominate the industry. The development is mainly due to high marketing and investment costs required to keep the platforms competitive.

In the e-Commerce Solutions business area, Elanders – via its subsidiaries fotokasten, myphotobook, and dlolm – is one of the leading players in photo products in Europe. Elanders' main competitors within this business area are primarily Apple, CEWE, Photobox, and Vistaprint, of which all players, apart from Apple, produce their photo products themselves. These competitors are present in the areas in Europe where Elanders has the largest share of its sales. The market for personalized photo products is expected to continue to grow since the use of these services has not yet reached broad consumer groups and all markets. Furthermore, there is an intense product development within the area which implies that new products are constantly added.

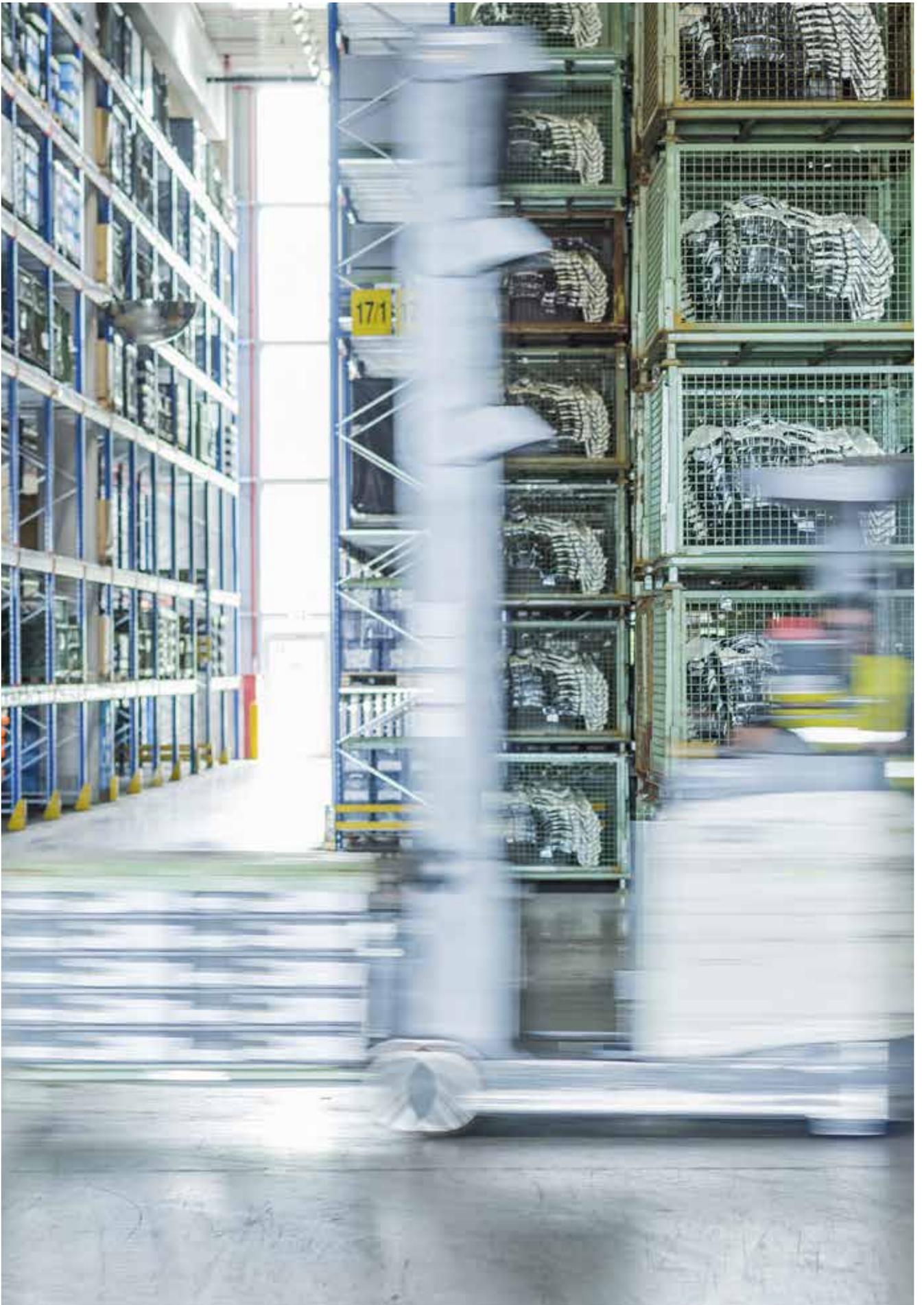
MARKET TRENDS WITHIN THE BUSINESS AREA E-COMMERCE SOLUTIONS

The use of mobile phones

The consumers use mobile phones for both photography and creation of photo products. The tools are becoming more and more accessible when they are adapted to smart telephones and tablets through apps. Hence, players on the photo products market must constantly work on their offers and be present in the channels relevant for the target group.

Personalized photo products

As a result of the consumers' increased access to both digital storage opportunities and paper printers of good quality, the demand for traditional photo print has declined, while interest has grown for personalized photo products, such as gifts as t-shirts, mugs, calendars, books, and interior decoration as wallpaper, pillows, and carpets.



Business description

Overview

Elanders is a global provider of integrated solutions in the areas supply chain management, print & packaging and e-commerce. Elanders offers different products and services necessary for other companies' products to reach the end consumers. The offer comprises everything from a comprehensive responsibility for complex and global delivery undertakings including procurement, configuration, production, picking, distribution, payment solutions, and after sales services to producing single printed matter and packaging. In addition to the B2B offer, the Company also sells photo products directly to consumers via the own brands fotokasten, myphotobook, and dlo!m.

Elanders has divided its customers into the following customer segments:

- Automotive
- Industrial Manufacturing
- Electronics
- Retail, Fashion & FMCG (Fast-Moving Consumer Goods)
- Service Sector
- Life Science

Through the acquisition of LGI, Elanders obtained a larger customer base within Fashion and Life Science.

The most important markets are China, Germany, Singapore, Sweden, the United Kingdom, and USA. Elanders' operations are run on four continents with several large distribution hubs located strategically worldwide. Elanders has operations in 18 countries: Austria (Wien), Brazil (São Paulo), China (Beijing, Chengdu, Chongqing, Kunshan, Shanghai, Shenzhen, Songjiang, and Xiamen), Czech Republic (Brno, Prag, and Zákupy), Germany (Berlin, Böblingen, Bremen, Duissberg, Düsseldorf, Frankfurt, Hamburg, Herrenberg, Manching, München, Neustadt, Nuremberg, Schwaig, Stuttgart, Werder, and Wetzlar), Hungary (Budapest, Jászberény, and Zalaötvó), India (Chennai), Italy (Treviso), Japan (Tokyo), Mexico (Juárez), Netherlands (Amsterdam and Rotterdam), Poland (Płońsk and Wrocław), Russia (Moscow), Singapore (Singapore), Sweden (Gothenburg, Malmö, and Stockholm), Taiwan (Taipei), the United Kingdom (Glasgow, Milton Keynes, and Newcastle), and (Atlanta, Boston, Davenport, Miami, and Ontario).

Elanders is also represented by sales offices and development divisions at a number of locations.

The business areas that the Company operates within are Supply Chain Solutions, Print & Packaging Solutions, and e-Commerce Solutions. During 2015 Supply Chain Solutions represented 47 percent of net sales and 56 percent of operating result, Print & Packaging Solutions represented 47 percent of net sales and 38 percent of operating result, and



Elanders' operations are run on four continents with several large distribution hubs located strategically worldwide.

e-Commerce Solutions represented six percent of net sales and operating result.

Through the acquisition of LGI in July 2016, Elanders strengthened its positions significantly within Supply Chain Solutions and hence this business area has become Elanders' largest.

LGI has the largest share of its operations in Europe, implying that Europe as a market increases in significance for Elanders following the acquisition.

Description of LGI

LGI is one of Germany's leading players in industrial contract logistics. LGI provides solutions and manages warehouse logistics, production processes, and transports to customers in the Automotive, Electronics, Industrial Manufacturing, Healthcare & Life Science, as well as Fashion & Lifestyle customer segments. LGI has a particular focus on product and component flows with extremely short lead times and provides everything from simple logistic solutions to comprehensive supply chain management solutions. LGI was created as a spin-off from Hewlett Packard Deutschland GmbH in 1995. LGI has grown considerably since and has currently approximately 4,000 employees and more than 45 facilities worldwide, whereof 35 in Germany. In addition to Germany, which is LGI's most important market, LGI has operations in Austria, Czech Republic, Hungary, Netherlands, Poland, Russia, Sweden, the United Kingdom, and USA.

LGI's offer comprises the following service areas:

- Contract Logistics
- Transportation (Network Solutions, Air & Sea and Road)
- Services

LGI's main offer comprises services within Contract Logistics and Transportation. During 2015, Contract Logistics represented approximately 49 percent of LGI's net sales and Transportation represented approximately 48 percent of LGI's net sales, whereof Air & Sea represented approximately 17 percent and Road approximately 31 percent. In addition, LGI offers industrial/value added services, services within custom and foreign trade, and services under the brand pakadoo, which is an innovative delivery service allowing employees to receive private parcels at their workplace.

Within the business area Contract Logistics, services are offered within procurement, production, distribution, spare parts logistics, and so called reverse logistics (for example handling of returns and pick-up of discarded products for recycling). Within Contract Logistics, LGI also offers industrial/value added services such as installations, updates, tests and certifications of electronic hardware and software products, loading and unloading of products (so called cross-docking), just-in-sequence deliveries, provision of consignment centre,

emptying, cleaning and sorting of containers, and packaging services.

LGI's service area Transportation includes, among others, services within distribution, freight forwarding, provision of Lead Logistics Provider ("LLP") solutions, collection of goods from collection points (so called "milk runs"), local transportation, and reverse logistics. A large share of the business area consists of what LGI calls Network Solutions, which among others consist of milk runs and LLP solutions, where LGI continuously supplies a number of factories in the automotive and other manufacturing industry with components picked up at subcontractors. The components are delivered "in", "just-in-time" or "just-in-sequence", straight to the customer's assembly line.

The service area Services mainly consists of hiring of temporary labor, IT solutions, and training activities.

In 2015, LGI had net sales of approximately EUR 430 million and EBITDA, excluding non-recurring items, of approximately EUR 29 million. Non-recurring items amounted to approximately EUR 4 million and were attributable to restructuring costs.

LGI's operations will fall under Elanders' business area Supply Chain Solutions, as further described below.

Business areas

Introduction

Elanders operates within the business areas Supply Chain Solutions, Print & Packaging Solutions, and e-Commerce Solutions, on a variety of markets around the world. Each business area stands strong in itself, but together they complement and strengthen each other. Some services overlap each other and synergies arise from for example coordination of the production. Shared customer care, cross sales, and cooperation on ordering platforms and IT solutions are other evident synergies that can be achieved. Clear evidence of synergy gains in the operation are for example the printing volumes that both business areas Supply Chain Solutions and e-Commerce Solutions generate in the business area Print & Packaging Solutions. Synergy gains also arise from the operations being a part of a global Group and thereby can profit from immaterial values that are created in the exchange of skills and experience, market presence, branding, and customer network.

Traditional print continues to face tough challenges while demand for packaging and labels is growing. The many distribution channels, the reduction in demand and the tough price pressure on traditional print, naturally led Elanders to change strategy and supplement the Company's main business with new offerings and business areas. Elanders' first step in this transition was to acquire fotokasten, dlo/m, and myphotobook whereby the business area e-Commerce Solutions was created. In parallel, Elanders made investments in packaging, and Printpack was acquired. In 2014, Elanders took a further major step by the acquisition of Mentor Media

Business description

and created the business area Supply Chain Solutions. After the acquisition of LGI, Elanders has strengthened its positions further within global supply chain management.

Supply Chain Solutions

Elanders is one of the leading companies in the world in global supply chain management. Supply chain management is about managing and optimizing the flow of goods, money, and information between manufacturer and end customer. Many different players work together directly or indirectly to deliver an ordered product. The demand for supply chain services has grown as more companies choose to outsource their non-core business areas. By outsourcing supply chain management companies can avoid to tie up capital in plants, personnel and service commitments.

Elanders offers its customers comprehensive global solutions in supply chain management. This includes the handling of everything from receiving orders, procurement, purchasing, and warehouse logistics to configuration, manufacturing and delivery. Elanders also handles payment flows, synchronizing procurement and inventory with demand and after sales service for global logistics solutions, as well as handling returned or damaged goods. Real time information and detailed statistic reports are also a central part of the offer.

Elanders has developed advanced IT systems that enable individual solutions adapted to the needs of the different customers. The systems can be integrated with the customers' business systems and be linked to e-commerce platforms for handling of customer service and after sales service.

Elanders often works within tight timeframes and still must meet industrial standards and regulations. In addition, more stringent environmental demands increase the complexity of the supply chain which, in turn, requires more specialist knowledge. Efficient management of the supply chain involves an extensive exchange of information between all interested parties: consumers, suppliers, manufacturers, logistics service suppliers, distributors, and retailers.

Elanders' list of customers within Supply Chain Solutions includes some of the most influential companies in the PC and electronics industry. Through the acquisition of LGI, Elanders also strengthened its positions within the customer segments Fashion and Life Science.

Print & Packaging Solutions

Elanders has been active on the traditional graphic industry for over 100 years. Today the Company offers cost efficient and innovative solutions that fulfill customers' needs for printed material and packaging, locally and globally. Elanders has developed advanced, user-friendly and internet-based ordering platforms that streamline the process from order to delivery and enable customized just-in-time or just-in-sequence deliveries.

Elanders is one of few companies in the graphic industry that can offer international customers comprehensive global

solutions that include printed matter, packaging, and other related services such as kitting and packing. Elanders has developed advanced ordering platforms that make the process from order to delivery more efficient and enable customized delivery alternatives.

One of the most successful strategies has historically been to offer large industrial groups full-service solutions comprising printed matter, packaging, and other services that usually include a considerable amount of logistics. Thus, Elanders has in just a few years become one of the leading players in Europe within the production and sales of personalized printed matter while the graphic industry has been undergoing extensive restructuring and been affected by a hesitant economy. With its graphic expertise, advanced technological ordering platforms, and global presence, Elanders can offer its customers comprehensive solutions that small and middle-sized printing companies have a hard time matching.

On the large packaging market, Elanders has invested its resources in a number of niche areas. The assignments often consist of complex packaging solutions and packaging of luxury products, sometimes with elements of personalized print.

The introduction of personalized packaging started in 2010 with the acquisition of the packaging printing company Printpack, which mainly has food, cosmetics, and pharmaceutical companies as customers. Several of these customers have requested the possibilities of obtaining personalized packaging.

Some of Elanders' larger customers within Print & Packaging Solutions are the automotive industry, the consumer electronics industry, the manufacturing industry, and the public sector. In the consumer electronics industry, the assignments normally consist of printing the actual packaging – often with an associated manual that is packed together with the article and then sent to the customers. For some of these customers Elanders delivers to their factory every four hours, every day, year around. Exclusive and occasionally hand-made packaging in limited editions is also offered to cosmetic companies or customers selling exclusive fashion accessories. In the automotive industry, the assignments often consist of creating a special premium feeling for the storage of manuals and service books.

e-Commerce Solutions

E-Commerce is expanding on nearly every market worldwide. Elanders is one of the companies that has embraced this development and via a number of acquisitions is on its way to become one of the most influential actors in the e-commerce segment of photo products and this business area constitutes the business area e-Commerce Solutions.

Elanders is one of the leading European players in on-line sales of personalized photo products. The services are marketed under three brands: fotokasten, myphotobook, and dlolm. fotokasten and myphotobook are primarily aimed at

consumers and with the help of dloim's e-commerce solutions they provide a broad selection of photo products such as photo books, calendars, presents, and interior design items.

Within e-Commerce Solutions, selling of photo products direct to customers comprise the largest share of the Company's sales. In addition to this, dloim offers so called white label solutions allowing other companies to sell parts of Elanders' range of photo products under their own brand. Elanders is responsible for the entire order flow, the production process and the delivery while the brand owner is responsible for marketing and sales. One of the largest retail chains in Europe is among the white label customers.

Global integrated comprehensive solutions

Elanders creates a close and strategic relationship with the customer through more points of contact and advanced IT solutions, which increases the lock-in effect with customers and increases barriers to entry for new market players.

Elanders' global organization is a strength even in this context. For the customers, this means that all handling takes place via a single contact at Elanders, regardless of how extensive the assignment is and what part of the world the product or service is to be delivered to.

From order to end customer

Each month Elanders' distribution center in Singapore handles over a million products. The primary customers are global companies in the home electronics industry. Elanders receives a constant order flow through customers' business systems and e-commerce platforms that generate orders to different product and component manufacturers. Updated information is sent in real time to the customers. Before they are sent to the orderer, Elanders configures and assembles the products and packs them together with accessories tailor-made for each country along with printed manuals in the correct language. All within 24 hours.

SERVICES

Global Order Management	Elanders' global network enables Elanders' customers to deliver a variety of products in the most time sensitive and cost effective manner. Elanders' system solutions are scalable and flexible, implying that they can easily be adapted when the customers for instance grow on existing or new markets or relocate production or warehouses.
Sourcing & Procurement	Elanders provides an overall responsibility for its customers' procurement processes with manufacturers and other suppliers. A cross functional collaboration makes the sourcing strategy more efficient, which results in substantial cost savings while also achieving lean manufacturing and inventory management.
Custom Configuration & Manufacturing	In the new supply chains that are emerging globally, various types of customizations are required late in the process to reduce lead times and finished goods inventory. Elanders undertakes these adjustments, from simple assembling to complex testing and installation of high technology products and components.
Warehouse & Inventory Management	Elanders helps its customers to optimize flow of goods, inventory levels, and warehouse spaces. By an efficient management of sub-components, accessories, and finished goods, and with customized solutions according to each customer's individual requirement, significant cost savings can be achieved.
Print	With cost-efficient and innovative solutions, customers' needs for printed material both locally and globally are met. Elanders has developed advanced, user friendly and Internet-based order platforms that streamline the whole process from order to delivery and enable print-on-demand orders, just-in-sequence and just-in-time deliveries.
Packaging	Packaging is an important part of the supply chain. A properly designed package of the correct type leads to increased efficiency. Whether it concerns exclusive customer profiling packages or cost-efficient consumer packages for retailing, Elanders offers customized solutions for all industries and needs.
Fulfillment & Distribution	Through its global infrastructure, Elanders offers its customers an efficient and fast way to markets all around the world. The offer includes simple pick, pack and ship solutions as well as highly complex fulfillment services. Elanders' specialist knowledge about various countries' local regulations and integration with logistic partners implies timely deliveries reducing the customers' costs and provides the fastest possible time-to-market.
Freight Solutions	Elanders can take care of the customer's entire transport chain. It can be anything from finding suitable transport for the customers, to Elanders itself providing transport. Elanders can also take care of storage of the goods or, if necessary, receive the goods, declare it and take care of all the documents necessary for, for instance imports and exports.
Returns Management & Refurbishment	Elanders' solutions for return management streamline the process so that manufacturers and distributors can utilize the value of returned products. The solutions cover all parts in the return process from pick up, inspection, and testing, to reparation and reuse or recycling of the product.
e-Commerce	Elanders' offer includes customized B2C and B2B solutions for e-commerce that can be integrated with the customer's business system and different order platforms. With these solutions, the customer gets a global visibility across their flow of goods and can quickly react to changes in all from demand to available resources.

Business description

Global ordering, local distribution

Elanders' global ordering platform supplies approximately 6,000 retailers of construction machines with sales material such as manuals, marketing material, and drawings on behalf of the manufacturer. Elanders also handles all payment flows through electronic billing. The production is located at Elanders' facility closest to the end customer, in order to shorten delivery times, reduce environmental impact and reduce logistics costs. The benefit for the customer is complete control over costs, a

unified graphic profile on all material, and reduced administration. The sustainability benefits are just part of the deal.

Global after sales market

The after sales market for a business can be both costly and time-consuming, particularly if the need is global. Elanders has an efficient process for handling after sales markets and already helps a number of global home electronics companies with this process. When private customers order recovery

HISTORY

Year	Key events
1908	Elanders is founded by Otto Elander, Nils Hellner, and Emil Ekström.
1978	Elanders is established in the United Kingdom.
1989	Elanders is listed on the Stockholm stock exchange. Acquisition of WeZäta AB that since 1908 had handled the binding of the national telephone directory.
1991	Acquisition of Norwegian company Fabritius A.S. that produces all phone directories for the Norwegian Telecommunications Administration.
1993	The Swedish recession affects Elanders' core business in full force whereupon extensive rationalization work is done.
1996	Elanders is established in Poland.
1997	Carl Bennet AB becomes main owner in Elanders.
1997-2000	Eleven companies are acquired in Sweden and Elanders thereby becomes the Nordic region's largest graphic Group.
1999	Elanders acquires Hindson in Newcastle, the United Kingdom. The acquisitions in the business areas infomedia and technical documentation accelerate the change of Elanders' profile towards IT/Media and entail an internationalization of the business.
2002	Establishment in Hungary with a focus on production of manuals for world-leading mobile phone manufacturers.
2004	Elanders begins new business in Hungary together with Hansaprint for the production of mobile phone manuals. Another two companies are acquired in Sweden.
2005	In line with its strategy, Elanders follows its customer Sony Ericsson to China.
2005-2006	Elanders' operations in Kungsbacka are hit by price pressure and declining volumes, extensive restructuring of the operation in Kungsbacka is carried out. The operation is divested the following year.
2007	Sommer Corporate Media in Germany and Artcopy in Brazil are acquired. Elanders starts its first unit in Italy.
2008	Elanders enters USA and acquires Seiz Printing in Atlanta. Acquisition of German Mairs Graphische Betriebe.
2009-2010	Elanders is struck hard by the financial crisis and carries out personnel reductions, mainly in Sweden.
2010	Elanders acquires the German package printer Printpack
2011	Elanders continues to consolidate the Swedish market by taking over sections of the operations of the printing houses Fälth & Hässler and NRS Tryckeri.
2012	The German e-commerce companies fotokasten and d o m and the leading print management company Midland Information Resources Company in USA are acquired.
2013	Acquisition of the label printer McNaughtan's Printers Ltd in Scotland, which has several well-known whisky distillers as customers, and of German myphotobook, a leading e-commerce company in sales of personalized photo products to consumers.
2014	With the aim of reducing exposure to traditional printing and to increase the presence in Asia, Mentor Media, a supply chain management company with strong presence in Asia, is acquired.
2014	Elanders conducts a restructuring in Sweden with personnel reductions as consequence.
2015	In line with the strategy to grow in the business area of niche packaging, Elanders acquires the German niche packaging company Schmid Druck.
2016	With the aim of complementing the Company's operations in Supply Chain Solutions and to establish a stronger presence in Europe, LGL, one of the leading players in Industrial Contract Logistics in Germany, is acquired.

media for home computers Elanders provides an ordering platform and handles all payment flows. The computer and geographic position of the person placing the order is identified based on the unique serial number. The correct software in the correct language is downloaded on the desired medium – a DVD or a USB flash drive – and sent to the customer. Some of the advantages of outsourcing after sales market management are greater customer satisfaction and better cost-efficiency.

