

Interim report for January-June 2007

- In this report the divested operations in Kungsbacka are recorded separately, in accordance with IFRSs, as divested operations.
- Net turnover for the remaining units rose by 17 % totalling MSEK 978 (MSEK 835), of which the acquired operations in Germany generated MSEK 117 (MSEK 0).
- Operating profit for the remaining units amounted to MSEK 88.4 (MSEK 64.1), of which the acquired operations in Germany generated MSEK 15.6 (MSEK 0).
- Pre-tax profit for the remaining units amounted to MSEK 69.9 (MSEK 54.2).
- Net profit for the remaining units was MSEK 54.7 (MSEK 37.9) or SEK 5.88 per share (SEK 4.28 per share)*.
- Operating cash flow amounted to MSEK -213 (MSEK 95), of which MSEK -240 was acquisitions.
- An eventful half-year with the strategically important acquisition of Sommer Corporate Media and the divestiture of the directories operations in Kungsbacka.
- During the period the Group signed important contracts with, among others, Electrolux, Bayer, Bosch (UK), Braun, Saab Automobile and Scania.
- An agreement to acquire 80 % of Artcopy in São Paulo, which is a vital bridge for Elanders in South America, was reached in June.
- As previously forecasted improvements in turnover and pre-tax profits compared with 2006, not including costs for write-downs etc. in Kungsbacka of MSEK -151, are anticipated for 2007.

*) There was no dilution during the given periods.

Elanders is a global infomedia group organised into two business areas:

- **Infologistics**

- ☐ Full-service solutions that meet customers' requirements for premedia services, print, fulfilment and logistics - Master Vendor®.
- ☐ Database publishing and Cross Media Publishing of trade information in a variety of media such as printed matter, CD-ROM, the Web and e-commerce solutions.
- ☐ Page and advertisement production and image management.
- ☐ Business development, support and outsourcing services.
- ☐ Print in offset and digital print (print-on-demand).
- ☐ Product catalogues and manuals for industrial and commercial companies in any media.
- ☐ Educational material for schools and universities in Sweden and the UK, as well as public sector printing for the Swedish Parliament, the government, governmental departments etc.
- ☐ Production and sales in Falköping, Gothenburg, Lund, Malmö, Stockholm, Uppsala, Västerås and Östervåla (SE), Oslo (NO), Harrogate and Newcastle (UK) and Waiblingen (DE).

- **User Manuals**

- ☐ Production of user information for mobile telephones and other consumer electronics with extremely short lead times.
- ☐ Production of printed matter with moderate lead times for publishing and industrial customers in Sweden and Great Britain.
- ☐ Premedia with advanced version management etc.
- ☐ Print in offset and digital print (print-on-demand).
- ☐ Production and sales in Beijing (CN), Plonsk (PL), Treviso (IT) and Budapest, Komárom and Zalaötvö (HU).

Master Vendor® is the Group's comprehensive name for full-service solutions that, in addition to offset or digital print, provide customers with all other services connected to printing production such as information structuring in databases, translation, premedia services, fulfilment and logistics. Our Annual Report describes these concepts in greater detail and can be requested from our headquarters or downloaded from our website www.elanders.com.

Turnover and Profit per Business Area¹⁾

<i>Second quarter</i>	<i>Net turnover</i>			<i>Profit/loss</i>		
MSEK	2007	2006	2005	2007	2006	2005
Infologistics	421	358	353	25.1	20.6	22.7
User Manuals	91	69	72	23.3	11.5	15.2
Total	512	427	425	48.4	32.1	37.9
Net financial items				-10.3	-5.4	-4.3
Group				38.1	26.7	33.6

<i>First half-year</i>	<i>Net turnover</i>			<i>Profit/loss</i>		
MSEK	2007	2006	2005	2007	2006	2005
Infologistics	800	705	681	47.2	44.6	43.6
User Manuals	178	130	123	41.2	19.5	23.7
Total	978	835	804	88.4	64.1	67.3
Net financial items				-18.5	-9.9	-9.1
Group				69.9	54.2	58.2

¹⁾All figures refer to the remaining units.

AN EVENTFUL HALF-YEAR

Significant strategic changes have taken place in the past half-year. The loss generating directory operations in Kungsbacka were sold and Sommer Corporate Media in Waiblingen close to Stuttgart was acquired. A successful Rights issue was carried out during the first quarter to finance part of the acquisition and to facilitate continued expansion.

Acquisition of Sommer Corporate Media

In January 2007 Elanders acquired the German company Sommer Corporate Media in Waiblingen close to Stuttgart, Germany. Sommer Corporate Media is a leading supplier of information solutions in the segments *Automotive*, *Industry & Trade* and the *Service Sector*. Elanders already had a leading position in *Automotive* but needed geographical presence in Germany, which is the foremost country in the European automotive industry. Elanders was also looking for a partner that could strengthen the Group's innovative capacity in infomedia. Sommer Corporate Media needed geographical expansion and access to production in low cost countries. Among the company's customers are DaimlerChrysler, Porsche, Audi, Hugo Boss, Postbank, Lufthansa, Bosch and Stihl. This acquisition reinforces Elanders' position as a leading European supplier of publishing solutions.

The total purchase sum, including acquisition costs, amounted to MSEK 287 together with overtaken net debt of MSEK 43. The consolidated surplus value amounted to some MSEK 277 together with goodwill of MSEK 13 in the acquired company. Sommer Corporate Media was consolidated into Group accounts from February 2007 and after that the company has had a turnover of MSEK 117 with an operating profit of MSEK 15.6.

