Press release from **2008-02-01**

Elanders AB (publ)

Report on the annual accounts for 2007

- **Net turnover rose by 21 % totalling 2,036 (MSEK 1,680) [1].**
- **Operating profit increased to MSEK 226.8 (MSEK 174.0) [1].**
- **Pre-tax profit increased to MSEK 184.1 (MSEK 152.3) [1].**
- **Net profit was MSEK 172.2 (MSEK 115.1) [1] or SEK 18.06 (SEK 13.00) per share[1] [2].**
- **In December the Group sold the property it owned in Kungsbacka, generating capital gains of MSEK 40.6 or 4.26 per share, which is included in the operating profit and net profit per share above.**
- **The merger of the operations in the business area Infologistics led to write-downs and provisions reaching in total MSEK -20 or SEK -2.10 per share, which is included in the operating profit and net profit per share above.**
- **Elanders won a tax case in the third quarter which reduced the period's tax expenses by MSEK 21.1 or SEK 2.22 per share.**
- **Operating cash flow amounted to MSEK 18 (MSEK 138), together with MSEK -248 (MSEK 0) in acquisitions.**
- **During the year the Group signed important contracts with, among others, Electrolux, Bayer, Bosch (UK), Braun, Saab Automobile and Scania.**
- **During the year Elanders acquired Sommer Corporate Media in Waiblingen (Stuttgart) and 80 % of Artcopy in São Paulo, which are strategically important platforms for future expansion in, among others, the automotive industry in Western Europe and South America.**
- **The establishment of the Group's joint venture (50/50) with Hansaprint Oy in Cluj Napoca in Romania is proceeding according to plan and Elanders' investments are expected to reach MSEK 50.**
- **In this report the divested operations in Kungsbacka are recorded separately, in accordance with IFRSs.**
- **The Board of Directors proposes a dividend of SEK 4.50 per share (SEK 2.50 per share).**
- **The forecast for 2008 is an increase in turnover and pre-tax profits compared with 2007, not including capital gains of MSEK 40.6 from the sale of the property in Kungsbacka.**

[1] The figures refer to the remaining units
[2] 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 and Västerås (SE), Oslo (NO), Harrogate and Newcastle (UK), Waiblingen (DE) and São Paulo (BR).

- **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, Komarom and Zalalövö (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 AREA[1)]

Fourth quarter	***Net turnover***			***Profit/loss***		
MSEK	**2007**	**2006**	**2005**	**2007**	**2006**	**2005**
Infologistics	454	359	364	20.5	38.2	36.8
User Manuals	132	93	68	23.5	29.3	7.8
Property sales	-	-	-	40.6	-	-
Total	**586**	**452**	**432**	**84.3**	**7.5**	**44.6**
Net financial items				-13.3	-5.9	-3.1
Group	**586**	**452**	**432**	**71.0**	**61.6**	**41.5**

January-December	***Net turnover***			***Profit/loss***		
MSEK	**2007**	**2006**	**2005**	**2007**	**2006**	**2005**
Infologistics	1,617	1,368	1,350	91.3	102.0	97.3
User Manuals	419	312	254	94.9	72.0	43.5
Property sales	-	-	-	40.6	-	-
Total	**2,036**	**1,680**	**1,604**	**226.8**	**174.0**	**140.8**
Net financial items				-42.7	-21.7	-16.2
Group	**2,036**	**1,680**	**1,604**	**184.1**	**152.3**	**124.6**

[1)] All figures refer to the remaining units.

AN EVENTFUL YEAR

The past year brought several significant strategic changes to Elanders. The losing directory operations in Kungsbacka were sold and Sommer Corporate Media in Waiblingen close to Stuttgart was acquired. A successful Rights issue was held at the beginning of the year 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*. 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 280 and in addition to this the goodwill in the acquired company amounted to MSEK 13.