History

The past few years have been eventful and meant a major transformation for Elanders. From being a 100 year-old Swedish printer group, the Company has become a supplier of integrated comprehensive solutions on the global supply chain management market.

Business concept, targets and strategies

Elanders' business concept is to be a global strategic partner to the customers in their work to streamline and develop their business critical processes.

The Company's overall goal is to be a leader in global solutions for supply chain management, print & packaging, and e-commerce, with a world class integrated offer. To achieve this, Elanders has the following strategies:

1. Develop local customers with global needs to global customers
2. Optimize production and delivery capacity
3. Acquire businesses that lead to additional sales, broaden the customer base and complement the offer

1. Develop local customers with global needs to global customers

Elanders grows and develops with the customers. The global business often evolves by building up good relationships through providing good solutions for local needs, that customers then implement globally. In order to increase global solution sales Elanders works systematically with developing the existing customer base in each segment to spot local customers with global needs. Elanders' global customers may also have local needs that should be identified and developed to augment the local delivery.

2. Optimize production and delivery capacity

Elanders has operations and offices in many parts of the world. An important success factor is optimizing the capacity utilization in the various facilities. This is achieved through better measurement of available capacity, joint product planning, flexible pricing, and making organizational adjustments.

3. Acquire businesses that lead to additional sales, broaden the customer base and complement the offer

In addition to developing the existing business, Elanders will continue to acquire new businesses that have the potential to increase sales, broaden the customer base, and complement the Company's offer.

Long-term financial targets

Elanders' current long-term financial targets are the following:

- Net sales growth of at least ten percent per year, of which at least half organic
- Operating result growth of at least ten percent per year
- Operating margin of at least seven percent
- Return on capital employed of at least ten percent
- Equity ratio of at least 30 percent
- Debt/equity of less than one (1)

Following the acquisition of LGI, the Company's operations and the Company's financial structure will change. The work with integrating LGI into the Elanders Group and consolidating LGI's accounts have been initiated but not yet finalized. The Company's board of directors will therefore revise the financial targets and set new financial targets as soon as the integration and consolidation work has progressed further and the board of directors has a clearer view of the new Group's financial constitution and outlook.

Personnel

As Elanders has gained market shares and acquired companies, the number of employees has increased, simultaneously as efficiency improvements have decreased the number of employees between 2014 and 2015. At the end of 2015, there were approximately 3,200 employees. With the acquisition of LGI in July 2016, the number of employees increased to nearly 7,200.

KEY FIGURES HUMAN CAPITAL

	2015 (including LGI)	2015 (excluding LGI)	2014
Average number of employees	7,035	3,182	3,360
Number of employees, 31 December	6,980	3,177	3,320
Net sales per employee (average), in thousands of SEK	1,189	1,331	1,110

Environment

The connection between a quality-managed production and lower environmental impact is becoming clearer for more and more companies. The environmental demands from customers and authorities vary depending on the geographic markets Elanders operates on, but the general trend is clear. The ability to offer sustainable production from start to finish is becoming a prerequisite for being able to compete, especially on a global level.

Many multinational groups have high internal goals for their work with the environment and sustainability. Their own environmental and quality labeling also set the standards which their suppliers must meet. Accordingly, Elanders' sustainability work is mainly based on the high demands dictated by the global customers. For instance, Sony instituted their environmental standard Sony Green Partner Standards already in 2001, requiring all suppliers to qualify for the international environmental standard. An updated certifica-

tion is conducted every other year. Elanders in China met the demands for Green Partner in the beginning of 2016.

In 2015, Elanders took a number of environmental initiatives in several subsidiaries, with the aim to reduce energy use, decrease emissions of greenhouse gasses, and decrease hazardous waste. Each individual company in the Group is responsible for the environmental and quality work necessary to live up to local regulations as well as the quality and environmental revisions initiated by Elanders' customers.

Some of Elanders' environmental certifications:

- Sony Green Partner in China
- Environmentally certification (ISO) of several of the operations in China, Czech republic, Germany (including LGI), the United Kingdom, Hungary, Poland, Singapore, and Sweden

The Group's financial development in brief

The financial information below refers to the 2015, 2014 and 2013 financial years and the first six months of 2016 and 2015. The financial information for 2015, 2014 and 2013 have been audited by the Company's auditors, while the financial information for the first six months of 2016 and 2015 have not been reviewed by the Company's auditors. Unless otherwise stated, no other information in the Prospectus has been audited nor reviewed by the Company's auditors. The financial information has been prepared in accordance with the EU approved International Reporting Standards (IFRS) and the interpretations of the International Financial Interpretations Committee (IFRIC). In addition, the section below contains certain performance measures that are not required or have not been calculated in accordance with IFRS. These performance measures are presented in the Prospectus as Elanders believes that these performance measures are important for investors' assessment of the Company and the Offer. These performance measures have not been audited by the Company's auditors and should not be considered as a substitute for Elanders' financial information prepared in accordance with IFRS. Elanders' performance measures that have not been calculated in accordance with IFRS are not necessarily comparable with similar measures presented by other companies since they might calculate the ratios in a different manner.

Financial information regarding LGI in the Prospectus is based on LGI's audited annual report for the financial year 2015. LGI's annual report is prepared in EUR, and in accordance with generally accepted accounting principles in Germany, which is why the figures have been converted to SEK.

For comments on the financial information below, please refer to the section "Comments on the financial development". The information below is to be read in conjunction with the Company's accounts for the financial years 2015, 2014 and 2013 that have been incorporated into the Prospectus by reference. For more information on the documents incorporated by reference, refer to the section "Legal considerations and supplementary information – Incorporation by reference".

INCOME STATEMENTS IN SUMMARY

SEKm	First six months		Full year		
	2016	2015	2015	2014	2013
Net sales	2,077	2,072	4,236	3,730	2,096
Cost of products and services sold	-1,639	-1,617	-3,252	-2,897	-1,591
Gross profit	438	454	984	833	505
Selling and administrative expenses	-340	-354	-718	-680	-416
Other operating income	26	25	51	33	50
Other operating expenses	-2	-8	-26	-11	-9
Operating result	122	117	292	175	131
Net financial items	-10	-18	-33	-35	-29
Result after financial items	111	99	259	140	102
Taxes	-31	-34	-85	-52	-32
Result for the period	80	65	175	88	70
Result for the period attributable to:					
- Parent company shareholders	80	65	175	88	70
- Non-controlling interests	-	-	-	-	-
<i>Earnings per share, SEK^{1) 2) 3)}</i>	<i>3.03</i>	<i>2.46</i>	<i>6.58</i>	<i>3.48</i>	<i>2.99</i>
<i>Average number of outstanding shares, thousands</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>25,204</i>	<i>23,395</i>
<i>Outstanding shares at end of the period, thousands</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>23,395</i>

¹⁾ Earnings per share before and after dilution.

²⁾ Earnings per share calculated by dividing the result for the period attributable to parent company shareholders by the average number of outstanding shares during the period.

³⁾ Historic performance measures have been adjusted for the bonus issue element (the difference between subscription price and share price) in the new share issue in 2014.

STATEMENT OF FINANCIAL POSITION IN SUMMARY

ASSETS

SEKm	30 June		31 December		
	2016	2015	2015	2014	2013
Intangible assets	1,290	1,289	1,269	1,297	1,156
Tangible assets	316	381	334	392	350
Other fixed assets	199	198	199	191	165
Total fixed assets	1,805	1,868	1,802	1,880	1,672
Inventory	274	261	266	253	107
Accounts receivable	785	817	825	844	387
Other current assets	158	154	139	136	82
Cash and cash equivalents	489	405	529	457	215
Total current assets	1,705	1,636	1,758	1,690	792
Total assets	3,510	3,504	3,560	3,570	2,464

EQUITY AND LIABILITIES

SEKm	30 June		31 December		
	2016	2015	2015	2014	2013
Equity	1,512	1,409	1,488	1,348	1,039
Liabilities					
Non-interest-bearing long-term liabilities	86	86	83	86	69
Interest-bearing long-term liabilities	20	23	20	25	432
Total long-term liabilities	106	109	103	111	501
Non-interest-bearing current liabilities	639	721	722	784	402
Interest-bearing current liabilities	1,254	1,264	1,247	1,327	522
Total current liabilities	1,892	1,986	1,969	2,111	924
Total equity and liabilities	3,510	3,504	3,560	3,570	2,464

STATEMENT OF CASH FLOWS IN SUMMARY

SEKm	First six months		Full year		
	2016	2015	2015	2014	2013
Result after financial items	111	99	259	140	102
Adjustments for non-cash items	32	22	102	172	81
Paid taxes	-40	-48	-85	-61	-57
Changes in working capital	-46	14	-8	-89	3
Cash flow from operating activities	58	86	269	162	128
Cash flow from investing activities	-40	-21	-42	-296	-164
Amortization of loans	-53	-53	-107	-215	-43
Other changes in long- and short-term borrowing	46	-44	-18	439	134
Dividend	-58	-29	-29	-18	-14
Cash flow from financing activities	-65	-126	-154	326	77
Cash flow for the period	-48	-61	73	192	41
Liquid funds at the beginning of the period	529	457	457	215	168
Translation difference	8	10	-0	49	6
Liquid funds at the end of the period	489	405	529	457	215
Net debt at the beginning of the period	738	895	895	739	688
Translation difference in net debt	8	22	40	76	-0
Net debt in acquired operations	-3	-	-	-94	-18
Change in net debt	42	-36	-198	174	69
Net debt at the end of the period	785	882	738	895	739
Operating cash flow	68	132	344	-38	50

PERFORMANCE MEASURES

SEKm	30 June		31 December		
	2016	2015	2015	2014	2013
Net sales	2,077	2,072	4,236	3,730	2,096
EBITDA	177	178	428	292	229
Operating result	122	117	292	175	131
Operating margin, %	5.9	5.6	6.9	4.7	6.2
Result after financial items	111	99	259	140	102
Result after tax	80	65	175	88	70
Operating cash flow	68	132	344	-38	50
Depreciation, amortization and write-downs	55	61	136	118	98
Net investments	40	21	42	296	164
Goodwill	1,228	1,209	1,200	1,205	1,090
Total assets	3,510	3,504	3,560	3,570	2,464
Equity	1,512	1,409	1,488	1,348	1,039
Net debt	785	882	738	895	739
Capital employed	2,297	2,291	2,226	2,243	1,777
Return on capital employed, % ¹⁾	10.8	10.3	12.6	8.7	7.7
Debt/equity ratio, times	0.5	0.6	0.5	0.7	0.7
Equity ratio, %	43.1	40.2	41.8	37.8	42.2
Number of employees at the end of the period	3,101	3,166	3,177	3,320	1,898

¹⁾ Return ratios have been annualized.

DATA PER SHARE

SEK	First half year		31 December		
	2016	2015	2015	2014	2013
Earnings before dilution ¹⁾	3.03	2.46	6.58	3.48	2.99
Earnings after dilution ¹⁾	3.03	2.46	6.58	3.48	2.99
Equity ¹⁾	57.03	53.13	56.11	50.82	44.39
Cash flow from operating activities ¹⁾	2.18	3.26	10.13	6.42	5.48
Dividend ¹⁾	-	-	2.20	1.10	0.78

¹⁾ Historical performance measures have been adjusted for the bonus issue element (the difference between subscription price and share price) in the new share issue in 2014.

Reconciliation alternative performance measures

The below performance measures have not been calculated in accordance with IFRS but are nevertheless presented as Elanders believes that these are important for investors' assessment of the Company and the Offer. EBITDA is presented in order to clarify the ability to generate earnings from operations before depreciation, amortization and write-downs and financial items. Operating margin is presented as it is a financial goal adopted by the board of directors. Operating cash flow is presented in order to clarify the cash flow generated by the Com-

pany available to shareholders, creditors and tax payments. Average capital employed is used for the calculation of return on capital employed, which is a financial goal adopted by the board of directors. Return on capital employed is a financial goal adopted by the board of directors, presented in order to demonstrate the Company's return, irrespective of financing. Net debt is presented in order to clarify the capital provided by lenders, adjusted for cash and cash equivalents and is used for the calculation of debt/equity ratio, which is a financial goal adopted by the board of directors. Equity ratio is presented as it is a financial goal adopted by the board of directors.

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES

SEKm	First half year		31 December		
	2016	2015	2015	2014	2013
Operating result	122	117	292	175	131
Depreciation, amortization and write-downs	55	61	136	118	98
EBITDA	177	178	428	292	229
Cash flow from operating activities	58	86	269	162	128
Net financial items	10	18	33	35	29
Paid taxes	40	48	85	61	57
Net investments	-40	-21	-42	-296	-164
Operating cash flow	68	132	344	-38	50
Average total assets	3,531	3,537	3,559	3,017	2,363
Average cash and cash equivalents	-513	-431	-418	-336	-192
Average non-interest-bearing liabilities	-759	-839	-816	-671	-461
Average capital employed	2,259	2,267	2,325	2,010	1,710
Annualized operating result	244	234	292	175	131
Return on capital employed, %	10.8	10.3	12.6	8.7	7.7
Interest-bearing long-term liabilities	20	23	20	25	432
Interest-bearing current liabilities	1,254	1,264	1,247	1,327	522
Cash and cash equivalents	-489	-405	-529	-457	-215
Net debt	785	882	738	895	739
Equity	1,512	1,409	1,488	1,348	1,039
Debt/equity ratio, times	0.5	0.6	0.5	0.7	0.7
Equity	1,512	1,409	1,488	1,348	1,039
Total assets	3,510	3,504	3,560	3,570	2,464
Equity ratio, %	43.1	40.2	41.8	37.8	42.2

In certain parts of the Prospectus, LGI's EBITDA, excluding one-off items (so called adjusted EBITDA), during 2015 is presented. LGI's operating result (EBIT) for the financial year 2015, calculated in accordance with generally accepted accounting principles in Germany, amounted to EUR 19 million. In the Prospectus, this figure has been adjusted for depreciation, amortization and write-downs of EUR 7 million

and one-off items of approximately EUR 4 million. Such one-off items were mainly attributable to restructuring costs in connection with a closure of one of LGI's operating units in Germany. The performance measure is presented in order to separately clarify LGI's underlying ability to generate earnings from operations before depreciation, amortization and write-downs and one-off items.

FINANCIAL DEFINITIONS

Average	Average calculations based on the quarterly opening balances for the respective period.
Capital employed	Total assets less liquid funds and non-interest bearing liabilities.
Cash flow from operating activities per share	Cash flow from operating activities for the period divided by average number of shares.
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 period divided by the average number of shares.
EBIT	Earnings before interest and taxes; operating result.
EBITDA	Earnings before interest, taxes, depreciation, amortization and write-downs; operating result plus depreciation, amortization and write-downs of intangible assets and tangible fixed assets.
Equity per share	Equity divided by outstanding shares at the end of the period.
Equity ratio	Equity, including non-controlling interests, in relation to total assets.
Net debt	Interest-bearing liabilities less cash and cash equivalents.
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 sales.
Return on capital employed	Operating result in relation to average capital employed.



Comments on the financial development

First half year of 2016 compared with the first half year of 2015

Net sales and results

Net sales increased by SEK 5 million to SEK 2,077 million during the first half year of 2016 (SEK 2,072 million during the first half year of 2015). Excluding exchange rate effects and acquisitions, net sales decreased by 0.7 percent.

Operating result increased to SEK 122 million (SEK 117 million), including one-off costs of approximately SEK 5 million during the second quarter of 2016.

Result before tax increased by SEK 2 million to SEK 111 million (SEK 99 million), including one-off costs of approximately SEK 7 million in total. One-off costs were to a large extent attributable to the acquisition of LGI and consisted of advisory and financial costs. Excluding one-off costs, result before tax increased to SEK 119 million (SEK 99 million). The result improvement is primarily due to lower financial costs, the acquisition of Schmid Druck (refer to the section "Legal considerations and supplementary information – The acquisition of Schmid Druck") and continued good development within Supply Chain Solutions. Result after tax increased by SEK 15 million to SEK 80 million (SEK 65 million).

Investments and depreciation

Net investments for the first half year of 2016 amounted to SEK 40 million (SEK 21 million). Investments in 2016 include acquisitions amounting to SEK 34 million. Depreciation, amortization and write-downs amounted to SEK 55 million (SEK 61 million). The decrease in depreciation, amortization and write-downs is primarily due to assets being fully depreciated during 2015.

Financial position, cash flow and equity ratio

Group net debt as of 30 June 2016 amounted to SEK 785 million (SEK 882 million as of 30 June 2015).

Operating cash flow for the first half year of 2016 amounted to SEK 68 million (SEK 132 million). The difference between the periods is mainly explained by the purchase price paid for the acquisition of Schmid Druck of SEK 34 million and changes in working capital due to increased working capital requirements.

Equity amounted to SEK 1,512 million (SEK 1,409 million), resulting in an equity ratio of 43.1 percent as of 30 June 2016 (40.2 percent as of 30 June 2015).

Personnel

The average number of employees during the period was 3,157 (3,192), of which 275 (273) in Sweden. At the end of the period, The Group had 3,101 (3,166) employees, of which 277 (274) in Sweden.

2015 compared with 2014

Net sales and results

In 2015, net sales increased by SEK 506 million to 4,236 million (SEK 3,730 million in 2014), an increase of 14 percent compared to the previous year. The increase is primarily due to the development of USD. If constant exchange rates are used, net sales would have decreased by one percent. Net sales in business area Print & Packaging Solutions decreased organically by six percent, which was compensated by organic growth of nine percent in Supply Chain Solutions.

Operating result increased to SEK 292 million (SEK 175 million), corresponding to an operating margin of 6.9 percent (4.7 percent). Exchange rates had a positive effect on operating result of approximately SEK 43 million, however, as a majority of interest costs are in USD and EUR this effect was somewhat reduced in the result for the period. Operating result was charged with one-off items of SEK –16 million (SEK –42 million), primarily due to write-downs of unutilized machines in Asia as well as the acquisition costs related to Schmid Druck. One-off items in 2014 were primarily related to restructuring costs in the Swedish operations of Print & Packaging Solutions.

Result before tax amounted to SEK 259 million for 2015 (SEK 140 million) and result after tax amounted to SEK 175 million (SEK 88 million).

Investments and depreciation

During 2015 net investments amounted to SEK 42 million (SEK 296 million). Majority of the investments were replacement investments in production facilities. In 2014, acquisitions accounted for SEK 254 million, while other investments primarily related to replacement investments in various production facilities. Depreciation, amortization and write-downs amounted to SEK 136 million (SEK 118 million).

Financial position, cash flow and equity ratio

Group net debt as of 31 December 2015 was SEK 738 million (SEK 895 million as of 31 December 2014). The net change includes an increase of SEK 40 million due to the weakening of SEK against primarily USD during the year.

Operating cash flow in 2015 amounted to SEK 344 million (SEK –38 million during 2014), of which acquisitions accounted for SEK 0 million (SEK 254 million). Except that no acquisitions were made in 2015, the difference in operating cash flow is explained by optimization of investments through a consolidation of production capacity as well as changes in working capital.

Equity as of 31 December 2015 amounted to SEK 1,488 million (SEK 1,348 million), resulting in an equity ratio of 41.8 percent (37.8 percent).

Personnel

The average number of employees during 2015 was 3,182 (3,360 during 2014), of which 276 (319) in Sweden. At the end of 2015, Elanders had 3,177 (3,320) employees, of which 277 (281) in Sweden. The decrease is due to efficiency improvements and rationalizations made in the end of 2014, with full effect visible in 2015.

2014 compared with 2013

Net sales and results

In 2014, Elanders' net sales increased by SEK 1,634 million to SEK 3,730 million (SEK 2,096 million in 2013), an increase of 78 percent compared with the previous year. The increase is mainly attributable to the acquisition of Mentor Media in 2014. If acquisitions are excluded and constant exchange rates are used, net sales would have decreased by three percent compared to 2013.

Operating result increased to SEK 217 million (SEK 132 million), excluding one-off costs, corresponding to an operating margin of six percent (six percent in 2013). The difference is mainly attributable to the acquisition of Mentor Media. In comparable units, exchange rates had a positive effect on the operating result of approximately SEK 9 million, however, as a majority of interest costs are in USD and EUR this effect was somewhat reduced in the result for the period. Operating result was charged with one-off items of SEK 42 million, primarily due to restructuring the Swedish operations of Print & Packaging Solutions. One-off items in 2013 of net SEK 1 million were primarily due to advisory costs in connection with acquisitions, revenue recognized from book VAT and restructuring costs related to the operations in Sweden and Germany.

Result before tax amounted to SEK 140 million for 2014 (SEK 102 million) and result after tax amounted to SEK 88 million (SEK 70 million).

Investments and depreciation

During 2014 net investments amounted to SEK 296 million (SEK 164 million), of which acquisitions accounted for SEK 254 million (SEK 103 million). Majority of other investments were replacement investments in various production facilities. Depreciation, amortization and write-downs amounted to SEK 118 million (SEK 98 million during 2013).

Financial position, cash flow and equity ratio

Group net debt as of 31 December 2014 was SEK 895 million (SEK 739 million as of 31 December 2013). The increase is a result of the purchase price of USD 48 million, corresponding to SEK 312 million, paid for the acquisition of Mentor Media, which was partly financed by external credits, as well as changes in exchange rates, mainly USD and EUR, which increased net debt by SEK 76 million. The new share issue, which was completed in the second quarter, generated SEK 121 million after issue expenses of SEK 4 million.