The Rights Issue

As part of the financing of the acquisition and Elanders' continued expansion a Rights issue 1:6 at the subscription price of SEK 110 per share was carried out during the first quarter. The Rights issue was over-subscribed and raised MSEK 147 after issue expenses of MSEK 7.

Divestiture of operations in Kungsbacka

On 16 February the divestiture of the shares in Elanders Tryckeri AB (now Kungsbacka Graphic AB) in Kungsbacka to the MD of the company was approved of by an Extra General Meeting of Elanders' shareholders. The purchase sum was MSEK 46 including overtaken net debt. This means Elanders no longer produces directories; segment *Directories*. Operations were consolidated into Group accounts until the end of January 2007 and had a turnover of MSEK 23 but had no effect on Group results during the period.

The Group's business areas after the divestiture of operations in Kungsbacka

After the divestiture of operations in Kungsbacka page and advertisement production in Stockholm was the only unit remaining in Infoprint. This was transferred to the business area Infologistics during the first quarter and the business area Infoprint ceased to exist. All comparable figures have been recalculated according to this new division.

Our strategic partnership with Electrolux

Elanders and Electrolux have signed a three-year exclusive contract concerning the production of all user documentation (manuals etc.) for products manufactured by Electrolux units in Denmark, France, Germany, Great Britain, Hungary, Italy, Poland, Rumania, Russia, Switzerland, Spain and Sweden. Volumes in 2006 were around one billion pages annually and divided among some 20 factories.

Cooperation will unfold according to a fixed time schedule for the various production units. This process is expected to be implemented during the next two years and fully functioning no later than 2009. During this period the value of the contract is estimated at around MSEK 250.

The deal is an excellent reflection of the Group's strategy to deliver comprehensive solutions to global customers in order to reduce their time-to-market.

Acquisition of Artcopy

On 13 June Elanders signed an agreement with the owners of Artcopy Reproducao de Imagens Ltda. (Artcopy) in São Paulo, Brazil to acquire 80 % of the shares. The Group has worked together with Artcopy for several years and the company, among other things, supplies Elanders' automotive customers in Brazil with manuals and other user information. Artcopy has a turnover of some MSEK 20 and around 50 employees. The transaction is expected to be completed during August and operations will be consolidated into the Elanders Group starting September 2007.

The acquisition is an important step in the Group's continued expansion in the business area Infologistics and it strengthens Elanders' capacity to deliver globally to larger industrial customers. Artcopy will also be a vital platform for the Group's ability to expand in Brazil where several international industrial groups are established.

The purchase sum is estimated at approximately MSEK 11 of which some 30 % will be paid to the owners during a four-year period under the condition that they remain in company management. The acquisition is not expected to significantly affect Group profit or turnover during 2007.

MARKET

Concentration on selected market segments

The five strategic market segments the Group is focusing its resources and Master Vendor® solutions on are *Automotive*, *Publishing*, *Industry & Trade*, *Public Sector* and *Service Sector*. Elanders has a leading position within these segments and can offer customers unique solutions.

Marketing situation for the Group

Selling printing as a sole product meets very tough competition in Western Europe. Elanders is countering this by increasing the number of comprehensive solutions within the framework of Master Vendor®, continued expansion in Central Europe and Asia and continuous rationalisations. The Group has a dominate position in its chosen segments in Sweden and continued expansion is most likely to be generated through Master Vendor® business with an international thrust.

The segments *Automotive*, *Industry & Trade* and *the Service Sector* have the highest growth rate. These three segments generated 73 % of Group turnover during the period.

Elanders in the coming years

Elanders' printing production in Sweden, Great Britain and Germany will be steered more and more towards digital printing. Offset volumes in these countries will be successively concentrated towards smaller editions and customers demanding short lead times. In general, we foresee the offset volumes comprising larger editions with a lesser need for short lead times will, to a greater extent, be produced in our User Manuals facilities in Eastern Europe and Asia.

Elanders continues to follow its strategy using its Master Vendor® concept to create added value for customers by providing services prior to (upstream) or after (downstream) the actual printing. Our Document and Distribution Centres (DDC) that work with print-on-demand and logistics are downstream. The Group regularly assesses the possibility of expanding by increasing our cooperation with, or the acquisition of, operations that create information, primarily in the segments *Automotive*, *Industry & Trade* and *the Service Sector*. The Group has also developed instruments upstream for efficient parallel publishing (WebBase), marketing planning (M3), an interface for e-commerce (WOLF) and more that have been used with great success in a several deals in the business area Infologistics.

Elanders will continue to follow its strategy of expanding internationally with global customers. The acquisition of Sommer Corporate Media in Germany and Artcopy in Brazil (Infologistics), operations in Hungary and the new establishment in China (User Manuals) are a result of this strategy.

THE BUSINESS AREAS

Infologistics

Business area operations

Infologistics develops and delivers full-service solutions in publishing to industrials, publishers and the public sector. This includes user information for the automotive industry as well since printed matter is a relatively small portion of the total business in this segment. Expansion in the product range of the business area takes place both up and downstream. Infologistics will expand geographically first and foremost in Western Europe but further opportunities to enter the North and South American markets will be considered.

The business area has its platform in the Infomedia Centres in Mölnlycke, Stockholm and Östervåla (SE), Newcastle (UK) and Waiblingen (DE). Elanders' infomedia centres offer information structuring, advanced premedia, digital print, offset print and fulfilment services. There are digital print units in Oslo (NO) and Stockholm (SE) and in-house units for publishing in digital print at, among others, ABB in Västerås, Volvo in Gothenburg and Tetra Pak in Lund (SE). In addition, we have production units for premedia, offset print and fulfilment in Falköping, Malmö and Stockholm (SE) and Oslo (NO). There is also a unit for sales and project management in Uppsala (SE) and a unit for sales, premedia and page production in Harrogate (UK). When business area customers request printing production at lower prices and can accept longer lead times we utilise the capacity in User Manuals in Eastern Europe and Asia.

Development during the period

Turnover rose by MSEK 95 or 13 % to MSEK 800 (MSEK 705) and operating profit for the period amounted to MSEK 47.2 (MSEK 44.6). During the period Sommer Corporate Media contributed MSEK 117 in turnover and operating profit of MSEK 15.6.

The Swedish section of the business area got off to a slow start this year due to, among other things, lower volumes than anticipated from Parliament and the government and a progressive transfer of volumes to units in User Manuals. This was outweighed by the good results in Great Britain and Germany. Elanders is in the middle of coordinating the Swedish operations and this will be completed by the end of the year. The objective is to strengthen cooperation within marketing and production between the units which will become a single legal entity from 1 January 2008. Each unit will be specialised so that the same kind of production and services are not performed in different places. Both the production and marketing organisations will cease to belong to independent subsidiaries. The results of this work are expected to materialise in 2008.

During the period the business area signed important contracts with Bayer, Bosch (UK), Scania and Saab Automobile regarding offset printing, logistics, Webshop and print-on-demand solutions in digital print.

In the beginning of April Ford Motor Company named Elanders in Mölnlycke one of their best global suppliers in 2006. The distinction is conferred on suppliers that not only provide the best quality and deliveries but also encourage employees' different cultures, ideas, values etc. The distinction is conferred in three categories; gold, silver and "Recognition of Achievement". Elanders received one of the 34 silver plaquettes. This is proof positive of Elanders' accomplishments in assisting larger companies in rationalising their publishing processes.

All the new, major deals follow the business area's strategy to help large companies and organisations to rationalise their publishing processes. This Master Vendor[®] business requires Elanders to immediately adapt its organisation and resources to meet customer requirements while volumes are still relatively small. This is in part because it often takes time for large organisations to go through the process of changing suppliers.

The forecast for Infologistics in its entirety is good regarding growth as well as profitability and both turnover and profit are expected to be higher than in 2006.

User Manuals

Business area operations

User Manuals is aimed at highly efficient deliveries of user information for mobile telephones and other consumer electronics. This business is chiefly printing production with extremely high demands on flexibility and short lead times. Geographical expansion will take place in countries with relatively low wage levels in Eastern Europe and Asia. We will expand our product range for the most part downstream through increased content of packaging print, print-on-demand and logistics.

User Manuals is comprised of the units in Beijing (CN), Plonsk (PL) and Budapest, Komarom and Zalaövö (HU) and customers are primarily in the segment *Industry & Trade*. Production capacity is also used for deliveries to customers in Scandinavia, Great Britain and Germany in other segments and business areas when low costs are prioritised over short lead times.

Development during the period

Turnover rose by 37 % to MSEK 178 (MSEK 130) and operating profit rose by 111 % to MSEK 41.2.

The unit in Beijing has been in full production during the quarter, which together with continued success in Hungary increased turnover and profit. The manufacture and print of packaging for mobile phones has started up in the Beijing unit and is expected to grow considerably during the autumn. The Polish unit's development during the first half-year was dampened due to production disturbances in connection with maintenance and reparations of production equipment.

During the period the business area received major orders from, among others, Braun for the production of user manuals.

The strategic partnership with Electrolux will foremost involve User Manuals and have a positive effect on turnover and profit, especially next year. A new unit, Elanders Italy S.r.l., has been created. The company is located in Treviso a little north of Venice, Italy, and is a DDC serving Electrolux' units in Italy first and foremost. Setting this DDC up is expected to require MSEK 5 in investments and will not have any significant effect on business area profit in 2007. The facility in Italy will be followed up by a smaller unit in Wroclaw in southwest Poland for deliveries to Electrolux there. This DDC will also serve other Group customers in the area. The investment to establish this DDC is expected to be slightly lower than for the one in Treviso. Deliveries started leaving Treviso in the beginning of July as planned.

The main unit in Zalău ran its operations in rented premises until the end of March 2007. In the autumn of 2006 the property owner made it known that the facility was needed for their own operations but they would consider selling the property instead. After receiving an offer Elanders took over the premises by acquiring the shares in a company with this property as its only asset. The purchase price was MSEK 35.

On the whole prospects for User Manuals are considered excellent both in terms of growth and profitability. Turnover and profit are expected to surpass results in 2006, mainly due to the fact that the start-up period in China is over and operations there will expand during the autumn through the manufacture and print of packaging.

PARENT COMPANY

During the period the parent company has owned and managed the property in Kungsbacka where the previous Elanders Tryckeri AB, now Kungsbacka Graphic AB, operates. In addition, the company has provided joint Group services. No external sales took place but rental has been received for the property. In accordance with changes in the Annual Accounts Act that took effect as of 1 July 2007 concerning interim reports the income statement and balance sheet for the parent company are included in this report.

GROUP

Turnover and profit

Group net turnover in the remaining units increased by MSEK 143.2 to MSEK 978.3 (MSEK 835.1) or 17 %, of which the acquired unit in Germany generated MSEK 117 (MSEK 0). Operating profit in the remaining units rose by MSEK 24.3 to MSEK 88.4 (MSEK 64.1), of which the acquired unit in Germany generated MSEK 15.6 (MSEK 0).