Operating cash flow in 2014 amounted to SEK -38 million (SEK 50 million during 2013), of which acquisitions accounted for SEK 254 million (SEK 103 million).

Equity as of 31 December 2014 amounted to SEK 1,348 million (SEK 1,039 million), resulting in an equity ratio of 37.8 percent (42.2 percent).

Personnel

The average number of employees during 2014 was 3,360 (1,864). At the end of 2014, Elanders had 3,320 (1,898) employees. The difference is mainly attributable to the acquisition of Mentor Media.



Capital structure and other financial information

Equity and liabilities

Elanders is financed by equity and liabilities, with interest-bearing liabilities to credit institutions accounting for most of the liabilities. As of 30 June 2016, the equity amounted to SEK 1,512 million. As of the same date, Elanders had short-term interest-bearing liabilities of SEK 1,254 million and long-term interest-bearing liabilities of SEK 20 million. Of the total liabilities of SEK 1,998 million, SEK 1,274 million was interest-bearing liabilities. The non-interest-bearing liabilities totalling SEK 724 million consisted of accounts payable, accrued expenses, deferred tax liabilities, income tax payable and other liabilities and provisions. Elanders' capital structure as of 30 June 2016, i.e. before the implementation of the Offer, is presented below.

SEK million	30 June 2016
Total current liabilities	1,892
Against guarantee	-
Against collateral ¹⁾	1,200
Without guarantee or collateral	692
Total long-term liabilities	106
Against guarantee	-
Against collateral	5
Without guarantee or collateral	101
Total equity	1,512
Share capital	265
Other restricted capital	586
Unrestricted capital	661

¹⁾ The stated current and long-term liabilities are associated with collateral by way of floating charges, pledge of shares of certain of Elanders' subsidiaries, retention of title clause in some of Elanders' fixed assets and real estate mortgages.

Presentation of working capital and capital requirements

The board of directors assesses the Company's working capital as adequate to finance the current needs at least for the next 12-month period. To partially finance the acquisition of LGI, Elanders is carrying out the Offer, which is covered by subscription and guarantee undertakings in its entirety. The remaining financing required for the acquisition of LGI is covered by external credit facilities. For more information on Elanders' external credit facilities, please refer to the section "Credit facility agreement" below.

Net indebtedness

Elanders' net debt as of 30 June 2016, i.e. before the implementation of the Offer, is presented below.

Regarding Elanders' net indebtedness, it should be noted that the effects of the acquisition of LGI are not included. Please refer to the section "Pro forma financial statements" for an illustration of how the balance sheet as of 30 June 2016 could have been affected by the acquisition and its financing after a completed rights issue in accordance with this Prospectus. Note that the section "Pro forma financial statements" is not intended to describe Elanders' actual or anticipated financial position or results.

SEK million	30 June 2016
(A) Cash and cash equivalents	489
(B) Other cash and cash equivalents	-
(C) Current investments	-
(D) Liquidity (A)+(B)+(C)	489
(E) Current financial receivables	-
(F) Current bank debts	45
(G) Current component of the loan debt	1,156
(H) Other current financial liabilities	54
(I) Interest-bearing current liabilities (F)+(G)+(H)	1,254
(J) Current net indebtedness (I)-(E)-(D)	765
(K) Long-term bank debts	5
(L) Bond issued	-
(M) Other long-term liabilities	15
(N) Interest-bearing long-term liabilities (K)+(L)+(M)	20
(O) Net indebtedness (J)+(N)	785

Cost structure

Prior to the acquisition of LGI, goods for resale and personnel costs represented the majority of total operating costs. In 2015, these costs accounted for 59 percent (55 percent in 2014). For LGI, costs of sub-contracted work represent a majority of the operating costs. In 2015, these costs accounted for 44 percent of total operating costs, while the corresponding item for Elanders accounted for eight percent (ten percent in 2014).

Credit facility agreement

In July 2016, Elanders entered into a three-year credit facility agreement with its two Swedish main banks, Nordea and SEB, regarding the refinancing of the Group. As a result of a longer agreement, increased leverage and a substantial increase of credit limits due to the acquisition of LGI, financing costs will be higher than previously. Elanders' average effective interest rate was 1.8 percent in 2015. The total credit limits according to the new agreement amount to almost SEK 3.8 billion, including the bridge financing of SEK 610 million utilized up until the rights issue is completed. The bridge financing is to be repaid six months from 26 July 2016 when the acquisition of LGI was completed. The total credit limits, including the bridge financing, amount to EUR 181 million, SEK 1,610 million and USD 69 million. The new agreement contains certain financial conditions regarding Elanders' financial position that need to be fulfilled in order to secure the financing. The conditions relate to certain future levels of net debt in relation to EBITDA, net debt in relation to equity, the ability to service debt with operating cash flow, and investments.

Investments

Elanders' main investments during 2013–2015 and the first half year of 2016 are presented in the table below.

The acquisition of LGI was completed on 26 July 2016. Elanders has no ongoing major investments and has not made any material commitments regarding future investments.

Period	SEK million	Significant events
2013	212	Acquisition of myphotobook GmbH (SEK 91 million) and McNaughtan's Printers Ltd (SEK 28 million). Investments in production equipment for capacity increase in China and replacement investments in Western and Eastern Europe.
2014	446	Acquisition of Mentor Media Ltd (SEK 395 million). Other investments primarily replacement investments.
2015	55	Primarily replacement investments.
First half year 2016	56	Acquisition of Schmid Druck (SEK 34 million). ¹⁾

¹⁾ The acquisition of Schmid Druck was announced in December 2015 but completed in January 2016.

Intangible assets

Elanders' intangible assets consist mainly of goodwill, software, customer relationships and trademarks. As of 30 June 2016, Elanders' intangible assets totalled SEK 1,290 million, of which 1,228 million related to goodwill.

Tangible assets

Elanders' tangible assets consist mainly of machinery, equipment, tools and buildings. As of 30 June 2016, Elanders' tangible assets totalled SEK 316 million.

Sensitivity analysis

The table below shows how the Company's results after financial items would have been affected by a change of one percentage point in the variables connected to Elanders' various operational risks. Each variable has been treated individually assuming that the others remain unchanged. It is assumed that a change in net sales will affect the value added on the margin, which thereafter will presumably fall straight through the income statement. A change in material and contract work, salary and other remuneration of employees and cost of sub-contracted work are multiplied by the total cost for each of these items. The analysis does not intend to be accurate, but rather indicative and merely aims to show the measurable factors in connection herewith. The figures are presented in million SEK. For more information, refer to note 18 in Elanders' 2015 Annual Report.

	+/- 1%
	2015
Net sales	+ / - 20
Material and contract work	+ / - 19
Remuneration of employees	+ / - 10
Cost of sub-contracted work	+ / - 3

Financial risk management

The overall purpose of the Group's financial risk management is to identify, control and minimize the financial risks. Risk management is centralized to Group Finance, which manages financial risks identified in the subsidiaries and also serves as an internal bank. The exception is commercial credit risks, which are handled by each subsidiary. The financial policy adopted by the board determines which currency risks are hedged and how interest, financing and liquidity risks are handled. The greatest financial risks to which Elanders is exposed are currency risk, interest risk, financing risk and credit risk.

Currency risk

Elanders is exposed to currency risk primarily through transactions in currencies other than the local currency of the companies (transaction exposure) and when converting net profit and net assets from foreign subsidiaries (translation exposure).

Transaction exposure

Actual receivables and payables along with contracted purchase and sales orders with payment flows within a twelve month period are hedged. Anticipated or budgeted flows are not hedged. Elanders uses forward exchange contracts to handle exchange risk exposure and hedge accounting for contracted future payment flows as well as translation of financial assets and liabilities.

Translation differences on operating receivables and payables as well as forward exchange contracts that are held for hedging purposes are recognized as other operating income or expenses. Translation differences on financial liabilities and assets and the associated hedging instruments are recognized under financial items.

Translation exposure

Financial assets and liabilities in a currency other than the subsidiaries' local currency are hedged. Exposure attributable to re-calculation of net profit in foreign subsidiaries is, however, not currency hedged. Elanders' net results from foreign subsidiaries in foreign currency consist primarily of EUR and USD and the Group result is sensitive to fluctuation in these currencies.

The outstanding debt is mainly in EUR, SEK and USD.

In regards to net assets in foreign subsidiaries the exposure is primarily in EUR, USD and CNY. The German operations, including LGI, have partly been hedged and the acquisitions of Midland and Mentor Media have been hedged through loans in EUR and USD.

Interest risk

Interest risk is defined as the risk of profit reducing due to a change in interest rates. Elanders strives to achieve a balance between cost-efficient borrowing and the risk exposure if a sudden, substantial interest rate change should occur and negatively influence profits.

Financing risk

Financing risk is defined as the risk of not being able to meet payment obligations due to insufficient liquidity or difficulties in securing financing. Currently, Elanders has a credit facility agreement with its two Swedish main banks, Nordea and SEB, which covers operational financing until 8 July 2019. For further information, refer to the section "Credit facility agreement" above.

Credit risk

Credit risk is defined as the risk of counterparty to a financial instrument not meeting its obligations. Credit risk can be divided into financial credit risk and commercial credit risk.

Financial credit risk

The most critical financial credit risk for Elanders arises when trading in exchange derivative instruments and investing surplus liquidity. Accordingly, in order to reduce the risk, the financial policy stipulates that financial transactions may only be carried out with counterparties that are approved by the Group Finance.

Commercial credit risk

The commercial credit risk consists of the payment ability of customers and is handled by the subsidiaries through careful monitoring of payment ability, follow up of the customers' financial reports and continuous communication. Although the Elanders Group's total credit risk is spread out over many different companies, a few customers represent a large part of the company's total accounts receivable. These customers are for the most part large, listed companies that have been thoroughly investigated.

Trends and material changes

The acquisition of LGI is expected to contribute positively to earnings per share already during the financial year 2016. In addition, the acquisition of LGI has strengthened Elanders' product offering within global supply chain management and thereby significantly strengthened Elanders' market position. Except for the completion of the acquisition of LGI, the new credit facility agreement and the announcement of the Offer, no events of material significance to Elanders' financial position or position in the market have occurred since 30 June 2016.



Pro forma financial statements

Purpose of pro forma financial statements

Elanders' acquisition of LGI, which was completed in July 2016, will have a direct impact on future earnings and cash flows for Elanders through both the acquired group and the loan financing. Elanders' extraordinary general meeting held on 23 September 2016 resolved in accordance with the board's proposal to approve of a rights issue with pre-emptive rights for Elanders' shareholders with the purpose of replacing parts of the loan financing with equity. The rights issue (the Offer) will also impact Elanders' earnings and financial position. The purpose of the below consolidated pro forma financial statements is to illustrate the hypothetical impact of the acquisition, the new loan financing and the Offer on Elanders' condensed consolidated income statement for 2015 and the first half year of 2016, and the condensed consolidated balance sheet as of 30 June 2016. In accordance with the Prospectus Regulation (EC) No 809/2004, the transaction is considered in the pro forma income statements in the opening balances and in the pro forma statement of financial position as per the balance sheet date. The pro forma financial information is intended solely as information and to illustrate facts. The pro forma financial statements are, by nature, intended to describe a hypothetical situation and do not, therefore, serve to describe Elanders' actual financial position or earnings. In addition, the pro forma financial statements are not representative of the future operating results. Investors should exercise caution when reading these pro forma financial statements.

Presentation of pro forma financial statements

Elanders reports in accordance with IFRS in its financial statements, while LGI reports in accordance with generally accepted accounting principles ("GAAP") in Germany. In connection with the pro forma financial statements, a review has been conducted by Elanders of the most important differences between GAAP in Germany and IFRS, and what impact these differences have on LGI's results and financial position. Differences have been identified in regards to leasing reporting, factoring and provisions for pension. The largest difference for LGI is regarding reporting of financial leasing, as leasing previously where reported as operational leasing where lease expenses are treated as operating expenses, which now needs to be reported as financial leasing. Financial leasing is recognized as an asset on the balance sheet and is depreciated continuously, and the present value of the lease expenses is treated as interest-bearing debt being depreciated in line with the leasing payments. Pro forma adjustments have been made to reflect the impact of the acquisition of LGI, the loan financing and the Offer (assuming full subscription). LGI was acquired in July 2016 for approximately EUR 257 million on a debt free basis. The pro forma financial statements have been adjusted for acquisition costs affecting the results for the first half year of 2016. The pro forma financial statements have been compiled in accordance with Elanders' accounting policies as described in the 2015 Annual Report, with the above mentioned assumptions. When preparing the pro forma financial statements, exchange rates EUR to SEK equivalent to those in previously published financial reports have been used.¹

Accounting principles and calculation methods remain unchanged compared with those applied in the 2015 Annual Report. For more information about the credit facility agreement for the new loan financing, please refer to "Capital structure and other financial information – Credit facility agreement".

Pro forma adjustments

Acquisition analysis

Elanders has compiled a preliminary acquisition analysis in which all acquired assets and liabilities in LGI have been measured at fair value. In the preliminary acquisition analysis, significant values have been allocated to intangible assets such as trademarks, customer relationships and goodwill. Deferred tax has been taken into account where applicable. The difference between the acquisition price and the actual value of net assets acquired has been recognized as goodwill in the pro forma balance sheet. Trademarks and goodwill are not subject to amortization. However, impairment testing is performed annually to determine whether the carrying amount is defensible. The historical depreciation/amortization of intangible and tangible assets has been replaced by the estimated depreciation/amortization of the values established in the preliminary acquisition analysis. The preliminary useful life of customer relationships has been determined to 10 years, which is used for the calculation of depreciation/amortization of the preliminary identified assets. EUR to SEK exchange rate of 9.51 has been used when preparing the preliminary acquisition analysis, corresponding to the official exchange rate as per the acquisition date.

Financing costs

The pro forma income statements have been adjusted for the interest expenses attributable to the financing of the acquisition less the issue amount.

Factoring

LGI uses factoring as part of the financing of its operations. Factoring has not been reported as debt in LGI's financial statements. As part of the financing of the acquisition, the factoring debt will be replaced with customary bank financing, why an adjustment has been made in the pro forma financial statements.

Transaction costs

Transaction costs consist of acquisition costs and issue costs. Acquisition costs are assessed to approximately SEK 27 million, of which approximately SEK 7 million has been accounted for during the first six months 2015 and adjusted for in the pro forma financial statements. These costs mainly represent fees to advisers in the acquisition process. Issue costs are estimated to approximately SEK 12 million and have been recognized against equity in the pro forma statement of financial position. All transaction costs are preliminary and may change. LGI's result for the first six months of 2016 includes costs related to the sale of the company of approximately SEK 14 million, which have been adjusted for in the pro forma financial statements.

¹ 9.36 as regard income statements in summary for 2015, 9.30 as regard income statements in summary for the first half year 2016 and 9.42 as regard the statement of financial position in summary as per 30 June 2016.

INCOME STATEMENTS IN SUMMARY FULL YEAR 2015

SEKm	Elanders	LGI	Pro forma adjustments	New group
Net sales	4,236	4,125	-	8,362
Cost of products and services sold	-3,252	-3,655	-	-6,907
Gross profit	984	470	-	1,454
Selling and administrative expenses	-718	-322	-38 ¹⁾	-1,077
Other operating income	51	34	-	85
Other operating expenses	-26	-18	-	-44
Operating result	292	165	-38	419
Net financial items	-33	-33	-19 ²⁾	-84
Result after financial items	259	132	-57	334
Taxes	-85	-43	18 ³⁾	-109
Result for the period	175	89	-39	225
Result for the period attributable to:				
- Parent company shareholders	175	89	-39	225

¹⁾ Depreciation/amortization of customer relations according to preliminary acquisition analysis.

²⁾ Financial costs based on loan structure and loan terms following the acquisition.

³⁾ Tax effect on pro forma adjustments based on a tax rate in Sweden of 22 percent and in Germany of 32 percent.

INCOME STATEMENTS IN SUMMARY FIRST HALF YEAR 2016

SEKm	Elanders	LGI	Pro forma adjustments	New group
Net sales	2,077	2,082	-	4,159
Cost of products and services sold	-1,639	-1,851	-	-3,490
Gross profit	438	231	-	669
Selling and administrative expenses	-340	-180	1 ¹⁾	-519
Other operating income	26	13	-	39
Other operating expenses	-2	-7	-	-9
Operating result	122	57	1	180
Net financial items	-10	-17	-7 ²⁾	-34
Result after financial items	111	41	-7	145
Taxes	-31	-20	4 ³⁾	-47
Result for the period	80	21	-3	98
Result for the period attributable to:				
- Parent company shareholders	80	21	-3	98

¹⁾ Depreciation/amortization of SEK 19 million relating to customer relations according to preliminary acquisition analysis and reversal of transaction costs of SEK 20 million.

²⁾ Financial costs based on loan structure and loan terms following the acquisition.

³⁾ Tax effect on pro forma adjustments based on a tax rate in Sweden of 22 percent and in Germany of 32 percent. As acquisition related costs do not affect the taxable result, no tax adjustment is made.

STATEMENT OF FINANCIAL POSITION IN SUMMARY 30 JUNE 2016

SEKm	Elanders	LGI	Pro forma adjustments	New group
ASSETS				
Intangible assets	1,290	20	1,803 ¹⁾	3,113
Tangible assets	316	453	-	769
Other fixed assets	199	51	-	250
Total fixed assets	1,805	525	1,803	4,133
Inventory	274	8	-	282
Accounts receivable	785	567	239 ²⁾	1,590
Other current assets	158	136	-	293
Cash and cash equivalents	489	48	-	536
Total current assets	1,705	758	239	2,702
Total assets	3,510	1,283	2,042	6,835
EQUITY AND LIABILITIES				
EQUITY	1,512	140	533^{1) 3)}	2,186
Liabilities				
Non-interest-bearing long-term liabilities	86	102	124 ¹⁾	312
Interest-bearing long-term liabilities	20	187	1,119 ¹⁾	1,325
Total long-term liabilities	106	288	1,243	1,637
Non-interest-bearing current liabilities	639	604	27 ³⁾	1,270
Interest-bearing current liabilities	1,254	249	239 ²⁾	1,742
Total current liabilities	1,892	854	266	3,012
Total equity and liabilities	3,510	1,283	2,042	6,835

¹⁾ Acquisition elimination, including new share issue, according to preliminary acquisition analysis.

²⁾ Redemption of factoring debt.

³⁾ Reservation of additional acquisition costs.

Auditor's report on the pro forma financial statements

To the board of directors in Elanders AB (publ), Corporate Identity Number 556008-1621

We have audited the pro forma financial information set out on pages 57–59 in Elanders AB (publ) prospectus dated 27 September 2016.

The pro forma financial information has been prepared for illustrative purposes only to provide information about how the acquisition of LGI Group might have affected the consolidated balance sheet for Elanders AB (publ) as of 30 June 2016 and the consolidated income statements for Elanders AB (publ) for the twelve months period ending 31 December 2015 and for the six months period ending 30 June 2016.

The Board of Directors' responsibility

It is the board of directors' and the managing director's responsibility to prepare the pro forma financial information in accordance with the requirements of the Commission Regulation (EC) No 809/2004.

The auditor's responsibility

It is our responsibility to provide an opinion required by Annex II item 7 of Prospectus Regulation 809/2004/EC. We are not responsible for expressing any other opinion on the pro forma financial information or of any of its constituent elements. In particular, we do not accept any responsibility for any financial information used in the compilation of the pro forma financial information beyond that responsibility we have for auditor's reports regarding historical financial information issued in the past.

Work performed

We performed our work in accordance with FAR's Recommendation RevR 5 Examination of Prospectuses. Our

work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the historical information, assessing the evidence supporting the pro forma adjustments and discussing the pro forma financial information with the management of the company. The auditing firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to obtain reasonable assurance that the pro forma financial information has been compiled on the basis stated on page 57, and in accordance with the accounting principles applied by the company.

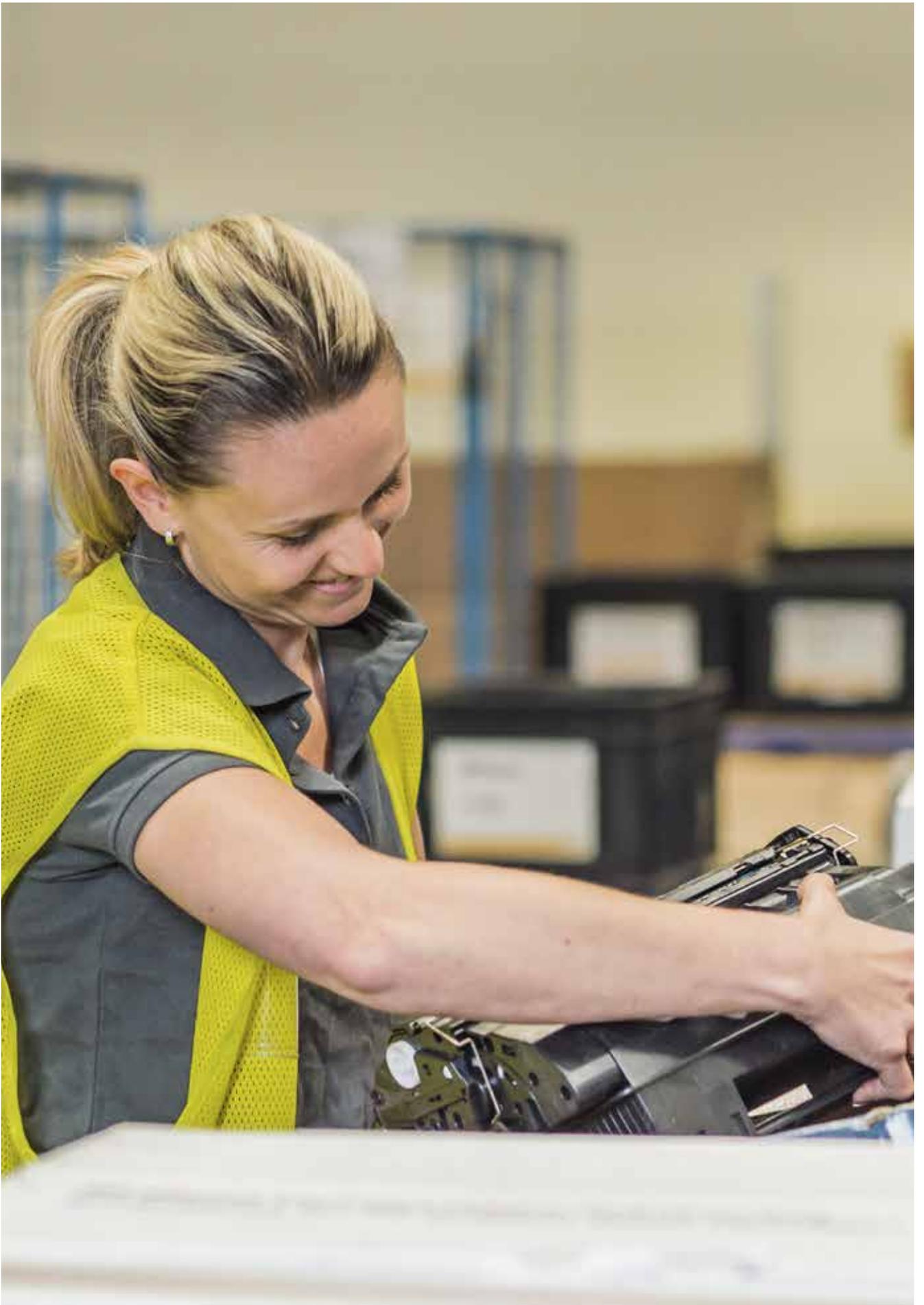
Opinion

In our opinion the pro forma financial information has been properly compiled on the basis stated on page 57 and in accordance with the accounting principles applied by the company.