Investments and depreciation

During the period net capital expenditures totalled MSEK 307 (MSEK 44), of which MSEK 240 was acquisitions (MSEK 0). The acquisitions were allocated as follows:

	MSEK
Paid purchase sum for Sommer Corporate Media at acquisition	256
Liquid funds in Sommer Corporate Media at acquisition	-50
Paid purchase sum for the company containing the property in Hungary	35
Liquid funds in the Hungarian company at acquisition	-1
Total acquisitions	240

Depreciation amounted to MSEK 40 (MSEK 47).

Financial position, cash flow and equity ratio

The Group's net debt amounted to MSEK 769 (MSEK 619) and operating cash flow for the period amounted to MSEK -213 (MSEK 95), of which MSEK -240 was acquisitions (MSEK 0). Apart from acquisitions, cash flow worsened by MSEK 68 compared with 2006. One reason for this was the fact that the unit in Beijing was not operating in the first half-year of 2006 and did not charge Group operating capital. Another is that investments in equipment have been greater in 2007. Equity amounted to MSEK 742 (MSEK 625), which resulted in an equity ratio of 37.1 % (36.5 %).

Personnel

The average number of employees during the period was 1,538 (1,462), of which 739 were in Sweden (934). At the end of the period the Group had 1,559 employees (1,511).

Forecast for 2007

The forecast remains the same. A positive development is forecasted for 2007. Turnover is expected to increase and pre-tax profits improve compared with pre-tax profit for 2006, not including expenses for write-downs etc. for operations in Kungsbacka.

Future reports from Elanders

The nine month interim report will be released on 23 October 2007 and the annual accounts report will be released on 1 February 2008.

Review and accounting principles

The company auditors have not reviewed this report. This report has been prepared in accordance with the same accounting principles and calculation methods as those in the annual accounts for 2006 and in accordance with IAS 34 – Interim Financial Reporting.

Swedish Code of Corporate Governance

Swedish stock market companies with a market value under SEK 3 billion can voluntarily choose to follow the Swedish Code of Corporate Governance. Elanders has chosen not to follow the code. Nonetheless corporate governance in Elanders concurs for the most part with the code. The most important differences are found in the areas of internal revision and control and external auditing of financial interim reports. The code is taken into consideration in the Group's daily work with development of corporate governance.

The Board of Directors and the Chief Executive Officer for Elanders AB (publ) declares that the six-months interim report provides a true and fair overview of the parent company's and Group's operations, their financial position and performance, and describes material risks and uncertainties facing the parent company and other companies in the Group.

Mölnlycke, 13 July 2007

Carl Bennet
Chairman of the Board

Tore Åberg
Vice Chairman of the Board

Ingegerd Gréen

Göran Johnsson

Hans-Olov Olsson

Kerstin Paulsson

Carianne Röjerås

Johan Stern

Marie Trollius

Patrick Holm
President and CEO

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

This document is essentially a translation of the Swedish language version. In the event of any discrepancies between this translation and the original Swedish document, the latter shall be deemed correct.

Questions concerning this report can be made to:

Patrick Holm
President and CEO
Phone +46 31 750 07 50
Mobile +46 708 210 410

Mats Almgren
Chief Financial Officer
Phone +46 31 750 07 60
Mobile +46 705 181 936

Elanders AB (publ)
(Company ID 556008-1621)
Designvägen 2
SE-435 33 Mölnlycke
Phone +46 31 750 00 00

GROUP

Summary Group Income Statements

MSEK	Second quarter		
	2007	2006	2005
Net turnover ¹⁾	512.1	426.6	424.5
Cost of products and services sold ¹⁾	-374.6	-324.9	-318.2
Gross profit	137.5	101.7	106.3
Sales and administration costs	-91.2	-71.3	-68.6
Other operating income	3.5	3.4	1.2
Other operating costs	-1.7	-2.7	-1.0
Share in profit/loss in joint venture	0.3	1.0	-
Operating profit/loss	48.4	32.1	37.9
Net financial items	-10.3	-5.4	-4.3
Profit/loss after net financial items	38.1	26.7	33.6
Taxes	-8.6	-8.2	-5.2
Profit/loss for the period in remaining operations	29.5	18.5	28.4
Net profit/loss after tax for the period from divested operations	0.0	-7.3	-8.0
Profit/loss for the period	29.5	11.2	20.4
Attributable to:			
Parent company shareholders	29.5	11.2	20.4
Minority interests	-	-	-
Profit/loss per share incl. divested operations, SEK³⁾	3.02	1.26	2.30
Profit/loss per share in remaining operations, SEK³⁾	3.02	2.09	3.21
Average number of shares (in thousands)	9,765	8,855²⁾	8,855²⁾

MSEK	First half-year			Last 12 months	Full year 2006
	2007	2006	2005		
Net turnover ¹⁾	978.3	835.1	804.3	1,823.3	1,680.1
Cost of products and services sold ¹⁾	-720.7	-634.4	-605.3	-1,329.0	-1,242.7
Gross profit	257.6	200.7	199.0	494.3	437.4
Sales and administration costs	-175.3	-139.1	-132.5	-309.7	-273.5
Other operating income	9.6	11.9	3.0	18.8	21.1
Other operating costs	-3.6	-10.9	-2.2	-6.5	-13.8
Share in profit/loss in joint venture	0.1	1.5	-	1.4	2.8
Operating profit/loss	88.4	64.1	67.3	198.3	174.0
Net financial items	-18.5	-9.9	-9.1	-30.3	-21.7
Profit/loss after net financial items	69.9	54.2	58.2	168.0	152.3
Taxes	-15.2	-16.3	-11.2	-36.1	-37.2
Profit/loss for the period in remaining operations	54.7	37.9	47.0	131.9	115.1
Net profit/loss after tax for the period from divested operations	0.0	-17.8	-14.9	-146.3	-164.1
Profit/loss for the period	54.7	20.1	32.1	-14.4	-49.0
Attributable to:					
Parent company shareholders	54.7	20.1	32.1	-14.4	-49.0
Minority interests	-	-	-	-	-
Profit/loss per share incl. divested operations, SEK³⁾	5.88	2.27	3.63	-1.59	-5.54
Profit/loss per share in remaining operations, SEK³⁾	5.88	4.28	5.31	14.52	13.00
Average number of shares (in thousands)	9,310²⁾	8,855²⁾	8,855²⁾	9,082²⁾	8,855²⁾

¹⁾ Figures include transactions with divested operations.