Mölnlycke, 27 September 2016

PricewaterhouseCoopers AB

Magnus Willfors
Authorized public accountant



Board of directors, senior executives and auditors

Board of directors

Carl Bennet, Chairman of the Board.

Born 1951. Chairman of the board since 1997. Bachelor of Science (Econ.) and Dr. Techn. h.c. Chairman of the nomination committee and the remuneration committee.

Other assignments: Chairman of the board and CEO of Carl Bennet AB and Chairman of the board of Getinge AB and Lifco AB (publ). Member of the board of directors of Holmen Aktiebolag and L E Lundbergföretagen Aktiebolag (publ).

Completed assignments in the past five years: Chairman of the board of Gothenburg University until 2013.

Shareholding: 1,361,110 class A shares and 15,171,447 class B shares (through Carl Bennet AB).

Johan Stern, Deputy Chairman of the Board.

Born 1951. Board member since 1998. Master of Business Administration. Chairman of the audit committee and member of the remuneration committee.

Other assignments: Chairman of the board of Fädriften Invest AB, HealthInvest Partners AB, Rolling Optics AB, Badhytten AB and Skanör Falsterbo Kallbadhus AB. Board member of Carl Bennet AB, Johan Stern AB, Estea AB, Getinge AB, Lifco AB (publ), RP Ventures AB, Stiftelsen Harry Cullbergs Fond and the Swedish-American Chamber of Commerce, Inc.

Completed assignments in the past five years: Board member of Estea Sverigefastigheter 3 AB (publ), Estea Logistic Properties 5 AB and Estea Sverigefastigheter 2 AB (publ) until 2016, board member of Estea Logistikfastigheter 2 AB until 2014 and Estea Vreten AB until 2013.

Shareholding: 80,000 class B shares.

Pam Fredman, Board member.

Born 1950. Board member since 2016. Civil Engineer, PhD in Neurochemistry. Member of the remuneration committee.

Other assignments: Board member of Sahlgrenska Science Park AB. Vice-Chancellor Gothenburg University (until 30 June 2017).

Completed assignments in the past five years: Board member of Göteborg & Co. Träffpunkt Aktiebolag until 2013 and Lindholmen Science Park Aktiebolag until 2012.

Shareholding: 1,207 class B shares (through closely related persons).

Erik Gabrielson, Board member.

Born 1962. Board member since 2012. Master of Laws. Member of the remuneration committee.

Other assignments: Chairman of the board of Allegresse AB and Redoma Recycling AB. Board member of Lifco AB (publ), Generic Sweden AB, Rosengård Invest AB, ECG Vignoble AB, ECG Vininvest AB, Doxa Aktiebolag and Storegate AB. Deputy board member of Lamiflex Group AB and Hjertmans Sweden AB.

Completed assignments in the past five years: Chairman of the board of ECG Vignoble AB and ECG Vininvest AB until 2012. Board member of Advokatfirman Vinge AB and Advokatfirman Vinge Skåne AB until 2015.

Shareholding: None.

Linus Karlsson, Board member.

Born 1968. Board member since 2014. Trained at Bergshs School of Communication. Member of the remuneration committee.

Other assignments: Creative Chairman of Commonwealth/McCann and Chief Creative Officer of MING Utility & Entertainment Group LLC and Dynasty Studios LLC. Board member and member of the Executive Committee of the Swedish-American Chamber of Commerce, New York and board member of the World Childhood Foundation USA and Facebook Creative Council. Member of the global management of McCann-Erickson and owner of Geisel Productions LLC.

Completed assignments in the past five years: None.

Shareholding: None.

Cecilia Lager, Board member.

Born 1963. Board member since 2009. Business administration. Member of the audit committee.

Other assignments: Board member and CEO of Sherpani Advisors AB. Chairman of the board of Navigera AB. Board member of Intellecta AB, Collector AB, Collector Bank AB, NC Lahega AB (publ), Capacent Holding AB (publ), Altor Fund Manager AB, Cinnober Financial Technology AB, Kungl. Tennishallen AB, Kvinvest AB and Vardia Insurance Group ASA.

Completed assignments in the past five years: CEO of Max Matthiessen Värdepapper AB until 2011. Chairman of the board of Max Matthiessen Värdepapper AB until 2014 and Föreningen Enskilda Gymnasiet until 2013. Board member of Oniva Online Group Europe AB, Eniro AB and Knowit AB (publ) until 2016, DIBS Payment Services AB (publ) until 2015 and Orc Group AB until 2012. Deputy board member of Ringsvets Aktiebolag and Ringsvets Intressenter AB until 2016.

Shareholding: 28,141 class B shares.

Anne Lenerius, Board member.

Born 1956. Board member since 2014. Business administration. Member of the audit committee.

Other assignments: CFO of Carl Bennet AB. Board member of Arado AB.

Completed assignments in the past five years: Chairman of the board of Entercircle Konfektion AB until 2016. Board member of Biotech Invest i Albano AB until 2014.

Shareholding: 4,666 class B shares.

Magnus Nilsson, Board member, President and CEO of Elanders.

Born 1966. Board member since 2010. Education in Graphic Technology, Design, Business Administration and Marketing. Head of Production at Elanders' Hungarian business operations in 2002. CEO of Elanders Berlings Skogs Grafiska AB and Elanders Skogs Grafiska AB from 2003–2005. CEO of the Chinese business operations from 2005–2009.

Other assignments: Several assignments within the Elanders Group.

Completed assignments in the past five years: None.

Shareholding: 55,183 class B shares.

Caroline Ekelund Sundewall, Board member.

Born 1958. Board member since 2015. Master of Science in Business Administration. Member of the audit committee.

Other assignments: Chairman of the board of the Streber Cup Foundation. Board member of Caroline Sundewall AB, Mertzig Asset Management AB, Cramo Finland Oy and Hemfosa Fastigheter AB.

Completed assignments in the past five years: Chairman of the board of Cloetta AB until 2016 and Svolder AB until 2014. Board member of Lifco AB (publ) and Södra Skogsägarna ekonomisk förening until 2015, Pägengruppen AB and Södra Cell AB until 2014, Tradedoubler AB until 2013 and Ahlsell AB, Haldex Aktiebolag and SJ AB until 2012.

Shareholding: 5,000 class B shares.

Lilian Larnefeldt, employee representative.

Lilian Larnefeldt will retire within short and will thereby be replaced by another employee representative in the board of Elanders during autumn 2016.

Born 1950. Employee representative since 2009. College Diploma in Business Administration from Vasa Handelsläroverk. Employed at Elanders Sverige AB in Inventory/Distribution.

Other assignments: None.

Completed assignments in the past five years: None.

Shareholding: None.

Marcus Olsson, employee representative.

Born 1971. Employee representative since 2014. Upper secondary education. Employed at Elanders Sverige AB in Printer operations.

Other assignments: None.

Completed assignments in the past five years: None.

Shareholding: None.

Eija Persson, employee representative (deputy).

Born 1959. Employee representative (deputy board member) since 2014. Higher Education Diploma in Informatics. Employed at Elanders Sverige AB as project manager for IT development.

Other assignments: None.

Completed assignments in the past five years: None.

Shareholding: 500 class B shares.

Martin Schubach, employee representative (deputy).

Born 1974. Employee representative (deputy board member) since 2015. Upper secondary education. Employed at Elanders Sverige AB in Prepare/Automation.

Other assignments: None.

Completed assignments in the past five years: None.

Shareholding: 200 class B shares.

Senior executives

Magnus Nilsson, *President and CEO of Elanders.*

See above under “Board of directors” for more information about Magnus Nilsson.

Lim Kok Khoon, *Head of Supply Chain Solutions.*

Born 1955. Employed since 2014 (in connection with the acquisition of Mentor Media). Bachelor’s degree in Electrical and Electronics Engineering from Concordia University in Canada and Master of Science (Industrial Engineering) from the National University in Singapore. More than 34 years’ experience in leading global companies. Lim Kok Khoon has held such positions as General Manager of Hewlett Packard’s Handheld Mobile Products Division, Vice President and Chief Technology Officer for Philips Consumer Electronics Home Entertainment Business Group and Managing Director of Technology Solutions Business and Innovation Centers for the Wearnes Group.

Other assignments: None.

Completed assignments in the past five years: None.

Shareholding: None.

Martin Lux, *Head of e-Commerce Solutions.*

Born 1964. Employed since 2012 (in connection with the acquisition of dlolm and fotokasten). Master of Science in Electrical Engineering, Hannover University. 20 years’ experience in IT and e-commerce companies.

Other assignments: CEO of Lucis Vermögens GmbH and MoveVision GmbH.

Completed assignments in the past five years: Founder of M2 Telecom GmbH and Co-Founder of Veeseo GmbH and Mediaclipping GmbH.

Shareholding: None.

Kevin Rogers *Head of Print & Packaging Solutions in Asia.*

Born 1969. Employed since 1999 (in connection with the acquisition of Hindson Print). Further education qualifications in Mathematics, English, IT, Production planning and member of the Chartered Institute of Marketing. More than 25 years’ experience in digital print technologies, sales and marketing strategy, optimising workflow and effective leadership.

Other assignments: None.

Completed assignments in the past five years: None.

Shareholding: None.

Thomas Sheehan, *Head of Print & Packaging Solutions in North and South America.*

Born 1960. Employed since 2012 (in connection with the acquisition of Midland Information Resources). MBA from Colorado State University and BA in Economics, Business Administration and Computer Science from Coe College in the USA. 30 years experience in IT and graphic solutions for global companies.

Other assignments: CEO for Midland Information Resources. Board member of Mississippi Valley Regional Blood Center and Printing Industry Midwest.

Completed assignments in the past five years: None.

Shareholding: None.

Peter Sommer, *Head of Print & Packaging Solutions in Europe.*

Born 1957. Employed since 2007 (in connection with the acquisition of Sommer Corporate Media). Graphic Engineer. Sole founder of Sommer Corporate Media.

Other assignments: None.

Completed assignments in the past five years: Board member of Metapaper GmbH & Co. KG.

Shareholding: 674,333 class B shares.

Andreas Wikner, *Chief Financial Officer.*

Born 1971. Employed since 2007. Master of Science in Business Administration. Auditor from 1997–2007. Certified Public Accountant 2004. Authorized Public Accountant 2005.

Other assignments: Several assignments within the Elanders Group.

Completed assignments in the past five years: None.

Shareholding: 3,499 class B shares.

Other information

None of the board members or senior executives has any family relationship with any other board member or senior executive. In addition to what is stated below, there are no conflicts of interest between, on the one hand, the board members' or the senior executives' obligations to Elanders or its subsidiaries and, on the other hand, their private interests and/or other duties. None of the board members or senior executives has been sentenced for fraud-related offences in the past five years. None of the board members or senior executives has in the past five years, been involved in any bankruptcy, liquidation or receivership in their capacity as a member of a company's board of directors or management. Over the past five years, none of the board members or senior executives has been the subject of any accusations and/or sanctions by any authority, bodies acting for professional groups under public law or similar bodies, been subject to injunctions against carrying on business or otherwise been forbidden by a court from acting as a member of a company's management team, board or supervisory organs or otherwise from engaging in business activities. There are no specific agreements or any other arrangements regarding benefits upon termination of assignment from the board or executive management.

For information concerning transactions between certain board members and senior executives and Elanders, refer to the section "Legal considerations and supplementary information – Related-party transactions".

The office address of the board members and senior executives is:

Elanders AB (publ)
Designvägen 2
SE-435 33 Mölnlycke
Sweden

Auditors

PricewaterhouseCoopers AB has been the auditor for Elanders since 2008. Authorized Public Accountant Magnus Willfors, born 1963, has been the auditor-in-charge since 2015. Magnus Willfors is a member of FAR (Swedish institute for qualified professionals in the accountancy sector). The auditors' address is PricewaterhouseCoopers AB, SE-113 97 Stockholm, Sweden.



Corporate governance

General

Corporate governance in Elanders is based on Swedish legislation (primarily the Swedish Companies Act and accounting standards), the articles of association, and regulations for companies whose shares are admitted to trading on Nasdaq Stockholm, which includes the Swedish Corporate Governance Code (the “Code”). In summary, corporate governance in Elanders can be described as below.

Shareholders’ meeting

Shareholders exercise their rights to make decisions concerning Elanders’ affairs at the shareholders’ meeting, which is Elanders’ highest decision-making body. The shareholders’ meeting resolves, among other things, on appropriation of the Company’s profit, appoints the board’s members and Chairman and determines guidelines for remuneration of the CEO and other senior executives. The annual general meeting (“AGM”) is normally held in April or May. At a shareholders’ meeting, each qualified shareholder votes for the full number of shares held or represented with no limitations on voting rights.

Nomination committee

The nomination committee prepares proposals for the shareholders’ meeting on the appointment and remuneration of the members and Chairman of the board. The nomination committee’s recommendation is presented in the convening notice of the shareholders’ meeting and on the Company’s website. Individual shareholders may submit proposals for board members to the nomination committee. The AGM of Elanders on 28 April 2016 resolved that for the period until the 2017 AGM, the nomination committee would comprise the Chairman of the board, one representative of each of the Company’s two largest shareholders at 31 August 2016 and one representative of the minority shareholders.

The Code stipulates that the Chairman of the board must not be the Chairman of the nomination committee. However, Elanders has chosen to deviate from this rule since it seems

natural that the shareholder with the largest number of votes is also Chairman of the nomination committee, since the shareholder nevertheless would have a decisive influence on the composition of the nomination committee due to its voting rights majority at shareholders’ meetings.

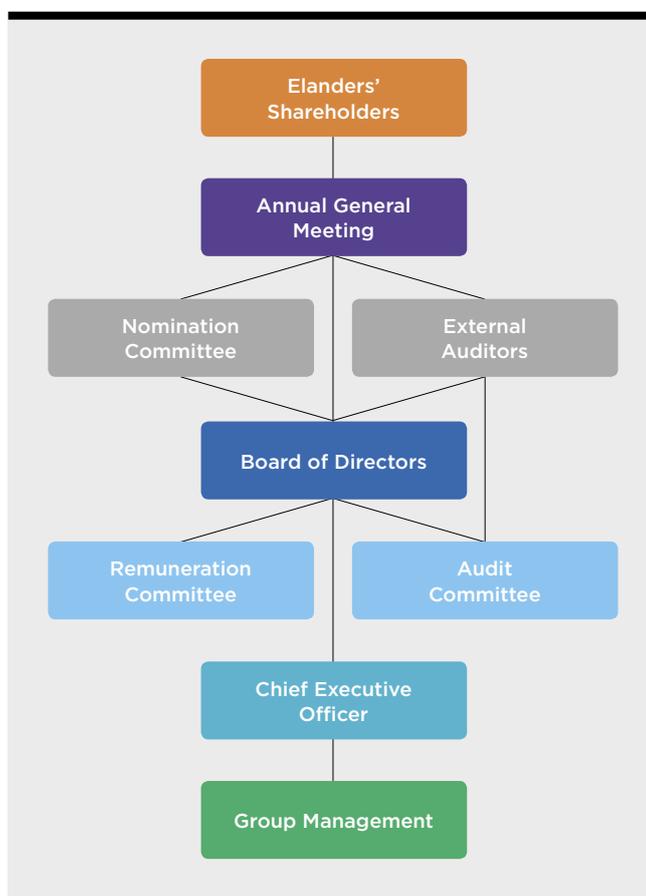
Board of directors

Composition and work of the board

In accordance with the articles of association, the board of Elanders shall consist of no less than three and no more than ten members with no more than two deputies. The board currently consists of nine AGM-elected members without deputies, appointed until the end of the next AGM. Two employee representatives and two employee representative deputies are also appointed. For more information regarding the board members, refer to the section “Board of directors, senior executives and auditors”.

The board is responsible for ensuring that Elanders’ business operations are conducted in accordance with applicable legislation and the Company’s articles of association, and that resolutions adopted by the shareholders’ meeting are implemented. The board supervises the work of the CEO and periodically reviews the development of the business operations and the reliability of the Company’s internal control systems. The board also makes decisions regarding major organizational changes, investments and

divestments, and adopts budgets and annual financial statements. Elanders’ board meets the Code requirement that a majority of the AGM-elected members are to be independent of the Company and its management as well as the Company’s major shareholders. Carl Bennet is dependent in relation to the shareholder Carl Bennet AB, in which he is Chairman of the board and owner. Johan Stern is also dependent in relation to Carl Bennet AB, in which he is a board member. Anne Lenerius is also dependent in relation to Carl Bennet AB, of which she is the CFO. In addition, Magnus Nilsson is dependent in relation to the Company in his capacity as CEO.



Board remuneration

The AGM of Elanders on 28 April 2016 resolved that remuneration to board members should amount to a total of SEK 3,440,000, of which SEK 640,000 would be paid to the Chairman of the board and SEK 320,000 to each of the other non-executive members. The AGM also resolved that remuneration of SEK 130,000 would be paid to the Chairman of the audit committee and SEK 65,000 to each of the other members of the audit committee, and that remuneration of SEK 68,000 would be paid to the Chairman of the remuneration committee and SEK 34,000 to each of the other members of the remuneration committee.

The Board's committees

Remuneration committee

The remuneration committee is appointed by the board from among its own members, taking into consideration relevant expertise and experience in remuneration related matters. The committee addresses matters regarding remuneration of the CEO and the remuneration structure for senior executives that report directly to him. Decisions regarding the remuneration of other employees in senior positions in the Elanders Group are made in such a manner that the employee's remuneration is determined by the immediate superior in consultation with the superior's immediate superior.

generation is determined by the immediate superior in consultation with the superior's immediate superior.

The committee consists of Carl Bennet (Chairman), Pam Fredman, Erik Gabrielson, Johan Stern and Linus Karlsson.

Audit committee

The audit committee is appointed by the board from among its own members, taking into consideration relevant experience and expertise in financial reporting and internal control. The committee complies with the rules of procedure established by the board. Its main task is to monitor internal controls, financial reporting procedures, compliance with thereto-related laws and regulations and Company audits. The audit committee also evaluates the qualifications and independence of the auditors. The audit committee reports its continuous observations to the board on a regular basis and makes recommendations to the nomination committee in relation to the appointment of auditors. The committee meets at least twice annually and, additionally, if needed. The auditors normally participate in these meetings.

The audit committee consists of Johan Stern (Chairman), Cecilia Lager, Anne Lenerius and Caroline Ekelund Sundewall.

REMUNERATION OF BOARD MEMBERS AND SENIOR EXECUTIVES IN 2015

SEK thousands	Basic salary/ Board remuneration	Variable remuneration	Other benefits	Pension premiums ¹⁾	Remuneration for committee work
Carl Bennet	610	-	-	-	64
Johan Stern	305	-	-	-	156
Erik Gabrielson	305	-	-	-	32
Göran Johnsson	305	-	-	-	62
Linus Karlsson	305	-	-	-	32
Cecilia Lager	305	-	-	-	62
Anne Lenerius	305	-	-	-	62
Kerstin Paulsson	305	-	-	-	62
Caroline Ekelund Sundewall	305	-	-	-	62
Magnus Nilsson	-	-	-	-	-
Total board remuneration	3,050	-	-	-	594
Magnus Nilsson, CEO	5,714	2,808	79	1,997	-
Other senior executives (six)	23,368	12,249	1,881	1,126	-
Total remuneration of senior executives	29,082	15,057	1,960	3,123	-
Total remuneration of board members and senior executives	32,132	15,057	1,960	3,123	594

¹⁾ A former senior executive of the Company has both defined contribution and defined benefit pension. The current value of the pension liability under the defined benefit pension plan amounted as per 31 December 2015 to SEK 3.1 million.

Group management

The composition and work of the Group management

The CEO of Elanders leads Elanders' business operations within the framework established by the board and is responsible for providing the board with ongoing reports of the Elanders Group's financial results and position, and recommendations for the decisions that are to be taken by the board.

The CEO leads the work that is performed by the Group management. In addition to the CEO, Magnus Nilsson, Elanders' Group Management consists of Lim Kok Khoon, responsible for Supply Chain Solutions, Martin Lux, responsible for e-Commerce Solutions, Kevin Rogers, responsible for Print & Packaging in Asia, Thomas Sheehan, responsible for Print and Packaging in North and South America, Peter Sommer, responsible for Print and Packaging in Europe and Andréas Wikner, CFO. For more information regarding the Group management, refer to the section "Board of directors, senior executives and auditors".

Remuneration of the Group management

The AGM of Elanders on 28 April 2016 resolved on guidelines for the remuneration of senior executives, under which Elanders shall offer a total compensation on par with market levels that enables qualified senior executives to be recruited and retained. Remuneration to senior executives is to comprise a basic wage, variable remuneration, other benefits and pension.

The basic wage shall take into consideration the individual's responsibility and experience.

The division between basic wage and variable remuneration shall be in proportion to the executive's responsibility and authority. The variable remuneration should be based on results in relation to individual targets. For the CEO and CFO, variable remuneration may amount to, at most, 60 respectively 50 percent of their basic wages. For other senior executives, variable remuneration may amount to, at most, 40 percent of their basic wages.

Senior executives have the right to other customary benefits, such as company cars, occupational health care etc.

Pension provisions may not exceed 35 percent of pensionable income or, in certain cases, may be no higher than the cost of ITP together with general pension charges pursuant to applicable law or the equivalent. The board has the right to renew existing pension agreements with essentially the same terms. Pensionable income is based on the basic wage.

If the CEO's employment is terminated by the Company, a notice period of 18 months applies. If employment is terminated by the CEO, the notice period is six months. Notice of employment termination by the Company of other senior executives is normally 3-18 months. Normal wages are paid during the period of notice. Severance is not paid.

The board has the right to deviate from the above mentioned guidelines in individual cases when it is considered necessary.

Internal control

The purpose of the internal control with respect to the financial reporting within the Elanders Group is to ensure that the Company's financial reporting is reliable and that the financial reports are prepared in accordance with generally accepted accounting principles as well as other rules and requirements that apply to listed companies. According to the Swedish Companies Act and the Code, the board of directors is ultimately responsible to ensure that the Company has efficient principles for internal control. The internal control is carried out in accordance with the framework for internal control adopted by COSO (Committee of Sponsoring Organizations of the Treadway Commission). The framework consists of control environment, risk assessment, control activities, information, communication and monitoring. The CEO is responsible for the establishment of organizational conditions and procedures required to ensure the quality of the financial reporting to the board and the market.

Share capital and ownership structure

General

Elanders AB (publ) is a Swedish public limited-liability company, with corporate registration number 556008-1621. The Company operates under Swedish law. The Company was incorporated on 7 March 1908, and is based in Mölnlycke. Elanders' class B share is listed on Nasdaq Stockholm, Small Cap, under the ticker symbol ELAN B. The share was listed on the Stockholm Stock Exchange on 9 January 1989.

Shares and share capital

Elanders' share capital is denominated in SEK and divided into shares issued by the Company with a quotient value denominated in SEK. All Elanders' shares have been issued in accordance with Swedish law and have been fully paid. The rights of shareholders, including those of minority shareholders, associated with the shares may only be amended in accordance with the procedures set out in the Swedish Companies Act (2005:551).

The Company and its shares are connected to the electronic securities system, the VP system, with Euroclear as the central securities depository and clearing organization (Euroclear Sweden AB, P.O. Box 7822, SE-103 97 Stockholm, Sweden). Euroclear administrates the Company's share register and registers the shares on person. Share certificates are not issued.

The Company has two classes of shares: class A shares and class B shares. At a shareholders' meeting of Elanders, one class A share carries ten votes and one class B share carries one vote. Class A shares and class B shares carry equal rights to the Company's assets and profit. Elanders' class A shares are subject to post sale purchase rights under the articles of association. According to Elanders' articles of association, the number of class A shares issued must not exceed half of the share capital and the number of class B shares issued may correspond to a number equivalent to the entire share capital. If the Company issues new shares, warrants or convertibles in a cash issue or set-off issue, shareholders shall, as a general rule, have pre-emptive rights to subscribe for securities in proportion to the number of shares held prior to the issue. The ISIN code for Elanders' class A share is SE0000182123 and the ISIN code for Elanders' class B share is SE0000119299.

According to the Company's articles of association, the Company's share capital shall be not less than SEK 90,000,000 and not more than SEK 360,000,000, divided into not less than 9,000,000 and not more than 36,000,000 shares. As per the date of this Prospectus, Elanders' share capital amounts to SEK 265,183,140, divided into a total of 26,518,314 shares, of which 1,361,110 are class A shares and 25,157,204 class B shares. The share's quotient value is SEK 10.

SHARE CAPITAL DEVELOPMENT

Year	Event	No. of class A shares	No. of class B shares	Total number of shares	Share capital, SEK
1989	Stock exchange listing	200,000	1,380,000	1,580,000	15,800,000
1991	New share issue		252,000	1,832,000	18,320,000
1995	Bonus issue	200,000	1,632,000	3,664,000	36,640,000
1997	New share issue		650,000	4,314,000	43,140,000
1997	New share issue		250,000	4,564,000	45,640,000
1997	New share issue		350,000	4,914,000	49,140,000
1997	New share issue	100,000	1,128,500	6,142,500	61,425,000
1998	New share issue		1,287,500	7,430,000	74,300,000
2000	New share issue		450,000	7,880,000	78,800,000
2000	New share issue		490,000	8,370,000	83,700,000
2007	New share issue	83,333	1,298,507	9,751,840	97,518,400
2007	New share issue		13,159	9,764,999	97,649,990
2010	New share issue	583,333	9,181,666	19,529,998	195,299,980
2012	New share issue		3,200,000	22,729,998	227,299,980
2014	New share issue	194,444	3,593,872	26,518,314	265,183,140
2016	The Offer	453,703	8,385,734	35,357,751	353,577,510

The Offer comprises a maximum of 8,839,437 New Shares, of which 453,703 are class A shares and 8,385,734 class B shares. Through the Offer, which is covered by subscription and guarantee undertakings in its entirety, the Company's share capital will increase by SEK 88,394,370, from SEK 265,183,140 to SEK 353,577,510. Following the Offer, the number of shares will amount to 35,357,751, of which 1,814,813 are class A shares and 33,542,938 are class B shares.

Share capital development

The table on previous page shows the changes in Elanders' share capital since 1989 and future changes by virtue of the Offer.

Larger shareholders and shareholder structure

As of 31 August 2016, the number of shareholders was 3,411. The tables below set forth the Company's largest shareholders and the ownership structure as of 31 August 2016.

Dividends

Dividends are determined by the shareholders' meeting and payment is administered by Euroclear. Shareholders who are registered in the shareholder register maintained by Euroclear on the record date determined by the shareholders' meeting are entitled to a dividend. Dividends are normally paid as a cash amount per share, but may also comprise forms other than cash dividends. If shareholders cannot be reached for

LARGEST SHAREHOLDERS ON 31 AUGUST 2016

	No. of class A shares	No. of class B shares	Share of capital, %	Share of votes, %
Carl Bennet AB	1,361,110	15,171,447	62.3	74.2
Carnegie Fonder	-	2,165,035	8.2	5.6
Sommer, Peter	-	674,333	2.5	1.7
Lannebo Fonder	-	426,030	1.6	1.1
P-A Bendt AB	-	407,500	1.5	1.1
Danica Pension	-	392,849	1.5	1.0
Försäkringsaktiebolaget, Avanza Pension	-	354,828	1.3	0.9
Nordnet Pensionsförsäkring AB	-	295,014	1.1	0.8
Olsson, Dan	-	223,014	0.8	0.6
Skandia Försäkring	-	133,368	0.5	0.3
Other shareholders	-	4,913,786	18.6	12.7
Total	1,361,110	25,157,204	100.0	100.0

OWNERSHIP STRUCTURE ON 31 AUGUST 2016

No. of shares	No. of owners	No. of class A shares	No. of class B shares	Share of capital, %	Share of votes, %
1-500	2,453	-	373,797	1.4	1.0
501-1,000	416	-	325,792	1.2	0.8
1,001-2,000	238	-	355,382	1.3	0.9
2,001-5,000	161	-	541,160	2.0	1.4
5,001-10,000	54	-	388,097	1.5	1.0
10,001-20,000	34	-	484,150	1.8	1.2
20,001-50,000	26	-	807,079	3.0	2.1
50,001-100,000	13	-	1,005,226	3.8	2.6
100,001-	16	1,361,110	20,876,521	83.9	89.0
Total	3,411	1,361,110	25,157,204	100.0	100.0

receipt of dividends, the shareholder's claim against the Company will remain and only be limited by the general rules of limitation. Upon limitation, the full amount accrues to Elanders. There are no restrictions on, or special procedures for, dividends payable to shareholders resident outside Sweden.

In connection with proposing dividend to shareholders, the board of directors takes into account the Elanders Group's development potential as well as its financial position and the adopted key performance measures relating to debt/equity ratio, equity ratio and profitability. The objective is to have dividends follow the long-term profit trend and, on the average, represent approximately 30–50 percent of profit after tax. The Annual General Meeting on 28 April 2016 adopted a dividend of SEK 2.20 per share.

Other information

In connection with Elanders' acquisitions of the German companies fotokasten and dlolm in 2012, Elanders' principal owner Carl Bennet AB issued a put option to the sellers of the companies, entailing that the sellers, under certain circum-

stances, were entitled to sell the class B shares in Elanders that were issued as consideration for the acquired companies to Carl Bennet AB. In 2013, several of the sellers utilized the opportunity to sell their shares to Carl Bennet AB. However, Peter Sommer, one of the sellers of dlolm and now Head of Print & Packaging in Europe, has not exercised the put option. As per the day of this Prospectus, Peter Sommer's shareholding in Elanders amounts to 674,333 class B shares. With regard to Peter Sommer, the terms for the put option have been renegotiated and Peter Sommer is entitled to sell his shares to Carl Bennet AB up and until 10 June 2018 at a price of SEK 29.09 per share.

As far as the Company is aware, there are no shareholders' agreements or similar agreements with the aim of exercising joint control over the Company. Nor is the board aware of any shareholders' agreements or similar agreements that could lead to changes in control over the Company.

Elanders' shares are not the subject to offers submitted due to mandatory bids, right of redemption or redemption obligation. No public takeover offer for Elanders shares has been made.

Articles of association

§1

The company is a public limited company. The company's name is Elanders AB (publ).

§2

The object of the company's business is to pursue book printing and publishing, to acquire and manage real property and any other activities compatible therewith.

§3

The share capital shall be not less than SEK 90,000,000 and not more than SEK 360,000,000.

§4

The number of shares shall be not less than 9,000,000 and not more than 36,000,000.

Shares shall be divided into two classes, class A shares and class B shares. class A shares may be issued up to an amount corresponding to not more than half of the share capital and class B shares may be issued up to an amount corresponding to not more than the entire share capital. class A shares shall carry 10 votes and class B shares shall carry 1 vote.

§5

The company's registered office shall be situated in Härryda municipality, Sweden.

§6

The board of directors shall consist of not less than three members and not more than ten members with not more than two deputy members.

§7

The company shall have one or two auditors and not more than two deputy auditors. An authorised public accountant or a registered accounting firm shall be appointed as auditor.

§8

The company's financial year shall comprise 1 January – 31 December.

§9

General meetings shall be held where the company has its registered office or in Gothenburg or Mölnlycke, Sweden.

At the annual general meeting the following business shall be addressed:

1. Election of chairman of the meeting.
2. Preparation and approval of the voting list.
3. Election of two persons to approve the minutes.
4. Determination of whether the meeting has been duly convened.
5. Approval of the agenda.

6. Presentation of the annual accounts, the auditor's report and, where applicable, the consolidated annual accounts and the auditor's report for the group.
7. Resolutions regarding:
 - a) the adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet,
 - b) allocation of the company's profit or loss according to the adopted balance sheet,
 - c) discharge from liability to members of the board of directors and the chief executive officer.
8. Determination of the number of members and deputy members of the board of directors and, where applicable, the number of auditors and deputy auditors.
9. Resolution regarding remuneration to members and, if applicable, deputy members of the board of directors and, when required, to the auditors.
10. Election of members of the board of directors and, when required, auditors.
11. Election of nomination committee.
12. The board of directors' proposal regarding guidelines for remuneration to senior executives.
13. Any other business that may come before the annual general meeting in accordance with the Swedish Companies Act or the articles of association.

§10

Notice of General Meetings shall be made through announcement in Post- och Inrikes Tidningar (the Swedish Official Gazette) and on the company's website. It shall be announced in Dagens Industri that a notice of a General Meeting has been issued.

§11

A shareholder who wishes to participate at a general meeting must notify the company not later than 1:00 p.m. on the day specified in the notice of the meeting. This day must not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Years' Eve and not fall earlier than the fifth weekday prior to the meeting. In case a shareholder wishes to be accompanied by an advisor at a general meeting, the number of advisors (not more than two) shall be stated in such notification.

§12

The company's shares shall be registered in central securities depository (CSD) register in accordance with the Swedish Financial Instruments (Accounts) Act (SFS 1998:1479).

§13

If a class A share has been transferred to a person not previously a class A shareholder, the other class A shareholders shall be entitled to purchase the share. The new

owner of the class A share shall, as soon as possible, and in the manner set out in the Swedish Companies Act, notify the board of directors of the share transfer (“Post-transfer Purchase Offer”). A post-transfer purchase right may not be exercised in respect of a smaller number of shares than the shares covered by the offer. The board of directors shall immediately give notice of the Post-transfer Purchase Offer to every post-transfer purchase rights holder with a known postal address. The notice shall indicate the period within which requests to exercise post-transfer purchase rights are to be made. Requests to exercise post-transfer purchase rights must be made within two (2) months of a proper Post-transfer Purchase Offer in accordance with the above. If requests to exercise post-transfer purchase rights are made by more than one post-transfer purchase rights holder, the shares shall, to the greatest extent possible, be evenly distributed amongst the post-transfer purchase rights holders who have requested to exercise their post-transfer purchase right. Any remaining shares shall be distributed through the drawing of lots by a notary public.

If the share has been transferred through a sale, the price to be paid upon the exercise of post-transfer purchase rights shall equal the purchase price. Where the transferee and the person requesting a purchase pursuant to a post-transfer purchase right fail to agree upon the purchase, the person requesting the purchase may initiate proceedings within two months from the date on which the request was made to the board of directors. Such dispute shall be settled by arbitration. The post-transfer purchase price shall be paid within one month from the date on which the post-transfer purchase price was determined.

§14

If the company resolves to issue new class A and class B shares through a cash or set-off issue, owners of class A and class B shares shall enjoy pre-emption rights to subscribe for new shares of the same class pro rata to the number of shares owned by them prior thereto (primary pre-emption right). Shares which are not subscribed for pursuant to primary pre-

emption right shall be offered to all shareholders (subsidiary pre-emption right). If the shares thus offered are not sufficient for subscription pursuant to the secondary pre-emption right, the shares shall be allocated between the subscribers pro rata to the number of shares previously held and, to the extent such allocation cannot be effected, by the drawing of lots.

If the company resolves to issue class A or class B shares through a cash or set-off issue, all shareholders shall, irrespective of whether their shares are of class A or class B, enjoy pre-emption rights to subscribe for new shares pro rata to the number of shares owned by them prior thereto.

If the company resolves to issue warrants or convertible debentures, through a cash or set-off issue, shareholders shall, with respect to warrants, enjoy pre-emption rights to subscribe for warrants as if the issue would concern the shares which may be newly subscribed for on the basis of the warrants and, with respect to convertible debentures, enjoy pre-emption rights to subscribe for convertible debentures as if the issue would concern the shares for which the convertible debentures may be exchanged.

The above shall not limit the right to resolve upon a cash issue or set-off issue with a deviation from the shareholders’ pre-emption rights.

In the event of a bonus issue, new shares of each class shall be issued pro rata to the number of shares of each class outstanding prior thereto. In this connection, existing shares of a certain class shall entitle the owner to subscribe for new shares of the same class. This shall not restrict the possibility of issuing new shares of a new class by means of a bonus issue, following the required amendment to the articles of association.

§15

The board of directors may collect proxies at the company’s expense in accordance with the procedure stated in chapter 7 section 4 second paragraph of the Swedish Companies Act.

Adopted at the Annual General Meeting 28 April 2015

Legal considerations and supplementary information

Group structure

The Elanders Group comprises the parent company Elanders and 67 directly or indirectly wholly-owned subsidiaries.

GROUP STRUCTURE

Company	Country
d o l m Deutsche Online Medien GmbH	Germany
myphotobook GmbH	Germany
Elanders Anymedia AB	Sweden
Elanders (Beijing) Printing Company Ltd	China
Elanders (Beijing) Digital Development Ltd	China
Elanders do Brasil Ltda	Brazil
Elanders Reprodução de Imagens Ltda	Brazil
Elanders GmbH	Germany
Elanders International AB	Sweden
Mentor Media Ltd	Singapore
Chengdu Mentor Media Co., Ltd	China
Mentor Internet Solution Pte Ltd	Singapore
Mentor Media (Chongqing) Co., Ltd	China
Mentor Media (Kunshan) Co., Ltd	China
Mentor Media (Shenzhen) Co., Ltd	China
Mentor Media (Songjiang) Co., Ltd	China
Mentor Media (Suzhou) Co., Ltd	China
Mentor Media (USA) Supply Chain Management Inc	USA
Mentor Media (Xiamen) Co., Ltd	China
Mentor Media CBZ (Chongqing) Co., Ltd	China
Mentor Media Czech s.r.o.	Czech Republic
Mentor Media Japan Godogaisha	Japan
Mentor Media Juárez S.A. de C.V.	Mexico
Mentor Media Logistics (Shenzhen) Co., Ltd	China
Mentor Media Printing Pte Ltd	Singapore
Mentor Printing and Logistics Private Limited	India
Mentor Shanghai Trading Co., Ltd	China
Shanghai Mentor Media Co., Ltd	China
Shanghai Mentor Media Printing Co., Ltd	China
Tristellar Graphic Sdn. Bhd.	Malaysia
Elanders Holding GmbH	Germany
LGI Logistics Group International GmbH	Germany
24 plus Systemverkehre GmbH & Co. KG	Germany
Helix Software + Support GmbH	Germany
LGI Austria GmbH	Austria
LGI Espana s.l.	Spain
LGI Hungaria Logisztikal Kft.	Hungary

GROUP STRUCTURE (CONT.)

Company	Country
LGI Logistics Group International AB	Sweden
LGI Logistics Group International Ltd.	UK
LGI Polska Sp. Z.o.o.	Poland
LGI Czechia s.r.o.	Tjeckien
LGI Bohemia Immobilien-Verwaltung s.r.o.	Czech Republic
LGI Deutschland GmbH	Germany
LGI Supply Chain Solutions GmbH	Germany
ITG GmbH Internationale Spedition und Logistik	Germany
ITG Global Logistics BV	Netherlands
ITG Internationale Spedition Ges.mbH.	Austria
ITG International Transports Inc.	USA
OOO ITG International Transports + Logistics	Russia
TRANSCONTAINER-UNIVERSAL GmbH & Co. KG	Germany
Logistik Lernzentrum GmbH	Germany
LOGworks GmbH	Germany
Elanders Hungary Kft	Hungary
Elanders Infologistics AB	Sweden
Elanders Sverige AB	Sweden
Falköping Karlavagnen 6 AB	Sweden
Elanders NRS AB	Sweden
Elanders FoH AB	Sweden
Elanders Italy S.r.l.	Italy
Elanders Ltd	UK
McNaughtan's Printers Ltd	UK
Elanders Polska Sp. z o.o.	Poland
Elanders Taiwan Co. Ltd	Taiwan
Elanders UK Ltd	UK
fotokasten GmbH	Germany
Midland Information Resources Company	USA
ElandersUSA, LLC	USA

Significant agreements

Supplier agreements

Elanders' largest suppliers are active in the fields of paper, transport, printing plates and printing machines (printing presses, printers and peripherals) and subcontractors in areas such as bindery services. Elanders has framework agreements at Group level with Stora Enso, Papyrus and Holmen Paper for paper supplies. Elanders has also concluded pay-per-use agreements, i.e. agreements in which payment is based on the number of printed sheets, with HP, Fuji, Kodak and Océ for supplies of digital printing presses, peripherals and printing plates. Similar agreements also exist for the offset printing machines leased from Heidelberg.

LGI contracts external suppliers primarily to conduct parts

of the company's logistics operations. For this purpose, a standard agreement for transports has been internally prepared and serves as a framework agreement for the parties' business relationship. The orders of individual assignments are placed within the scope of these agreements in accordance with a pre-determined price model. The agreements do principally not contain any volume undertakings for LGI. The agreements are designed to allow for as much flexibility and competitiveness for LGI as possible and contain an obligation for the supplier to plan for alternative solutions in the event of disturbances in the ordinary course of business. The agreements also contain an undertaking of the supplier to comply with LGI's code of conduct.

Customer agreements

Elanders has several major customers with whom the Company has entered into agreements for the supply of products and services and with whom the Company has close and long-term relationships. These customers include global companies in the automotive industry, consumer electronics, home appliances, teaching material, the PC industry and other industry and retail sectors.

The majority of Elanders' agreements with customers lack volume commitments from the customer. These agreements are typically based on various types of blanket agreements. For small-scale assignments, the parties normally apply standard agreements drawn up and adapted for the relevant services.

LGI's major customers are found in the manufacture and automotive industry as well as the electronic industry. LGI's customer agreements include large volumes with long terms. In light of the complexity of the services provided by LGI, the individual customer agreements are to a large extent based on an internally prepared standard agreement. Generally, each customer holds several agreements for different departments/sections. The agreements are often substituted by a German standard agreement for transport services (*Allgemeine Deutsche Spediteurbedingungen*). The internally prepared standard agreement runs until further notice with a mutual notice period of nine months. Most of LGI's major customers have long and well-established relations with LGI.

The acquisition of LGI

On 17 June 2016, Elanders Holding GmbH, a wholly owned subsidiary of Elanders AB (publ), entered into a share transfer agreement regarding the acquisition of all of the shares in LGI Logistics Group International GmbH. The sellers of LGI were the German investment companies Kajo Neukirchen Group and "Mittelstandsfonds" which is a part of M Cap Finance. The acquisition was conditional upon the approval by German and Austrian competition authorities. Such approvals were granted on 19 July 2016 and Elanders closed the acquisition of LGI on 26 July 2016.

The purchase price for LGI amounts to approximately EUR 257 million on a debt free basis, corresponding to approximately SEK 2,459 million. The purchase price is subject to minor tax-related adjustments in connection with the end of LGI's shortened financial year 2016. Elanders AB (publ) has undertaken, as for its own debt, to fulfill all duties of Elanders Holding GmbH under the agreement.

The sellers have made warranties regarding, *inter alia*, the ownership of LGI and its subsidiaries, that LGI is not subject to bankruptcy, liquidation or similar proceedings, that LGI's accounts are prepared in accordance with applicable law, that no material agreements or business relationships have been, or are about to be, terminated, that no environmental disputes are at hand, that no key employees have resigned and that the company's other activities are conducted in accordance

with previous practices. The sellers' liability for any breach of warranty is limited, with certain exceptions, by what was communicated to Elanders in connection with the acquisition. The sellers' warranty liability is also subject to customary limitations in amount and time.