²⁾ Average number of outstanding shares after adjustment for the bonus issue element of the Rights issue.

³⁾ Earnings per share before and after dilution.

Summary Group Cash Flow Statements Including Divested Operations

MSEK	Second quarter			First half-year			Full-year			Last 12 months
	2007	2006	2005	2007	2006	2005	2006	2005	2004	
Profit/loss after net financial items in remaining operations	38.1	26.7	33.6	69.9	54.2	58.2	152.3	124.6	95.1	168.0
Net profit/loss after tax for the period from divested operations	-	-7.3	-8.0	-	-17.8	-14.9	-164.1	-13.9	13.0	-146.3
Reversal of tax in divested operations	-	-3.0	-3.1	-	-7.0	-5.9	-20.0	-5.4	4.9	-13.0
Profit/loss after net financial items	38.1	16.4	22.5	69.9	29.4	37.4	-31.8	105.3	113.0	8.7
Adjustments for items not included in cash flow	19.5	23.6	19.9	35.9	48.2	36.1	227.5	65.7	56.9	215.2
Paid taxes	-6.6	-8.3	-1.3	-12.1	-13.3	-6.4	-20.8	-44.7	-21.7	-19.6
Changes in working capital	-17.3	-14.3	-15.0	-30.4	50.5	-5.0	-7.8	-80.7	-20.4	-88.7
Cash flow from operating activities	33.7	17.4	26.1	63.3	114.8	62.1	167.1	45.6	127.8	115.6
Cash flow from investing activities	-43.7	-17.8	-15.9	-306.9	-43.8	-27.9	-69.8	-85.4	-105.4	-332.9
Changes in long and short-term borrowing	0.2	3.1	5.8	96.8	-26.0	-17.2	-22.6	44.4	1.8	100.2
Changes in long-term receivables	-0.1	0.1	-3.1	0.4	0.1	-1.8	-2.9	-3.8	2.9	-2.6
Rights issue	-	-	-	146.5	-	-	-	-	-	146.5
Dividends	-24.4	-20.9	-16.7	-24.4	-20.9	-16.7	-20.9	-16.7	-8.4	-24.4
Cash flow from financing activities	-24.3	-17.7	-14.0	219.3	-46.8	-35.7	-46.4	23.9	-3.7	219.7
Cash flow for the period	-34.3	-18.1	-3.8	-24.3	24.2	-1.5	50.9	-15.9	18.7	2.4
Liquid funds at the beginning of the period	86.5	66.5	42.3	74.5	24.9	39.7	24.9	39.7	22.5	47.1
Translation difference	-0.6	-1.3	0.7	1.4	-2.0	1.0	-1.3	1.1	-1.5	2.1
Liquid funds at the end of the period	51.6	47.1	39.2	51.6	47.1	39.2	74.5	24.9	39.7	51.6
Net debt at the beginning of the period	736.8	596.5	579.8	594.1	669.4	602.3	669.4	602.3	614.8	618.9
Translation difference in net debt	-0.8	0.8	2.3	0.5	0.9	3.1	-1.2	1.7	2.0	-1.6
Change in net debt	32.6	21.6	11.8	174.0	-51.4	-11.5	-74.1	65.4	-14.5	151.3
Net debt at the end of the period	768.6	618.9	593.9	768.6	618.9	593.9	594.1	669.4	602.3	768.6
Operating cash flow	6.9	13.7	16.0	-212.8	94.8	49.1	141.1	21.3	68.1	-166.5

See note 1 for information about cash flow for remaining units and divested operations.

Summary Group Balance Sheets

MSEK	30/6 2007	30/6 2006 ¹⁾	30/6 2005 ¹⁾	31/12 2006 ¹⁾
Assets				
Intangible assets	842.0	561.0	562.7	542.0
Tangible assets	464.4	477.5	470.8	345.4
Other fixed assets	55.7	91.4	62.1	55.6
Total fixed assets	1,362.1	1,129.9	1,095.6	943.0
Inventories	108.9	96.0	98.0	92.9
Accounts receivable	383.9	349.8	403.2	456.8
Other current assets	95.2	88.5	83.2	73.9
Liquid funds	51.6	47.1	39.2	74.5
Total current assets	639.6	581.4	623.6	698.1
Total assets	2,001.7	1,711.3	1,719.2	1,641.1
Equity and liabilities				
Equity	742.3	625.3	584.6	556.4
Liabilities				
Non-interest bearing long-term liabilities	37.5	75.2	97.2	28.9
Interest bearing long-term liabilities	350.0	97.2	121.0	87.4
Total long-term liabilities	387.5	172.4	218.2	116.3
Non-interest bearing current liabilities	401.7	344.8	404.3	387.3
Interest bearing current liabilities	470.2	568.8	512.1	581.1
Total current liabilities	871.9	913.6	916.4	968.4
Total equity and liabilities	2,001.7	1,711.3	1,719.2	1,641.1

¹⁾ Including assets and liabilities attributable to the divested operations in Kungsbacka.

Changes in Equity

MSEK	Equity attributable to parent company shareholders	Minority interests	Total equity
Equity at year-end 2005	637.8	-	637.8
Translation difference	-14.8	-	-14.8
Cash flow hedges after tax	3.3	-	3.3
Profit/loss for the year	-49.0	-	-49.0
Dividends	-20.9	-	-20.9
Equity at year-end 2006	556.4	-	556.4
Equity at year-end 2005	637.8	-	637.8
Translation difference	-14.0	-	-14.0
Cash flow hedges after tax	2.3	-	2.3
Profit/loss for the period	20.1	-	20.1
Dividends	-20.9	-	-20.9
Equity at the end of the second quarter 2006	625.3	-	625.3
Equity at year-end 2006	556.4	-	556.4
Translation difference	11.6	-	11.6
Cash flow hedges after tax	-0.2	-	-0.2
Hedging of net investment in foreign subsidiaries	-2.3	-	-2.3
Profit/loss for the period	54.7	-	54.7
Rights issue	146.5	-	146.5
Dividends	-24.4	-	-24.4
Equity at the end of the second quarter 2007	742.3	-	742.3

PARENT COMPANY

Summary Parent Company Income Statements

MSEK	Second quarter		
	2007	2006	2005
Net turnover	1.6	1.3	1.4
Cost of products and services sold	-1.5	-1.2	-1.3
Gross profit	0.1	0.1	0.1
Operating costs	-5.6	-5.4	-8.6
Operating profit/loss	-5.5	-5.3	-8.5
Net financial items	24.1	13.3	-0.6
Profit/loss after net financial items	18.6	8.0	-9.1
Appropriations	-	-	-
Taxes	2.6	2.6	2.4
Profit/loss for the period	21.2	10.6	-6.7

MSEK	First half-year			Last 12 months	Full-year 2006
	2007	2006	2005		
Net turnover	2.8	2.6	2.7	5.4	5.2
Cost of products and services sold	-2.8	-2.4	-2.5	-5.2	-4.8
Gross profit	0.0	0.2	0.2	0.2	0.4
Operating costs	-10.6	-10.4	-14.8	-28.6	-28.4
Operating profit/loss	-10.6	-10.2	-14.6	-28.4	-28.0
Net financial items	15.1	9.9	-2.9	-128.5	-133.7
Profit/loss after net financial items	4.5	-0.3	-17.5	-156.9	-161.7
Appropriations	-	-	-	13.3	13.3
Taxes	6.5	4.9	4.7	9.8	8.2
Profit/loss for the period	11.0	4.6	-12.8	-133.8	-140.2

Summary Parent Company Balance Sheets

MSEK	30/6 2007	30/6 2006	30/6 2005	31/12 2006
Assets				
Fixed assets	1,318.4	1,077.8	989.8	1,090.7
Other current assets	158.2	194.8	148.6	217.6
Total assets	1,476.6	1,272.6	1,138.4	1,308.3
Equity, provisions and liabilities				
Equity	636.5	493.9	430.3	503.6
Untaxed reserves	-	13.3	14.5	-
Provisions	10.5	1.7	1.7	10.7
Long-term liabilities	207.2	-	-	0.1
Current liabilities	622.4	763.7	691.9	793.9
Total equity, provisions and liabilities	1,476.6	1,272.6	1,138.4	1,308.3

KEY RATIOS

Group Key Ratios Including Divested Operations

MSEK	Jan-June 2007	Jan-June 2006	Last 12 months	Full-year 2006
Return on equity, % ¹⁾	16.8	6.4	-2.1	-8.2
Equity ratio, %	37.1	36.5	37.1	33.9
Return on capital employed, % ¹⁾	13.3	6.3	3.1	-0.7
Debt/equity ratio	1.0	1.0	1.0	1.1

¹⁾ Return valuations are annualised.

Group Quarterly Data Including Divested Operations

MSEK	2005 Q2	2005 Q3	2005 Q4	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2
Net turnover	507	418	577	489	490	432	576	484	512
Operating profit/loss	27	13	63	18	22	21	-70	40	48
Profit/loss after net financial items	23	8	60	13	16	15	-76	32	38
Net profit/loss	20	-2	48	9	11	11	-80	25	30
Operating cash flow	16	-9	-19	81	14	-12	58	-220	7
Depreciation	24	25	24	24	23	24	24	19	21
Net investments	16	16	42	26	18	21	5	263	44
Goodwill	562	560	558	557	556	558	532	831	829
Total assets	1,719	1,788	1,807	1,789	1,711	1,752	1,641	2,027	2,002
Equity	585	586	638	643	625	641	556	737	742
Net debt	594	642	669	597	619	644	594	737	769
Capital employed	1,179	1,229	1,307	1,239	1,244	1,285	1,150	1,473	1,511
Return on equity, % ¹⁾	14.2	-1.4	32.0	5.6	7.1	7.1	-53.7	15.6	16.0
Return on capital employed, % ¹⁾	7.8	5.0	21.0	5.6	7.2	6.6	-22.9	12.3	13.0
Debt/equity ratio	1.0	1.1	1.0	0.9	1.0	1.0	1.1	1.0	1.0
Equity ratio, %	34.0	32.8	35.3	35.9	36.5	36.6	33.9	36.4	37.1
Interest coverage ratio ²⁾	6.5	6.7	5.5	5.5	5.0	6.4	-0.4	6.5	6.5
Number of employees at the end of the period	1,418	1,500	1,511	1,461	1,511	1,495	1,553	1,534	1,559

¹⁾ Return valuations are annualised.