As per the date of this Prospectus, Elanders has no claims for compensation arising from any of the warranties provided in the share transfer agreement. Nor is Elanders, as per the date of this Prospectus, aware of any circumstance that could lead to such a claim.

The acquisition of Schmid Druck

In December 2015, Elanders entered into an agreement to acquire the German packaging company Schmid Druck. The acquisition further strengthened Elanders' offer in packaging solutions, especially on the important German market. The purchase price amounted to approximately EUR 4.5 million, of which most of the payment was effected in connection with the acquisition. The remaining part of the purchase price, amounting to approximately 7.5 percent of the total purchase price, will, pursuant to the transfer agreement, be paid on two occasions: at the year-end 2016/2017 and 2017/2018, respectively.

Permits

In certain cases and in accordance with what is set out below under the heading "Environment", Elanders' business operations require licenses for conducting environmentally hazardous activities. Elanders' operations in China also require special licenses for their environmental impact and activities in general. To the Company's knowledge, the Elanders Group holds, as per the date of this Prospectus, all essential permits necessary for conducting its operations.

Environment

Some of Elanders' subsidiaries, primarily within the printing industry, are subject to licensing or reporting requirements under the environmental legislation of each country, partly due to the use of solvents. Elanders' operations mainly give rise to direct environmental impact through noise levels and solvent emissions to air, but also through a small amount of emissions to water. LGI runs extensive transport operations causing emissions to the air. In the Swedish business operations, licensable activities are conducted in Mölnlycke. Outside Sweden, Elanders conducts licensable activities, to varying degrees, in China, Poland, the United Kingdom, Germany, Hungary and the USA.

In connection with the sale of a subsidiary (Elanders Tryckeri AB) in February 2007, Elanders has agreed to reimburse the subsidiary for any costs arising from soil contamination. The background is that the Environmental Administration in Gothenburg has required Elanders Tryckeri to take remedial action on the Kallebäck 2:3 property in Gothenburg, where Elanders previously conducted activities.

Soil contamination occurred prior to 1970 due to sewer leakage and is mainly consists of heavy metals such as zinc, chrome and copper. Elanders appealed the Environmental Administration's decision to the County Administrative Board which rejected the appeal, whereby Elanders appealed the County Administrative Board's decision to the Environmental Court in Vänersborg which, on formal grounds, referred the case back to the Environmental Administration in Gothenburg for further handling. The Environmental Authority in Gothenburg has ruled that the contamination, in view of the location, does not pose a serious health or environmental risk. An investigation of the costs entailed by various remedial measures has been conducted and discussions are currently being held with the property owner concerning the further handling of the case. Based on the prevailing responsibilities and the limited extent of the contamination, Elanders does not consider this matter a significant financial risk for the Company.

Properties

Elanders conducts most of its operations in leased premises, but owns the properties in which operations are conducted in Chennai (India), Davenport (USA), Płońsk (Poland), Zákupy (Czech Republic) and Zalaölő (Hungary). The leases within the Elanders Group have varying terms and reflect, in Elanders' assessment, market conditions.

VAT-related issues

In February 2010 the European Court of Justice gave a judgment in the so called *Graphic Procédé* case. In Sweden this is of particular importance for the distinction between printing companies' production of products (printed matter) and the application of the 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 distinction 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 judgment which stated that customers have the legal right to demand compensation from their printing company as a result of the consequential amendments made by the Swedish Tax Agency. Nonetheless, this verdict is not expected to have any negative effect on either Elanders' result or financial position. Pursuant to this verdict, Elanders has settled several of its customers' demands. The amount Elanders may be required to pay to its customers has already been reported as an interest-bearing liability and is included in net debt.

Disputes

One of Elanders' subsidiaries in the USA is subject to a law suit by a group of employees that demand indemnifications because another employee employed by the same company installed a hidden camera in some of the company's facilities. The employees claim that the company knew, or should have known, about the situation and should therefore be held liable for incurred damages. Elanders has denied any responsibility. Presently, it is difficult to assess the outcome and length of the dispute as well as the costs for potential liability, should the outcome of the dispute be to Elanders' disadvantage.

For information relating to other relevant disputes, refer to the sections "Environment" and "VAT-related issues" above. In addition to what is mentioned above regarding the law suit against the American subsidiary, Elanders has not, during the past twelve months, been party to any legal or arbitration proceedings (including pending cases or those that Elanders is aware may arise) or matters that have recently or could in future have significant effects on the financial position or profitability of the Company or the Elanders Group.

Related-party transactions

Transactions between companies within the Elander Group are conducted on normal commercial terms and at market prices. In 2015, intra-Group sales of goods and services amounted to SEK 516 million (SEK 501 million in 2014 and SEK 416 million in 2013).

In the past three financial years, no sales of goods and services have taken place, either directly or indirectly, to Elanders' related parties.

In the past three financial years, annual purchases from Carl Bennet AB have amounted to SEK 0.6, 0.5 and 0.5 million per year. The transactions primarily pertain to expenses for Carl Bennet in his role as Chairman of the board of Elanders. In addition, one of the board members, Erik Gabrielson, is partner of Advokatfirman Vinge, which has received a total amount of approximately SEK 6.9 million for legal consultation to the Company during 2013, 2014 and 2015.

Related parties to Peter Sommer, a member of Elanders Group management and the CEO of Elanders GmbH, own parts of a property in which Elanders GmbH conducts most of its business operations. In 2015, Elanders GmbH paid rent amounting to SEK 12.0 million (SEK 11.6 million in 2014) for this property. The rent is considered to be in accordance with market terms.

The German packaging company Schmid Druck, acquired by Elanders in December 2015 (refer to the above), carry out its operations in facilities rented from the CEO and the former owner of the company. The rent agreement has a term of five years with an annual rent of approximately SEK 2.7 million, which is considered to be in accordance with market terms.

Insurance

Elanders' insurance program includes global liability insurance that covers general liability, product liability, crime fidelity, business interruption and limited protection against environmental damage. The Company also has liability insurance for members of the board of directors and Group management. The insurance coverage is subject to continuous review. The board considers the commercial insurance well-adapted given the current scope of the Company's operations. The Company has no material demands relating to insurance.

Intellectual property rights

Elanders develops and owns the copyright to various software products where Elanders' customers either can sign license agreements or service agreements to use the software's features via Internet. Elanders also provides various other customized IT solutions and customizes the features according to customer needs. Elanders other intellectual rights primarily comprises trademarks.

Subscription undertaking and issue guarantee

On 31 August 2016, Elanders entered into an agreement with the Company's largest shareholder, Carl Bennet AB, regarding a subscription undertaking and issue guarantee in connection with the Offer. Carl Bennet AB has thus undertaken to subscribe for its pre-emptive part of the Offer, representing approximately 62 percent of the total number of shares in the Offer, corresponding to approximately SEK 441 million. Carl Bennet AB has also undertaken to subscribe for any additional shares in the Offer that are not subscribed for by others. The Offer is thereby covered by subscription and guarantee undertakings in its entirety.

The board of Elanders considers Carl Bennet AB's creditworthiness sound and that Carl Bennet AB will be able to meet its commitments as outlined above. However, the commitments are not secured by pledges, blocked funds or any similar arrangement.

For the part of Carl Bennet AB's undertaking that relates to subscription in addition to Carl Bennet AB's pre-emptive part of the Offer, Carl Bennet AB will receive guarantee commission of one (1) percent of the guaranteed amount, equaling approximately SEK 2.6 million.

Carl Bennet AB's address is P.O. Box 7171, SE-402 33 Gothenburg, Sweden.

Costs related to the Offer

The Offer, which is covered by subscription and guarantee undertakings in its entirety, will raise approximately SEK 707 million for Elanders. It is estimated that deductions totaling approximately SEK 12 million will be made from the issue amount for costs attributable to remuneration to the issuing agent, financial and legal advisers and other estimated transaction costs, including guarantee commission, relating to the Offer (issuing costs). The Company is expected to obtain a net amount of approximately SEK 695 million.

Interests of the advisors

In connection with the Offer, Nordea and SEB provide financial advice and other services in connection with the Offer, for which they will receive a fixed fee from the Company. From time to time, Nordea and SEB may also provide services to the Company within the ordinary course of business and in connection with other transactions. Furthermore, Nordea and SEB are creditors of the Company (refer to the section "Capital structure and other financial information – Credit facility agreement") and the net income from the Offer will mainly be used to repay the bridge financing Elanders has received from Nordea and SEB in connection with the acquisition of LGI.

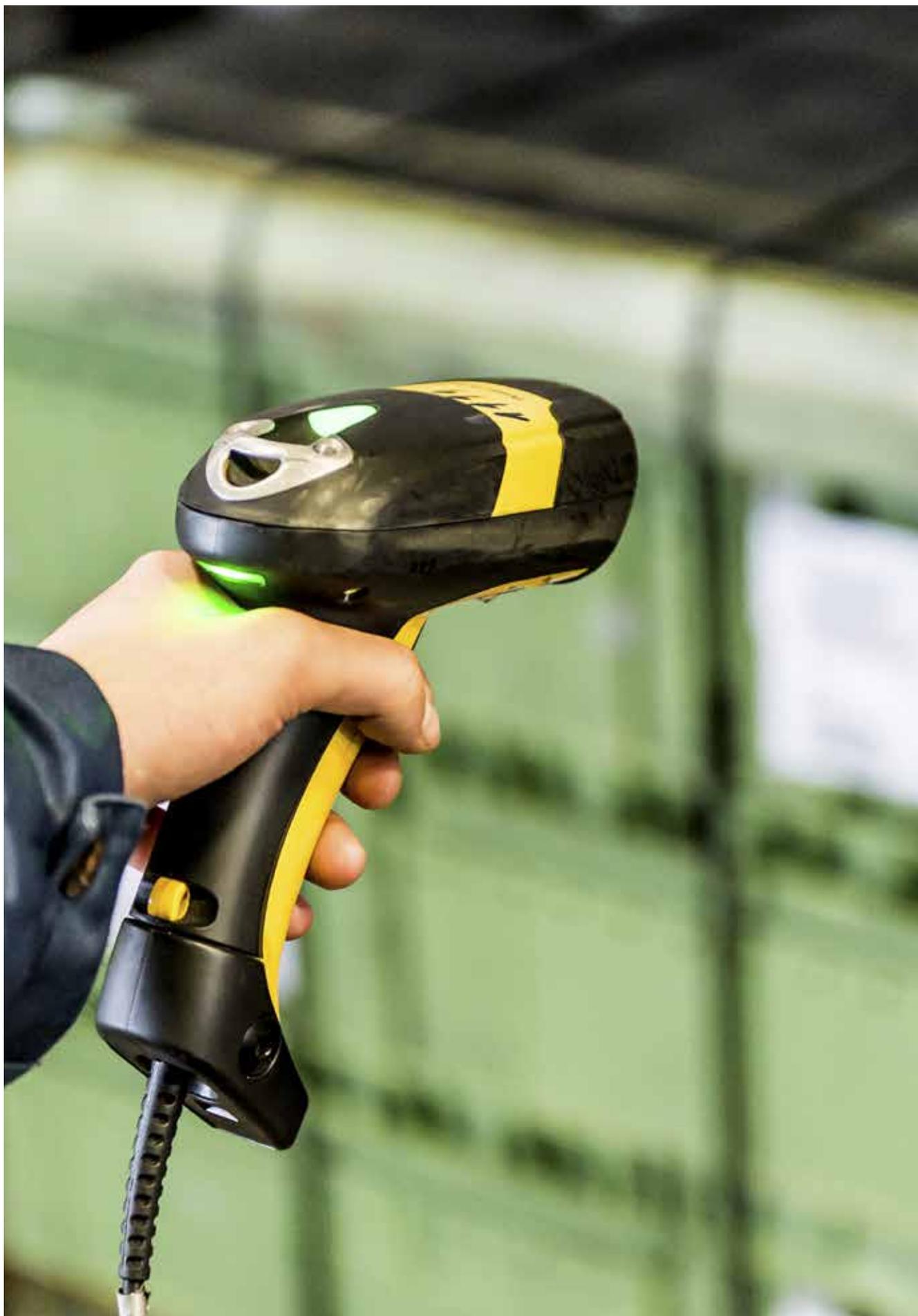
Documents available for review

Elanders' articles of association and all financial information that in any part is included, or referred to, in this Prospectus is available from Elanders during the validity period of this Prospectus. Information about Elanders is also available on the Company's website www.elanders.com.

Incorporation by reference

Elanders' financial statements and auditors' reports for the 2015, 2014 and 2013 financial years form part of this Prospectus and should be read as a part hereof. The financial statements and the auditors' reports are included in the annual reports for each financial year. Reference is thus made to pages 46–71 and 84–85 in the annual report for 2015, pages 60–89 and 104–105 in the annual report for 2014 and pages 81–110 and 124–125 in the annual report for 2013. The annual reports are available on Elanders' website, www.elanders.com, and can be obtained from the Company free of charge during the validity period of this Prospectus.

The pages in the annual reports to which reference is not made contain information found elsewhere in the Prospectus or is not considered relevant for the Offer.



Tax issues in Sweden

Below is a summary of certain Swedish tax issues related to the Offer for private individuals and limited liability companies that are residents of Sweden for tax purposes (unless otherwise stated) and that hold class B shares or class B subscription rights in Elanders. The summary is based on current legislation and is intended to provide general information only regarding the class B shares and the class B subscription rights for the period during which the class B shares and the class B subscription rights, respectively, are traded on Nasdaq Stockholm.

The summary does not cover:

- *Class A shares and class A subscription rights and class A BTAs in the Company;*
- *situations where securities are held as current assets in business operations;*
- *situations where securities are held by a limited partnership or a partnership;*
- *situations where securities are held in an investment savings account (Sw. investeringssparkonto);*
- *the special rules regarding tax-free capital gains (including non-deductible capital losses) and dividends that may be applicable when the investor holds shares or subscription rights in the Company that are deemed to be held for business purposes (for tax purposes);*
- *the special rules that may be applicable to private individuals who make or reverse a so called investor deduction (Sw. investeraravdrag);*
- *foreign companies conducting business through a permanent establishment in Sweden; or*
- *foreign companies that have been Swedish companies.*

Further, special tax rules apply to certain categories of companies. The tax consequences for each individual security holder depend to some extent on the holder's particular circumstances. Each shareholder and holder of subscription rights is advised to consult an independent tax advisor as to the tax consequences relating to the holder's particular circumstances that could arise from the Offer, including the applicability and effect of foreign tax legislation (including regulations) and provisions in tax treaties for the avoidance of double taxation.

General information

Private individuals

For private individuals resident in Sweden for tax purposes, capital income such as interest income, dividends and capital gains is taxed in the capital income category. The tax rate in the capital income category is 30 percent.

The capital gain or the capital loss is computed as the difference between the consideration, less selling expenses, and the acquisition value. The acquisition value for all shares of the same class and type shall be added together and computed collectively in accordance with the so-called average method (Sw. *genomsnittsmetoden*). In this context, it should be noted that BTAs are not regarded as being of the same class and type as the existing shares in Elanders until the resolution concerning the new issue has been registered with the Swedish Companies Registration Office. As an alternative, the so-called standard method (Sw. *schablonmetoden*) may be used at the disposal of listed shares. This method means that the acquisition value may be determined as 20 percent of the consideration less selling expenses.

Capital losses on listed shares and other listed securities taxed as shares (such as subscription rights and BTAs) may be fully offset against taxable capital gains the same year on shares, as well as on listed securities taxed as shares (however not mutual funds, Sw. *värdepappersfonder*, or hedge funds, Sw. *specialfonder*, containing Swedish receivables only,

Sw. *räntefonder*). Capital losses not absorbed by these set-off rules are deductible at 70 percent in the capital income category.

Should a net loss arise in the capital income category, a reduction is granted of the tax on income from employment and business operations, as well as national and municipal property tax. This tax reduction is 30 percent of the net loss that does not exceed SEK 100,000 and 21 percent of any remaining net loss. A net loss cannot be carried forward to future tax years.

For private individuals resident in Sweden for tax purposes, a preliminary tax of 30 percent is withheld on dividends. The preliminary tax is normally withheld by Euroclear or, in respect of nominee-registered shares, by the nominee.

Limited liability companies

For limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains and dividends, is taxed as income from business operations at a rate of 22 percent. Capital gains and capital losses are calculated in the same way as described for private individuals above. Deductible capital losses on shares and other securities taxed as shares may only be offset against taxable capital gains on shares and other securities taxed as shares. A net capital loss on shares and other securities taxed as shares that cannot be utilized during the year of the loss, may be carried forward (by the limited

liability company that has suffered the loss) and offset taxable capital gains on shares and other securities taxed as shares in future years, without any limitation in time. If a capital loss cannot be deducted by the company that has suffered the loss, it may be deducted from another legal entity's taxable capital gains on shares and other securities taxed as shares, provided that the companies are entitled to tax consolidation (through so-called group contributions) and both companies request this for a tax year having the same filing date for each company (or, if one of the companies' accounting liability ceases, would have had the same filing date). Special tax rules may apply to certain categories of companies or certain legal persons, e.g. investment companies.

Exercise of received subscription rights

If shareholders in Elanders exercise their received subscription rights to acquire New Shares, no tax is levied.

Sale of received subscription rights

Shareholders that do not wish to make use of their pre-emption right to participate in the Offer can sell their subscription rights. At the disposal of subscription rights the taxable capital gain shall be calculated. Subscription rights deriving from the holding of shares in Elanders are deemed to be acquired for SEK 0. The standard method may not be used to determine the acquisition value in this situation. The entire consideration less selling expenses is thus liable to taxation. The acquisition value of the original shares is not affected. A subscription right that is not exercised or sold and therefore expires is deemed to be disposed of for SEK 0. Since subscription rights received in the aforementioned manner, are deemed to be acquired for SEK 0, neither a capital gain nor a capital loss will arise.

Acquired subscription rights

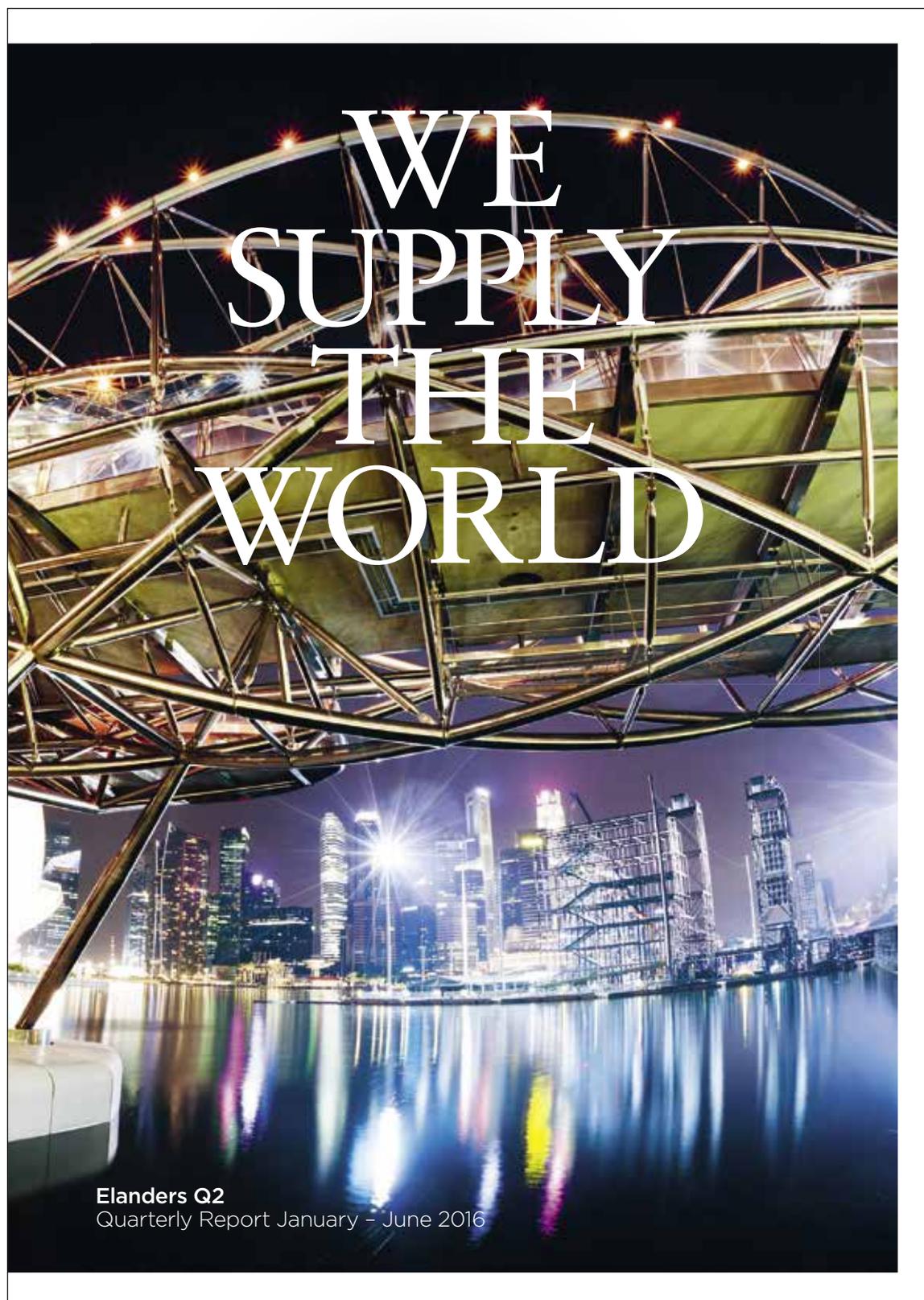
The amount payable by anyone buying or similarly acquiring subscription rights in Elanders constitutes the acquisition value of the same. No tax is levied if these subscription rights are exercised to subscribe for shares. The acquisition value of the subscription rights shall be included when calculating the acquisition value of the shares. If the subscription rights on the other hand are sold, capital gains taxation is triggered. The acquisition value for subscription rights is calculated in accordance with the average method. The standard method may be used for listed subscription rights acquired in the aforementioned manner. If the subscription right is not exercised or sold and therefore expires, the subscription right is deemed to be disposed of for SEK 0.