²⁾ Interest coverage ratio is calculated on a rolling 12 month schedule.

Quarterly Data for Remaining Operations

MSEK	2005 Q2	2005 Q3	2005 Q4	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2
Net turnover	425	367	432	408	427	393	452	466	512
Operating profit/loss	38	29	45	32	32	42	68	40	48
Profit/loss after net financial items	34	25	41	27	27	36	62	32	38
Net profit/loss	28	10	35	19	19	27	50	25	30
Depreciation	16	16	16	16	15	16	16	19	21
Number of employees at the end of the period	1,134	1,152	1,188	1,254	1,313	1,307	1,361	1,534	1,559

Definitions

Return on equity

Net profit in relation to average equity.

Equity ratio

Equity, including minority interests, in relation to total assets.

Capital employed

Total assets reduced by liquid funds and non-interest bearing liabilities.

Return on capital employed

Operating profit/loss in relation to average capital employed.

Debt/equity ratio

Interest-bearing liabilities reduced by liquid funds in relation to equity, including minority interests.

Operating cash flow

Cash flow from current operations and investing activities adjusted for paid taxes and net financial items.

Interest coverage ratio

Operating profit/loss plus interest income divided by interest costs.

NOTES

Note 1. Divested operations

All figures below regarding divested operations are attributable to the Kungsbacka operations divested in February 2007.

Income Statements for Divested Operations

MSEK	Second quarter		
	2007	2006	2005
Net turnover ¹⁾	-	81.8	90.9
Cost of products and services sold ¹⁾	-	-83.8	-95.5
Gross profit	-	-2.0	-4.6
Sales and administration costs	-	-8.5	-7.8
Other operating income	-	1.5	1.5
Other operating costs	-	-0.9	-
Share in profit/loss in joint venture	-	-	-
Operating profit/loss	-	-9.9	-10.9
Net financial items	-	-0.4	-0.2
Profit/loss after net financial items	-	-10.3	-11.1
Taxes	-	3.0	3.1
Profit/loss from operations for the period	-	-7.3	-8.0
Profit/loss from divestment of operations	-	-	-
Tax on profit/loss from divestment of operations	-	-	-
Profit/loss for the period	-	-7.3	-8.0
Attributable to:			
Parent company shareholders	-	-7.3	-8.0
Minority interests	-	-	-
Profit/loss per share from divested operations, SEK³⁾	-	-0.82	-0.90
Average number of shares (in thousands)	9,765	8,855²⁾	8,855²⁾

MSEK	First half-year			Last 12 months	Full year 2006
	2007	2006	2005		
Net turnover ¹⁾	23.2	180.2	174.1	223.6	380.6
Cost of products and services sold ¹⁾	-21.1	-188.5	-183.5	-368.4	-535.8
Gross profit/loss	2.1	-8.3	-9.4	-144.8	-155.2
Sales and administration costs	-1.9	-16.2	-15.5	-12.9	-27.2
Other operating income	-	5.9	3.5	1.7	7.6
Other operating costs	-	-5.6	-	-2.4	-8.0
Share in profit/loss in joint venture	-	-	-	-	-
Operating profit/loss	0.2	-24.2	-21.4	-158.4	-182.8
Net financial items	-0.2	-0.6	0.6	-0.9	-1.3
Profit/loss after net financial items	0.0	-24.8	-20.8	-159.3	-184.1
Taxes	-	7.0	5.9	13.0	20.0
Profit/loss from operations for the period	0.0	-17.8	-14.9	-146.3	-164.1
Profit/loss from divestment of operations	-	-	-	-	-
Tax on profit/loss from divestment of operations	-	-	-	-	-
Profit/loss for the period	0.0	-17.8	-14.9	-146.3	-164.1
Attributable to:					
Parent company shareholders	0.0	-17.8	-14.9	-146.3	-164.1
Minority interests	-	-	-	-	-
Profit/loss per share from divested operations, SEK³⁾	0.0	-2.01	-1.68	-16.11	-18.54
Average number of shares (in thousands)	9,310²⁾	8,855²⁾	8,855²⁾	9,082²⁾	8,855²⁾

¹⁾ Figures include transactions with remaining units.

²⁾ Average number of outstanding shares after adjustment for the bonus issue element of the Rights issue.

³⁾ Earnings per share before and after dilution.

Cash Flow Statements for Remaining Units and Divested Operations

MSEK	Second quarter 2007		
	Remaining units	Divested operations	Total
Cash flow from operating activities	33.7	-	33.7
Cash flow from investing activities	-43.7	-	-43.7
Cash flow from financing activities	-24.3	-	-24.3
Cash flow for the period	-34.3	-	-34.3
Liquid funds at the beginning of the period			86.5
Translation difference			-0.6
Liquid funds at the end of the period			51.6
Operating cash flow	6.9	0.0	6.9

MSEK	Second quarter 2006		
	Remaining units	Divested operations	Total
Cash flow from operating activities	9.2	8.2	17.4
Cash flow from investing activities	-11.6	-6.2	-17.8
Cash flow from financing activities	-15.7	-2.0	-17.7
Cash flow for the period	-18.1	0.0	-18.1
Liquid funds at the beginning of the period			66.5
Translation difference			-1.3
Liquid funds at the end of the period			47.1
Operating cash flow	10.9	2.8	13.7

MSEK	Second quarter 2005		
	Remaining units	Divested operations	Total
Cash flow from operating activities	23.2	2.9	26.1
Cash flow from investing activities	-15.1	-0.8	-15.9
Cash flow from financing activities	-11.9	-2.1	-14.0
Cash flow for the period	-3.8	0.0	-3.8
Liquid funds at the beginning of the period			42.3
Translation difference			0.7
Liquid funds at the end of the period			39.2
Operating cash flow	13.3	2.7	16.0