Shareholders and holders of subscription rights not resident in Sweden for tax purposes

For shareholders not resident in Sweden for tax purposes that receive dividends on shares in a Swedish limited liability company, Swedish withholding tax is normally withheld. The same withholding tax applies to certain other payments made by a Swedish limited liability company for example payments as a result of redemption of shares and repurchase of shares through an offer directed to all shareholders or all holders of shares of a certain class and liquidation of the company. The tax rate is 30 percent. The tax rate is, however, generally reduced through tax treaties for the avoidance of double taxation. In Sweden, withholding tax deductions are normally carried out by Euroclear or, in respect of nominee-registered shares, by the nominee. The tax treaties Sweden has entered into generally enable the withholding tax deduction to be made in accordance with the reduced tax rate stipulated in the treaty, provided that Euroclear Sweden or nominee, as applicable, has the required information of the tax residency of the investor entitled to the dividend. Further, investors entitled to reduced tax rates under applicable tax treaties may seek a refund from the Swedish tax authorities if the full withholding tax has been withheld.

Shareholders and holders of subscription rights not resident in Sweden for tax purposes which are not conducting business through a permanent establishment in Sweden are normally not liable for capital gains taxation in Sweden upon disposals of shares or subscription rights. Shareholders and holders of subscription rights, respectively, may however be subject to taxation in their state of residence. According to a special rule, private individuals not resident in Sweden for tax purposes are, however, subject to Swedish capital gains taxation upon disposals of shares and subscription rights in Elanders, if they have been residents of Sweden or have had a habitual abode in Sweden at any time during the calendar year of disposal or the ten calendar years preceding the year of disposal. In a number of cases though, the applicability of this rule is limited by the applicable tax treaty for the avoidance of double taxation.

Quarterly report for the period January – June 2016



WE
SUPPLY
THE
WORLD

Elanders Q2
Quarterly Report January - June 2016

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Cover: iStock by Getty Images. The Helix Bridge is a pedestrian bridge linking Marina Centre with Marina South in the Marina Bay area in Singapore. It was officially opened on 24 April 2010, however only half was opened due to ongoing construction at the Marina Bay Sands. It is located beside the Benjamin Sheares Bridge and is accompanied by a vehicular bridge, known as the Bayfront Bridge. The entire bridge was opened on 18 July 2010.

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.

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

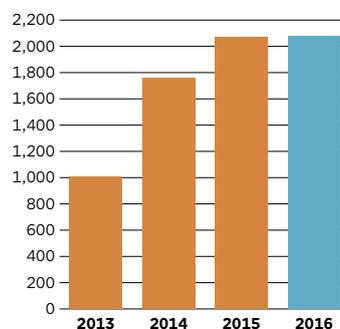
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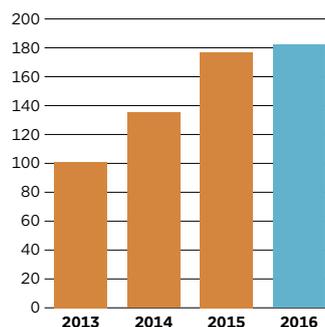
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NET SALES, MSEK



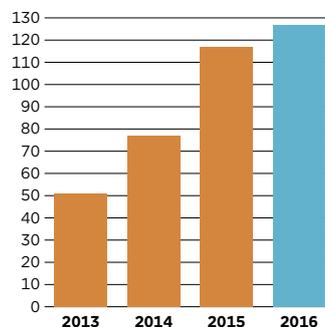
January - June

EBITDA EXCLUDING ONE-OFF ITEMS, MSEK



January - June

EBIT EXCLUDING ONE-OFF ITEMS, MSEK



January - June

Bulletpoints

FIRST SIX MONTHS

- Net sales increased to MSEK 2,077 (2,072).
- The operating result excluding one-off costs increased to MSEK 127 (117). Including one-off costs the operating result increased to MSEK 122 (117).
- The result before tax excluding one-off costs increased to MSEK 119 (99), which is an improvement of 20%. Including one-off costs the result before tax increased to MSEK 111 (99).
- The net result increased to MSEK 80 (65) or SEK 3.03 (2.46) per share.
- Excluding acquisitions, the operating cash flow amounted to MSEK 101 (132). Including acquisitions operating cash flow was MSEK 68 (132).
- In June 2016 Elanders signed a contract to acquire LGI Logistics Group International GmbH, a supply chain company with a strong presence in Europe and particularly Germany. Through the acquisition Elanders double annual net sales from 4.2 to about 8.3 billion Swedish kronor and the number of employees rise from 3,200 to about 7,200 (proforma 2015).
- One-off costs consist of advisory and financial costs in connection with the acquisition of LGI. Another MSEK 28–33 is expected to charge the result in the third quarter if all conditions of the acquisition are met.

SECOND QUARTER

- Net sales increased to MSEK 1,079 (1,066).
- The operating result excluding one-off costs increased to MSEK 71 (63). Including one-off costs the operating result increased to MSEK 66 (63).
- The result before tax excluding one-off costs increased to MSEK 68 (55), which was an improvement by 24%. Including one-off costs the result before tax was MSEK 61 (55).
- The net result increased to MSEK 45 (38) or SEK 1.69 (1.43) per share.
- Operating cash flow was MSEK 64 (116).

COMMENTS BY THE CEO

Through the acquisition of LGI we have created a stable platform for organic growth in Supply Chain Solutions. The acquisition also broadens our customer base in supply chain to include customers in Fashion & Lifestyle, Industrial Manufacturing, Automotive as well as Healthcare and Life Science. The acquisition is another step in the strategy Elanders has pursued in recent years of becoming a clear global leader and to reduce Group dependency on traditional printing.

LGI has close to 4,000 employees, most of them in Germany. Net sales in 2015 were around MEUR 430 with a normalized EBITDA, i.e. operating result before depreciation and amortization cleared of one-off items of about MEUR 29. Together we will be much stronger in supply chain management and contract logistics and our global offer will be more complete. It will be very exciting to see this business area develop in the future.

The acquisition is conditional upon receiving the necessary approval by German and Austrian competition authorities. Approval from the German authority has already been granted and

the Austrian competition authority is expected to announce its decision later in July.

Supply Chain Solutions has continued to be successful in the quarter and operating margins improved compared to last year. Our transformation of Print & Packaging Solutions continues with a more clear focus on digital print and more personalized products. The German company Schmid Druck, which offers advanced packaging and special print solutions for marketing material, has been a part of the Group since the beginning of the year. The year began very well for Schmid Druck and it continues to develop positively. Net sales have stabilized in e-Commerce Solutions and we have seen an improvement in results.



Through the acquisition of LGI we have created a stable platform for organic growth in Supply Chain Solutions.

Magnus Nilsson
President and Chief Executive Officer

THREE YEAR OVERVIEW

MSEK	First six months			Second quarter		
	2016	2015	2014	2016	2015	2014
Net sales	2,077	2,072	1,761	1,079	1,066	910
Operating expenses	-1,955	-1,955	-1,684	-1,013	-1,003	-870
Operating result	122	117	77	66	63	40
Net financial items	-10	-18	-17	-5	-8	-8
Result before tax	111	99	60	61	55	32

GROUP

Our Business

Elanders is a global supplier of integrated solutions in the areas supply chain management, 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

The first six months
Net sales increased by MSEK 5 to MSEK 2,077 (2,072) during the first six months. Excluding exchange rate effects

and acquisitions, net sales declined by 0.7%. The operating result increased to MSEK 122 (117), including one-off costs of some MSEK 5 during the second quarter. These costs almost entirely refer to the acquisition of LGI and consisted of advisory and financial costs. The result before tax which increased from MSEK 99 to 111 included one-off costs of some MSEK 7 in total. Not including one-off costs the result after financial items increased to MSEK 119 compared to MSEK 99 for the same period last year. The improvement in the result is primarily due to lower financial costs, the acquisition of Schmid Druck and continued success in Supply Chain Solutions.

Second quarter

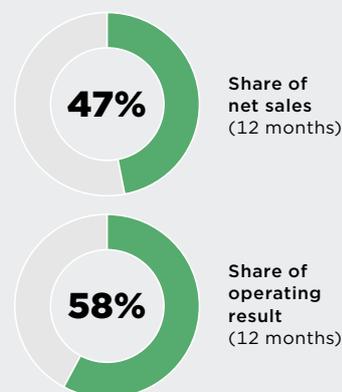
During the second quarter net sales increased by MSEK 13 to 1,079 (1,066) compared to the same period last year. Excluding exchange rate effects and acquisitions net sales grew 2%. The operating result improved slightly and increased to MSEK 66 (63), which equals an operating margin of 6.1 (5.9)%. Excluding one-off costs of approximately MSEK 5, primarily attributable to the acquisition process of LGI, the operating result increased to MSEK 71 (63), which corresponds to an operating margin of 6.6 (5.9)%.

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 continues in business area Supply Chain Solutions. During the first six months the margin has clearly improved in the business area even

though net sales decreased to some extent. If constant exchange rates were used net sales would have dropped slightly in the first quarter and increased in the second. Our highest priority remains on developing current customers and creating new business with existing and new customers that includes services from all our business areas. It is also important to broaden our customer base in order to reduce Elanders' dependence on the consumer electronics trade.



Supply Chain Solutions	First six months		Second quarter		Last 12 months	Full year 2015
	2016	2015	2016	2015		
Net sales, MSEK	981.1	993.3	520.6	528.0	2,032.8	2,045.0
Operating result, MSEK	82.5	73.2	45.9	44.1	191.2	181.9
Operating margin, %	8.4	7.4	8.8	8.4	9.4	8.9
ROCE (moving 12 months), %	40.6	42.6	40.6	42.6	41.2	42.1
Average number of employees	1,409	1,439	1,413	1,439	1,415	1,430

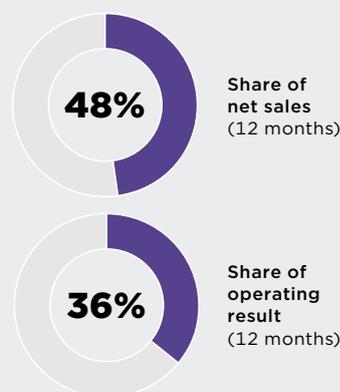
Group

Print & Packaging Solutions

Through its innovative force and global presence the business area Print & Packaging offers cost-effective solutions that can handle customer's local and global needs for printed material and packaging, often in combination with advanced order platforms on the Internet or just-in-time deliveries.

The market for Print & Packaging Solutions continues to be characterized by tough price pressure, decreasing total volumes and overcapacity. Excluding acquisitions and using constant exchange

rates net sales dropped during the first six months by close to 1%. The decrease is primarily due to the continued diminished demand from one of the larger Print & Packaging Asia's customers which has also affected the result negatively. The Brazilian, and parts of the American, operations are currently undergoing a transition from focus on printing to focus on supply chain. There are also a clear shift towards digital print and more personalized products instead of traditional offset print in large volumes.

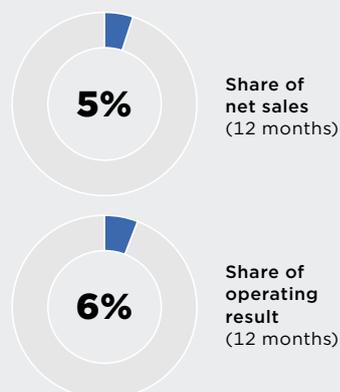


Print & Packaging Solutions	First six months		Second quarter		Last 12 months	Full year 2015
	2016	2015	2016	2015		
Net sales, MSEK	1,047.0	1,032.2	535.4	517.9	2,068.5	2,053.7
Operating result, MSEK	54.9	60.6	30.3	30.6	116.6	122.3
Operating margin, %	5.2	5.9	5.7	5.9	5.6	6.0
ROCE (moving 12 months), %	7.5	7.6	7.5	7.6	7.5	7.7
Average number of employees	1,676	1,680	1,632	1,672	1,674	1,676

e-Commerce Solutions

fotokasten, myphotobook and d!olm are the Group's brands in e-Commerce. Through the technical solutions for e-commerce provided by d!olm, 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 all earnings for the year occurs in this quarter. Net sales for the first six months are slightly lower than last year but the result is slightly higher. The improvement in the result is primarily due to better cost control.



e-Commerce Solutions	First six months		Second quarter		Last 12 months	Full year 2015
	2016	2015	2016	2015		
Net sales, MSEK	83.7	85.4	40.4	39.4	235.3	237.0
Operating result, MSEK	-0.7	-1.1	-1.3	-3.7	18.8	18.4
Operating margin, %	-0.8	-1.3	-3.2	-9.4	8.0	7.8
ROCE (moving 12 months), %	12.3	13.6	12.3	13.6	12.3	13.6
Average number of employees	63	65	62	67	66	67

Important events during the first six months

Acquisitions

LGI Logistics Group International

In June 2016 Elanders signed a contract for the acquisition of all the shares in the German supply chain management company LGI Logistics Group International GmbH which is one of the leading players in Industrial Contract Logistics in Germany. In 2015, LGI's net sales were around MEUR 430, its normalized EBITDA was approximately MEUR 29 and it operated in ten countries, primarily in Europe with Germany as its main market. Through the acquisition Elanders takes a major step forward in global supply chain management and annual Group net sales will increase from around 4.2 to 8.3 billion Swedish kronor, while the number of employees will rise from about 3,200 to 7,200 (pro forma 2015 level). The acquisition is expected to contribute positively to earnings per share already in the current year. The purchase price is calculated at MEUR 257 on a cash and debt free basis. The acquisition is conditional upon receiving the necessary approval by German and Austrian competition authorities. Approval from German authority has already been granted which was the most important. The Austrian competition authority is expected to announce its decision later in July. Acquisition and one-off costs attributable to the acquisition are expected to amount to around MSEK 35–40, of which about MSEK 7 charged the result before tax during the second quarter. In all probability the rest will charge results in the third quarter and are for the most part connected to the condition that the acquisition receives final approval and is carried out.

LGI is one of Germany's leading players in Industrial Contract Logistics and its long-term vision is to become one of the leading players in Europe. LGI was created as an offshoot from Hewlett Packard Deutschland GmbH in 1995 and has grown considerably since. Currently LGI has more than 45 facilities worldwide, whereof 35 in Germany. In addition to Germany the company has operations in Austria, the Czech Republic, Great Britain, Hungary, the Netherlands, Poland, Russia, Sweden and in the US. LGI has specialized in value-adding

services to customers in Automotive, Electronics, Healthcare & Life Science, Industrial as well as Fashion & Lifestyle. The company has a particular focus on product and component flows with extremely short lead times and provides everything from simple logistic solutions to comprehensive supply chain management solutions. Customers in Fashion & Lifestyle were added to the customer base in 2013 when LGI acquired ITG GmbH from Deutsche Post.

LGI will most likely be consolidated into Elanders at the end of July. As part of the financing the Board of Elanders intends to propose a new issue of around MSEK 600 with preferential rights for existing shareholders. The issue will be proposed for adoption at an extra General Meeting in the autumn. The entire amount of the new issue will be guaranteed by Carl Bennet AB. A complete proposal for the new issue with a detailed time table and conditions will be presented together with the notice to attend the General Meeting.

Schmid Druck

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 around 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.

Book VAT

In February 2010 the European Court of Justice gave a judgement in the so-called Graphic Procédé case. In Sweden this is of particular importance for the distinction 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 distinction 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.

Disputes

Mentor Media's subsidiary in California has been sued by a group of employees that demand indemnifications because another employee installed a hidden camera. They claim that the company knew or should have known about the situation. The company has denied any responsibility.

Investments and depreciation

First six months

Net investments for the period amounted to MSEK 40 (21), investments in 2016 includes acquisitions amounting to MSEK 34. Depreciation, amortization and write-downs amounted to MSEK 55 (61).

Second quarter

Net investments for the quarter amounted to MSEK –3 (19). Depreciation, amortization and write-downs amounted to MSEK 26 (30).

Financial position, cash flow and financing

Group net debt as of 30 June 2016 amounted to MSEK 785 compared to MSEK 738 at the beginning of the year. In the net change is an increase of MSEK 34 referring to paid purchase sum for the acquisition of Schmid

Group, Parent Company and Other Information

Druck. Operating cash flow, excluding acquisitions, for the period amounted to MSEK 101 (132).

Net debt in relation to rolling twelve month EBITDA increased to 1.8, compared to 1.7 at the beginning of the year.

Personnel

First six months

The average number of employees during the period was 3,157 (3,192), whereof 275 (273) were in Sweden. At the end of the period the Group had 3,101 (3,166) employees, whereof 277 (274) in Sweden.

Second quarter

The average number of employees during the quarter was 3,117 (3,186), whereof 274 (272) in Sweden.

PARENT COMPANY

The parent company has provided intragroup services during the period. The average number of employees during

the period was 9 (7) and at the end of the period 9 (7).

OTHER INFORMATION

Elanders' offer

Elanders offers global integrated solutions in the areas supply chain management, print & packaging and e-commerce. Elanders can take an overall responsibility for complex and global deliveries encompassing procurement, warehousing, configuration, production and distribution. Our offer also includes order management, payment solutions and after sales services for our clients.

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

Goal and strategy

Elanders' overall goal is to be a leader in global solutions in supply chain management, print & packaging and e-commerce with a world class integrated offer. Our strategy is to work in niches in each busi-

ness 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 2015. 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 2015.

Seasonal variations

The Group's net sales, and thereby income, are affected by seasonal variations. Historically the fourth quarter has been the strongest.

Events after the balance sheet date

After the balance sheet date Elanders has received approval by the German competition authority regarding the acquisition of LGI. The Austrian competition authority has not yet announced its decision. In July 2016 Elanders signed a three-year agreement concerning the Groups' refinancing with its two principal Swedish banks, valid on the condition that the LGI acquisition goes through. In as much as the agreement is longer, debtness will be higher and considerably increased credit facilities will be required in order to acquire LGI, financing costs will be higher than previously. The total credit facilities will be close to 3.8 billion Swedish kronor, including the bridge financing needed until the new issue has been carried out.

There have been no other important events after the balance sheet date up to the day this report was signed.

Forecast

No forecast is given for 2016.

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. The primary alternative performance measures that are presented in this report are EBITDA, return on capital employed, net debt and operating cash flow. Definitions of these performance measures are found on page 22 and reconciliation on pages 20–21 in this report.

Future reports from Elanders

- Q3 2016, 20 October 2016
- Q4 2016, 26 January 2017
- Q1 2017, 26 April 2017

Declaration by the Board

The Board of Directors of Elanders AB (publ) hereby declares that this half-year report gives a true and fair 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 are facing.

Mölnlycke, 13 July 2016

Carl Bennet
Chairman

Johan Stern
Vice chairman

Pam Fredman

Erik Gabrielson

Linus Karlsson

Cecilia Lager

Anne Lenerius

Caroline Sundewall

Lilian Larnefeldt

Marcus Olsson

Magnus Nilsson
President and CEO

Consolidated Financial Statements

INCOME STATEMENTS

MSEK	First six months		Second quarter		Last 12 months	Full year 2015
	2016	2015	2016	2015		
Net sales	2,077.3	2,071.6	1,079.2	1,065.8	4,241.8	4,236.1
Cost of products and services sold	-1,638.9	-1,617.3	-856.9	-838.8	-3,273.6	-3,252.0
Gross profit	438.4	454.2	222.2	227.1	968.2	984.1
Sales and administrative expenses	-340.4	-353.8	-166.9	-167.1	-704.2	-717.6
Other operating income	26.2	24.6	10.7	6.4	52.7	51.1
Other operating expenses	-2.3	-8.3	-0.3	-3.5	-19.7	-25.7
Operating result	121.9	116.8	65.7	62.9	297.0	291.9
Net financial items	-10.4	-17.7	-4.9	-8.1	-25.2	-32.6
Result after financial items	111.5	99.0	60.8	54.8	271.7	259.3
Income tax	-31.2	-33.7	-16.2	-16.9	-82.3	-84.8
Result for the period	80.2	65.3	44.7	37.9	189.4	174.5
Result for the period attributable to:						
- parent company shareholders	80.2	65.3	44.7	37.9	189.4	174.5
<i>Earnings per share, SEK^{1) 2)}</i>	<i>3.03</i>	<i>2.46</i>	<i>1.69</i>	<i>1.43</i>	<i>7.14</i>	<i>6.58</i>
<i>Average number of shares, in thousands</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>
<i>Outstanding shares at the end of the year, in thousands</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>	<i>26,518</i>

¹⁾ Earnings per share before and after dilution.

²⁾ Earnings per share calculated by dividing the result for the period attributable to parent company shareholders by the average number of outstanding shares during the period.

STATEMENTS OF COMPREHENSIVE INCOME

MSEK	First six months		Second quarter		Last 12 months	Full year 2015
	2016	2015	2016	2015		
Result for the period	80.2	65.3	44.7	37.9	189.4	174.5
Translation differences, net after tax	0.5	59.9	32.0	-52.0	-20.7	38.7
Cash flow hedges, net after tax	-0.1	0.0	-0.2	-0.1	0.0	0.1
Hedging of net investment abroad, net after tax	2.0	-34.8	-11.0	19.5	-7.1	-43.9
Total items that may be reclassified to the income statement	2.4	25.1	20.8	-32.6	-27.8	-5.1
Other comprehensive income	2.4	25.1	20.8	-32.6	-27.8	-5.1
Total comprehensive income for the period	82.6	90.4	65.5	5.3	161.6	169.4
Total comprehensive income attributable to:						
- parent company shareholders	82.6	90.4	65.5	5.3	161.6	169.4

STATEMENTS OF CASH FLOW

MSEK	First six months		Second quarter		Last 12 months	Full year 2015
	2016	2015	2016	2015		
Result after financial items	111.5	99.0	60.8	54.8	271.7	259.3
Adjustments for items not included in cash flow	32.2	22.1	20.4	32.3	111.7	101.6
Paid tax	-39.6	-48.4	-23.5	-21.3	-76.1	-84.9
Changes in working capital	-46.2	13.7	-25.1	39.3	-67.4	-7.5
Cash flow from operating activities	57.8	86.4	32.6	105.1	240.0	268.5
Net investments in intangible and tangible assets	-7.3	-23.0	2.9	-19.9	-30.3	-45.9
Acquisition of operations	-33.7	-	-	-	-33.7	-
Payments received regarding long-term holdings	0.7	2.0	0.1	1.0	3.0	4.3
Cash flow from investing activities	-40.3	-21.0	3.0	-18.9	-61.0	-41.7
Amortization of loans	-53.1	-53.2	-27.7	-26.2	-106.8	-106.9
Changes in long- and short-term borrowing	46.0	-44.0	3.0	-4.9	71.7	-18.2
Dividend to parent company shareholders	-58.3	-29.2	-58.3	-29.2	-58.3	-29.2
Cash flow from financing activities	-65.4	-126.4	-83.0	-60.3	-93.3	-154.3
Cash flow for the period	-47.9	-61.0	-47.3	26.0	85.6	72.5
Liquid funds at the beginning of the period	529.0	456.7	522.1	401.3	405.4	456.7
Translation difference	7.6	9.6	13.9	-21.9	-2.3	-0.3
Liquid funds at the end of the period	488.7	405.4	488.7	405.4	488.7	529.0
Net debt at the beginning of the period	737.7	895.3	750.0	945.2	881.9	895.3
Translation difference in net debt	7.7	22.4	11.8	-6.4	25.7	40.5
Net debt in acquired operations	-3.1	-	-	-	-3.1	-
Change in net debt	42.4	-35.8	22.9	-56.9	-119.9	-198.1
Net debt at the end of the period	784.7	881.9	784.7	881.9	784.7	737.7
Operating cash flow	67.6	131.6	64.1	115.7	280.3	344.3

Consolidated Financial Statements

STATEMENTS OF FINANCIAL POSITION

MSEK	June 30		Dec. 31 2015
	2016	2015	
ASSETS			
Intangible assets	1,290.3	1,289.1	1,268.8
Tangible assets	315.9	380.6	333.9
Other fixed assets	199.0	198.1	199.0
Total fixed assets	1,805.3	1,867.7	1,801.6
Inventories	274.1	260.7	265.9
Accounts receivable	784.5	816.5	824.6
Other current assets	157.8	153.8	138.7
Cash and cash equivalents	488.7	405.4	529.0
Total current assets	1,705.1	1,636.4	1,758.2
Total assets	3,510.4	3,504.2	3,559.8
EQUITY AND LIABILITIES			
EQUITY	1,512.3	1,409.0	1,488.0
Liabilities			
Non-interest-bearing long-term liabilities	86.2	86.4	83.2
Interest-bearing long-term liabilities	19.6	22.9	19.7
Total long-term liabilities	105.8	109.3	102.9
Non-interest-bearing current liabilities	638.5	721.5	721.9
Interest-bearing current liabilities	1,253.8	1,264.4	1,247.0
Total current liabilities	1,892.3	1,985.9	1,968.9
Total equity and liabilities	3,510.4	3,504.2	3,559.8

STATEMENTS OF CHANGES IN EQUITY

MSEK	Equity attributable to parent company shareholders	Total equity
Opening balance on 1 Jan. 2015	1,347.7	1,347.7
Dividend to parent company shareholders	-29.2	-29.2
Total comprehensive income for the year	169.4	169.4
Closing balance on 31 Dec. 2015	1,488.0	1,488.0
Opening balance on 1 Jan. 2015	1,347.7	1,347.7
Dividend to parent company shareholders	-29.2	-29.2
Total comprehensive income for the period	90.4	90.4
Closing balance on 30 Jun. 2015	1,409.0	1,409.0
Opening balance on 1 Jan. 2016	1,488.0	1,488.0
Dividend to parent company shareholders	-58.3	-58.3
Total comprehensive income for the period	82.6	82.6
Closing balance on 30 Jun. 2016	1,512.3	1,512.3

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 opera-

ting segments coincides with the reportable segments. The operations within each reportable segment have similar economic characteristics and resemble each other regarding the nature of their products and services, production processes and customer types. Sales between segments are made on markets terms.

NET SALES

MSEK	First six months		Second quarter		Last 12 months	Full year 2015
	2016	2015	2016	2015		
Supply Chain Solutions	981.1	993.3	520.6	528.0	2,032.8	2,045.0
Print & Packaging Solutions	1,047.0	1,032.2	535.4	517.9	2,068.5	2,053.7
e-Commerce Solutions	83.7	85.4	40.4	39.4	235.3	237.0
Group functions	15.7	11.9	8.0	6.2	30.7	26.9
Eliminations	-50.2	-51.2	-25.2	-25.6	-125.5	-126.5
Group net sales	2,077.3	2,071.6	1,079.2	1,065.9	4,241.8	4,236.1

OPERATING RESULT

MSEK	First six months		Second quarter		Last 12 months	Full year 2015
	2016	2015	2016	2015		
Supply Chain Solutions	82.5	73.2	45.9	44.1	191.2	181.9
Print & Packaging Solutions	54.9	60.6	30.3	30.6	116.6	122.3
e-Commerce Solutions	-0.7	-1.1	-1.3	-3.7	18.8	18.4
Group functions	-14.8	-15.9	-9.2	-8.1	-29.6	-30.7
Group operating result	121.9	116.8	65.7	62.9	297.0	291.9

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 derivatives

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	June 30		Dec. 31 2015
	2016	2015	
Non-interest-bearing current liabilities - Derivative instruments in hedge accounting relationships	0,1	0,1	0,1

The fair value of other financial assets and liabilities valued at their amortized purchase price is estimated to be equivalent to their book value.

Consolidated Financial Statements

ACQUISITION OF OPERATIONS IN 2016

SPECIFICATION OF ACQUISITIONS

Company	Acquisition date	Country	Number of employees
Schmid Druck & Medien GmbH	January 2016	Germany	75

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. During the first six months 2016 Schmid Druck have contributed with MEUR 5.0 to the net sales and MEUR 0.5 to the operating result.

ASSETS AND LIABILITIES IN ACQUISITIONS

MSEK	Recorded values in acquired operation	Adjustments to fair value	Recorded value in the Group
Fixed assets	9.9	7.9	17.8
Inventory	4.8	-	4.8
Accounts receivable	5.8	-	5.8
Other current assets	0.6	-	0.6
Cash and cash equivalents	3.1	-	3.1
Accounts payable	-2.2	-	-2.2
Other liabilities	-5.0	-1.4	-6.4
Identifiable net assets	17.0	6.5	23.5
Goodwill			17.8
Total			41.3
Less:			
Unpaid purchase sum			-4.5
Cash and cash equivalents in acquisition			-3.1
Negative effect on cash and cash equivalents for the Group			33.7

Parent Company's Financial Statements

INCOME STATEMENTS

MSEK	First six months		Second quarter		Last 12 months	Full year 2015
	2016	2015	2016	2015		
Net sales	15.3	12.4	7.6	6.7	29.3	26.4
Operating expenses	-24.2	-26.8	-14.5	-14.2	-53.1	-55.7
Operating result	-8.9	-14.4	-6.9	-7.5	-23.8	-29.3
Net financial items	40.0	16.6	26.0	86.8	106.9	83.5
Result after financial items	31.1	2.2	19.1	79.3	83.1	54.2
Income tax	0.6	11.2	4.3	-5.7	4.7	15.3
Result for the period	31.7	13.4	23.4	73.6	87.8	69.5

STATEMENTS OF COMPREHENSIVE INCOME

MSEK	First six months		Second quarter		Last 12 months	Full year 2015
	2016	2015	2016	2015		
Result for the period	31.7	13.4	23.4	73.6	87.8	69.5
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	31.7	13.4	23.4	73.6	87.8	69.5

BALANCE SHEETS

MSEK	June 30		Dec. 31 2015
	2016	2015	
ASSETS			
Fixed assets	2,100.4	2,067.8	2,055.7
Current assets	158.6	151.2	212.8
Total assets	2,259.0	2,219.0	2,268.5
EQUITY, PROVISIONS AND LIABILITIES			
Equity	875.4	846.0	902.0
Provisions	2.9	2.9	2.9
Long-term liabilities	76.8	70.6	70.6
Current liabilities	1,303.9	1,299.5	1,293.0
Total equity, provisions and liabilities	2,259.0	2,219.0	2,268.5

Parent Company's Financial Statements

STATEMENTS OF CHANGES IN EQUITY

MSEK	Share capital	Statutory reserve	Unrestricted equity	Total equity
Opening balance on 1 Jan. 2015	265.2	332.4	264.2	861.8
Dividend	-	-	-29.2	-29.2
Total comprehensive income for the year	-	-	69.5	69.5
Closing balance on 31 Dec. 2015	265.2	332.4	304.4	902.0
Opening balance on 1 Jan. 2015	265.2	332.4	264.2	861.8
Dividend	-	-	-29.2	-29.2
Total comprehensive income for the period	-	-	13.4	13.4
Closing balance on 30 Jun. 2015	265.2	332.4	248.4	846.0
Opening balance on 1 Jan. 2016	265.2	332.4	304.4	902.0
Dividend	-	-	-58.3	-58.3
Total comprehensive income for the period	-	-	31.7	31.7
Closing balance on 30 Jun. 2016	265.2	332.4	277.8	875.4

Quarterly Data

QUARTERLY DATA

MSEK	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Net sales	1,079	998	1,124	1,041	1,066	1,006	1,099	870	910
EBITDA	92	85	154	95	93	85	101	56	69
Operating result	66	56	111	64	63	54	71	27	40
Operating margin, %	6.1	5.6	9.9	6.2	5.9	5.4	6.4	3.1	4.4
Result after financial items	61	51	105	55	55	44	62	18	32
Result after tax	45	36	73	36	38	27	45	11	15
Earnings per share, SEK ^{1) 2)}	1.69	1.34	2.77	1.35	1.43	1.04	1.70	0.43	0.61
Operating cash flow	64	3	237	-24	116	16	175	-21	81
Cash flow per share, SEK ^{2) 3)}	1.23	0.95	8.86	-1.99	3.96	-0.71	6.00	-1.04	2.74
Depreciation and write-downs	26	29	43	31	30	31	30	29	29
Net investments	-3	43	14	7	19	2	7	8	10
Goodwill	1,228	1,211	1,200	1,217	1,209	1,224	1,205	1,168	1,150
Total assets	3,510	3,524	3,560	3,547	3,504	3,629	3,570	3,336	3,277
Equity	1,512	1,505	1,488	1,445	1,409	1,433	1,348	1,245	1,203
Equity per share, SEK ²⁾	57.03	56.76	56.11	54.48	53.13	54.03	50.82	46.93	45.36
Net debt	785	750	738	951	882	945	895	1,016	949
Capital employed	2,297	2,255	2,226	2,396	2,291	2,378	2,243	2,260	2,151
Return on total assets, % ⁴⁾	7.5	6.4	12.6	7.3	7.1	6.0	8.2	3.3	5.1
Return on equity, % ⁴⁾	11.8	9.5	20.0	10.0	10.7	7.9	14.0	3.7	5.3
Return on capital employed, % ⁴⁾	11.6	10.0	19.2	10.9	10.8	9.3	12.5	4.9	7.4
Debt/equity ratio	0.5	0.5	0.5	0.7	0.6	0.7	0.7	0.8	0.8
Equity ratio, %	43.1	42.7	42.0	40.7	40.2	39.5	37.8	37.3	36.7
Interest coverage ratio ⁵⁾	16.1	14.3	12.7	10.0	7.2	5.9	5.0	4.6	5.1
Number of employees at the end of the period	3,101	3,173	3,177	3,182	3,166	3,146	3,320	3,327	3,389

¹⁾ There is no dilution.

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

³⁾ Cash flow per share refers to cash flow from operating activities.

⁴⁾ Return ratios have been annualized.

⁵⁾ Interest coverage ratio calculation is based on a moving 12 month period.

Five Year Overview

FIVE YEAR OVERVIEW – FIRST SIX MONTHS

	2016	2015	2014	2013	2012
Net sales, MSEK	2,077	2,072	1,761	1,005	941
Result after tax, MSEK	80	65	31	22	32
Earnings per share, SEK ^{1) 2)}	3.03	2.46	1.30	0.95	1.52
Cash flow from operating activities per share, SEK ²⁾	2.18	3.26	1.28	0.58	3.06
Equity per share, SEK ²⁾	57.03	53.13	45.36	41.68	41.21
Return on equity, % ³⁾	10.7	9.5	5.6	4.6	7.0
Return on capital employed, % ³⁾	10.8	10.3	7.9	6.1	7.4
Operating margin, %	5.9	5.6	4.4	5.1	6.2
Average number of shares, in thousands ²⁾	26,518	26,518	23,889	23,395	21,164

¹⁾ There is no dilution.

²⁾ Historic number of shares and historic key ratios have been adjusted for the bonus issue element in the new share issue in 2014.

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.

³⁾ Return ratios have been annualized.

FIVE YEAR OVERVIEW – SECOND QUARTER

	2016	2015	2014	2013	2012
Net sales, MSEK	1,079	1,066	910	512	481
Result after tax, MSEK	45	38	15	28	22
Earnings per share, SEK ^{1) 2)}	1.69	1.43	0.61	0.50	1.00
Cash flow from operating activities per share, SEK ²⁾	1.23	3.96	2.74	1.75	1.54
Equity per share, SEK ²⁾	57.03	53.13	45.36	41.68	41.21
Return on equity, % ³⁾	11.8	10.7	5.3	4.9	9.7
Return on capital employed, % ³⁾	11.6	10.8	7.4	6.7	9.8
Operating margin, %	6.1	5.9	4.4	5.6	8.0
Average number of shares, in thousands ²⁾	26,518	26,518	24,383	23,395	22,227

¹⁾ There is no dilution.

²⁾ Historic number of shares and historic key ratios have been adjusted for the bonus issue element in the new share issue in 2014.

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.

³⁾ Return ratios have been annualized.

FIVE YEAR OVERVIEW – 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 ^{1) 2)}	6.58	3.48	2.99	1.99	3.00
Cash flow from operating activities per share, SEK ²⁾	10.13	6.42	5.48	9.64	4.20
Equity per share, SEK ²⁾	56.11	50.82	44.39	40.77	43.75
Dividends per share, SEK ²⁾	2.20	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 ²⁾	26,518	25,204	23,395	22,279	20,102

¹⁾ There is no dilution.

²⁾ Historic number of shares and historic key ratios have been adjusted for the bonus issue element in the new share issue in 2014.

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.

Reconciliation Alternative Performance Measures

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – QUARTERLY DATA

	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
MSEK									
Operating result	66	56	111	64	63	54	71	27	40
Depreciation, amortization and write-downs	26	29	43	31	30	31	30	29	29
EBITDA	92	85	154	95	93	85	101	56	69
Cash flow from operating activities	33	25	235	-53	105	-19	159	-28	67
Net financial items	5	6	6	9	8	10	8	9	8
Paid tax	24	16	9	27	21	27	15	6	17
Net investments	3	-43	-14	-7	-19	-2	-7	-8	-10
Operating cash flow	64	3	237	-24	116	16	175	-21	81
Average total assets	3,517	3,542	3,543	3,526	3,567	3,600	3,453	3,307	3,196
Average cash and cash equivalents	-505	-526	-451	-389	-403	-429	-397	-354	-322
Average non-interest-bearing liabilities	-736	-776	-782	-794	-829	-860	-804	-746	-718
Average capital employed	2,276	2,240	2,311	2,344	2,334	2,311	2,252	2,206	2,156
Annualized operating result	263	224	444	256	252	216	282	108	159
Return on capital employed, %	11.6	10.0	19.2	10.9	10.8	9.3	12.5	4.9	7.4
Interest-bearing long-term liabilities	20	20	20	23	23	25	25	27	848
Interest-bearing current liabilities	1,254	1,252	1,247	1,301	1,264	1,322	1,327	1,327	472
Cash and cash equivalents	-489	-522	-529	-372	-405	-401	-457	-338	-371
Net debt	785	750	738	951	882	945	895	1,016	949

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – FIRST SIX MONTHS

MSEK	2016	2015	2014	2013	2012
Average total assets	3,531	3,537	2,870	2,264	2,027
Average cash and cash equivalents	-513	-431	-293	-134	-81
Average non-interest-bearing liabilities	-759	-839	-613	-444	-366
Average capital employed	2,259	2,267	1,964	1,686	1,581
Annualized operating result	244	234	154	102	117
Return on capital employed, %	10.8	10.3	7.9	6.1	7.4

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – SECOND QUARTER

MSEK	2016	2015	2014	2013	2012
Average total assets	3,517	3,567	3,196	2,247	2,014
Average cash and cash equivalents	-505	-403	-322	-106	-84
Average non-interest-bearing liabilities	-736	-829	-718	-432	-356
Average capital employed	2,276	2,334	2,156	1,708	1,574
Annualized operating result	263	252	159	114	155
Return on capital employed, %	11.6	10.8	7.4	6.7	9.8

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES – FULL YEAR

MSEK	2015	2014	2013	2012	2011
Average total assets	3,559	3,017	2,363	2,133	2,008
Average cash and cash equivalents	-418	-336	-192	-125	-66
Average non-interest-bearing liabilities	-816	-671	-461	-410	-389
Average capital employed	2,325	2,010	1,710	1,598	1,553
Operating result	292	175	131	119	110
Return on capital employed, %	12.6	8.7	7.7	7.4	7.1

FINANCIAL DEFINITIONS

Average number of employees

The number of employees at the end of each month divided number of months.

Average number of shares

Weighted average number of shares outstanding during the period.

Capital employed

Total assets less liquid funds and non-interest bearing liabilities.

Debt/equity ratio

Net debt in relation to reported equity, including non-controlling interests.

Earnings per share

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

EBIT

Earnings before interest and taxes; operating result.

EBITDA

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

Equity ratio

Equity, including non-controlling interests, in relation to total assets.

Interest coverage ratio

Operating result plus interest income divided by interest costs.

Net debt

Interest bearing liabilities less liquid funds.

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 sales.

Return on capital employed (ROCE)

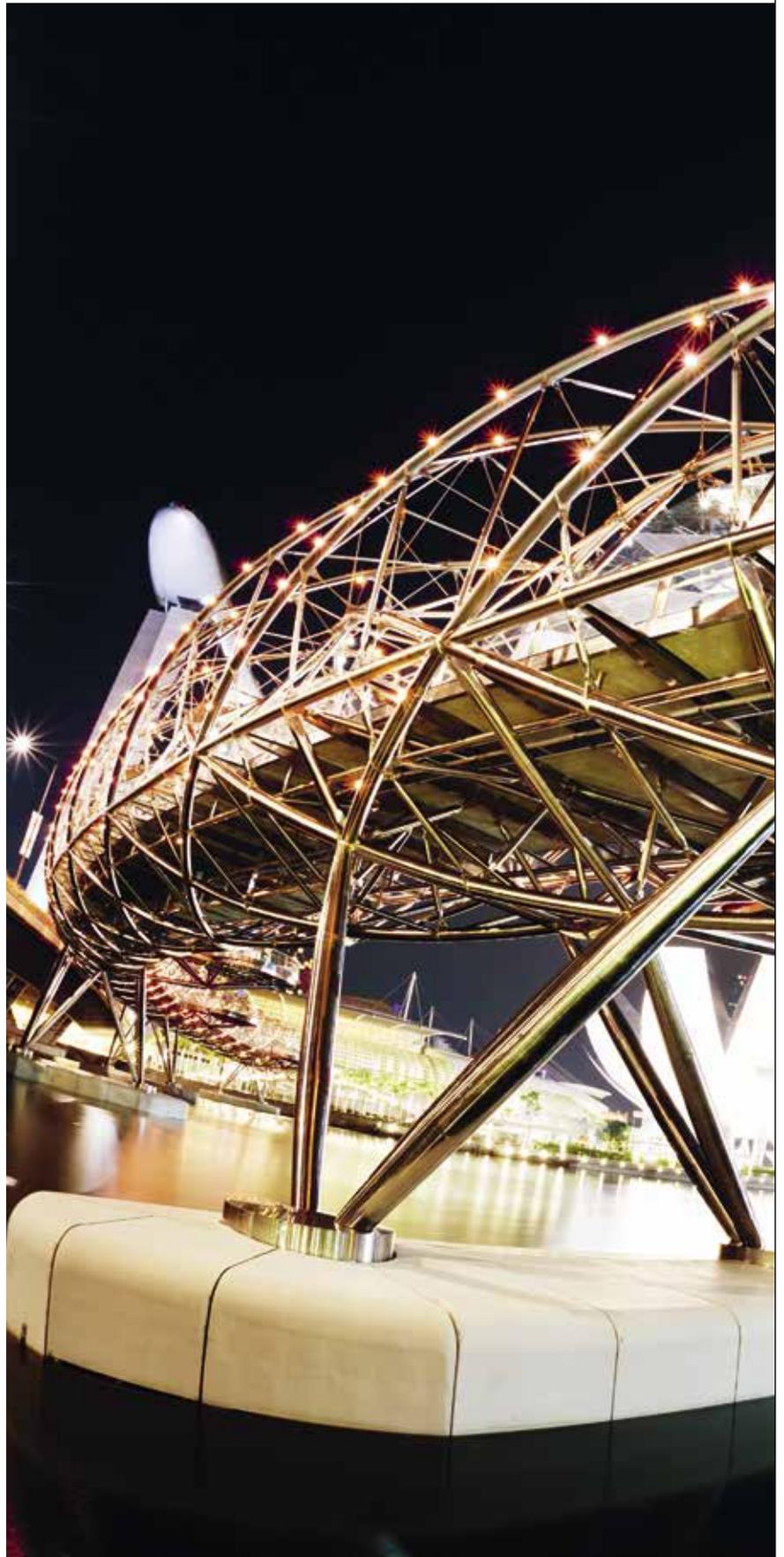
Operating result in relation to average capital employed.

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.



Glossary

Business-to-business (B2B)

Sale of goods and services between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer.

Business-to-consumer (B2C)

Sale of goods and services between a company and consumer.

Contract logistics

Contract logistics is the outsourcing of resource management tasks to a third-party company.

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.

Fulfillment

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.

Just-in-sequence

Delivery precision – delivery exactly when the need arises and in the most optimal sequence. The concept also entails that customers do not need to store their publications.

Lead Logistics Provider (LLP)

Lead Logistics Provider (LLP) instigates and manages change across the entire supply chain to meet changing business and customer demands.

Milk run

Transportation of goods from different suppliers. Instead of having one shipment per each supplier and delivery, deliveries for several suppliers are coordinated to one shared shipment, i.e. like a roundtrip or milk run.

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.

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.

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.

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.

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