MSEK	First half-year 2007		
	Remaining units	Divested operations	Total
Cash flow from operating activities	55.8	7.5	63.3
Cash flow from investing activities	-306.9	0.0	-306.9
Cash flow from financing activities	226.8	-7.5	219.3
Cash flow for the period	-24.3	0.0	-24.3
Liquid funds at the beginning of the period			74.5
Translation difference			1.4
Liquid funds at the end of the period			51.6
Operating cash flow	-218.8	6.0	-212.8

MSEK	First half-year 2006		
	Remaining units	Divested operations	Total
Cash flow from operating activities	102.7	12.1	114.8
Cash flow from investing activities	-35.8	-8.0	-43.8
Cash flow from financing activities	-42.7	-4.1	-46.8
Cash flow for the period	24.2	0.0	24.2
Liquid funds at the beginning of the period			24.9
Translation difference			-2.0
Liquid funds at the end of the period			47.1
Operating cash flow	89.2	5.6	94.8

MSEK	First half-year 2005		
	Remaining units	Divested operations	Total
Cash flow from operating activities	56.6	5.5	62.1
Cash flow from investing activities	-26.5	-1.4	-27.9
Cash flow from financing activities	-31.6	-4.1	-35.7
Cash flow for the period	-1.5	0.0	-1.5
Liquid funds at the beginning of the period			39.7
Translation difference			1.0
Liquid funds at the end of the period			39.2
Operating cash flow	44.7	4.4	49.1

MSEK	Full year 2006		
	Remaining units	Divested operations	Total
Cash flow from operating activities	155.6	11.5	167.1
Cash flow from investing activities	-58.6	-11.2	-69.8
Cash flow from financing activities	-46.1	-0.3	-46.4
Cash flow for the period	50.9	0.0	50.9
Liquid funds at the beginning of the period			24.9
Translation difference			-1.3
Liquid funds at the end of the period			74.5
Operating cash flow	139.6	1.5	141.1

MSEK	Full year 2005		
	Remaining units	Divested operations	Total
Cash flow from operating activities	31.3	14.3	45.6
Cash flow from investing activities	-83.4	-2.0	-85.4
Cash flow from financing activities	36.2	-12.3	23.9
Cash flow for the period	-15.9	0.0	-15.9
Liquid funds at the beginning of the period			39.7
Translation difference			1.1
Liquid funds at the end of the period			24.9
Operating cash flow	8.7	12.6	21.3

MSEK	Full year 2004		
	Remaining units	Divested operations	Total
Cash flow from operating activities	77.8	50.0	127.8
Cash flow from investing activities	-101.0	-4.4	-105.4
Cash flow from financing activities	41.9	-45.6	-3.7
Cash flow for the period	18.7	0.0	18.7
Liquid funds at the beginning of the period			22.5
Translation difference			-1.5
Liquid funds at the end of the period			39.7
Operating cash flow	19.6	48.5	68.1

MSEK	Last 12 months		
	Remaining units	Divested operations	Total
Cash flow from operating activities	108.7	6.9	115.6
Cash flow from investing activities	-329.7	-3.2	-332.9
Cash flow from financing activities	223.4	-3.7	219.7
Cash flow for the period	2.4	0.0	2.4
Liquid funds at the beginning of the period			47.1
Translation difference			2.1
Liquid funds at the end of the period			51.6
Operating cash flow	-168.4	1.9	-166.5

Assets and Liabilities in Divestitures

MSEK	
Other fixed assets	4.1
Inventory	39.5
Accounts receivable	64.9
Other current assets	19.9
Liquid funds	-
Non-interest bearing long-term liabilities	-
Interest bearing long-term liabilities	-36.7
Non-interest bearing current liabilities	-82.5
Interest bearing current liabilities	-9.2
Identifiable net assets	0.0
Capital gains/losses	0.0
Received purchase sum	0.0
Liquid funds in divested operations	0.0
Effect on Group liquid funds	0.0

Not 2. Acquisition of operations

Specification of acquisitions

Ownership transfer date		Country	Business area	Number of employees
31 January 2007	Sommer Corporate Media Gmbh & Co KG	Germany	Infologistics	150
26 March 2007	San Marco Hungary Kft ¹⁾	Hungary	User Manuals	-

¹⁾ The company contains the property in Zalalövö, Hungary, where Elanders Hungary Kft operates.

Assets and Liabilities in Acquired Operations¹⁾

MSEK	Recorded values in acquired operations	Adjustment to fair value	Recorded value in the Group
Intangible assets	15.6	2.7	18.3
Tangible assets	80.8	0.8	81.6
Other fixed assets	0.1	-	0.1
Inventory	10.7	0.6	11.3
Accounts receivable	36.1	-	36.1
Other current assets	1.9	-	1.9
Liquid funds	51.3	-	51.3
Non-interest bearing long-term liabilities	-	-	-
Interest bearing long-term liabilities	-41.6	-	-41.6
Non-interest bearing current liabilities	-59.8	-1.5	-61.3
Interest bearing current liabilities	-52.3	-	-52.3
Identifiable net assets	42.8	2.6	45.4
Goodwill			277.0
Total purchase sums			322.4
Unpaid purchase sums			-31.1
Liquid funds in acquisitions			-51.3
Effect on Group liquid funds			240.0

¹⁾ The figures are preliminary since the group-wise evaluation of assets and liabilities for the acquisition of San Marco Hungary Kft, has not yet been finally determined.