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 held 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 2007 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 meant Elanders no longer produced directories; segment *Directories*. Operations were consolidated into Group accounts until the end of January 2007. 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 for the production of all user documentation (manuals etc.) for products manufactured by Electrolux units in Denmark, France, Germany, Great Britain, Hungary, Italy, Poland, Romania, Russia, Switzerland, Spain and Sweden. Cooperation unfolds according to a fixed time schedule for the various production units. Deliveries have already begun in Italy, Hungary and Romania. This process is expected to be implemented during the next year 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

In the beginning of October Elanders acquired 80 % of the shares in Artcopy Reproduçao de Imagens Ltda. in São Paulo, Brazil. Artcopy has a turnover of some MSEK 20 and around 50 employees. 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. The purchase sum was approximately MSEK 11. Starting from October 2007 Artcopy is consolidated into the Elanders Group. The acquisition did not significantly affect Group profit or turnover during 2007.

Merger of the Swedish operations in Infologistics

During the year the work to merge the Swedish operations into one began and is now almost completed. Production has been concentrated to fewer, more specialised units, we have coordinated our marketing organisation and refined Group software development. More details are given in the section on Market and the Business Areas below.

MARKET

Concentration on selected market segments

The five strategic customer 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 75 % 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 Central 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 and Romania (User Manuals) are a result of this strategy.

THE BUSINESS AREAS

Infologistics

Business area operations

The business area has its platform in the Infomedia Centres in Mölnlycke and Stockholm (SE), Newcastle (UK) and Waiblingen (Stuttgart) (DE). Elanders' infomedia centres offer information structuring, advanced premedia, digital print, offset print and fulfilment services. There are digital print units in Oslo (NO), São Paulo (BR) 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 Central Europe and Asia.

Development during the period

Turnover rose by MSEK 249 or 18 % to MSEK 1,617 (MSEK 1,368) and operating profit for the period amounted to MSEK 91.3 (MSEK 102.0). During the period Sommer Corporate Media contributed MSEK 299 in turnover and operating profit of MSEK 46.4 after consolidation on 1 February 2007. The business area's operating profit has been charged during the fourth quarter with MSEK 20 for the cost of merging the Swedish operations as shown below.

The Swedish section of the business area has been sluggish this year due to, among other things, lower volumes than anticipated from Parliament and the government and a certain transfer of volumes to units in User Manuals. This was in part outweighed by the good results in Great Britain and Germany. During the year the work to merge the Swedish operations into one began and is now almost completed. One result of this is that operations in the business area's six Swedish companies are now run in two legal entities and another is that production and marketing organisations are no longer in separate companies and have been coordinated. The units are specialised to optimise each kind of production and service. In addition, we examined our equipment and capacity to adapt it to expected developments in Sweden. One of these was moving production in Östervåla to other Swedish units and refining the software that we offer externally. These two measures led to provisions and write-downs of a total of MSEK 20, allocated as follows:

	MSEK
Write-downs in connection with refining software	12
Personnel costs	4
Premise costs	1
Other costs	3
Total	**20**

The merger is expected to improve profits in the Swedish operations of Infologistics during 2008.

During the year 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.

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.

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 Central 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), Treviso (IT) and Budapest, Komárom and Zalalövö (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 34 % to MSEK 419 (MSEK 312) and operating profit rose by 32 % to MSEK 94.9 (MSEK 72.0).

The unit in Beijing has been in full production during the year, 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 continue to grow in the fourth quarter. The Polish unit had a weaker year due to maintenance and reparations of production equipment. During the fourth quarter the business area's result was reduced by the slightly higher cost than planned to set up Italian operations.

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

The strategic partnership with Electrolux primarily involves User Manuals and has had led to establishing DDCs in Treviso, Italy and Wroclaw, Poland. As planned, we have also taken over the management of Electrolux's internal digital print units in Nyiregyháza and Jaszberény in Hungary as well as Satu Mare, Romania.

The main unit in Zalalövö ran its operations in rented premises until the end of March 2007. Then Elanders took over the premises by acquiring the shares in a company that owned and managed this property. The purchase price was MSEK 35.

The establishment of the Group's joint venture (50/50) with Hansaprint Oy in Cluj Napoca in Romania is proceeding according to plan. Elanders' investments in this facility are expected to reach MSEK 50 and production should start up after the summer of 2008. The unit is located in Nokia's industrial park and will primarily supply manufacturers of consumer electronics with user information in large volumes and short lead times.

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 December the property was sold to Kungsleden AB (publ) for MSEK 111. This has been reported in the parent company as sales of shares in a subsidiary and the resulting capital gains of MSEK 38.1 have been included in financial items.

GROUP

Turnover and profit

Group net turnover in the remaining units increased by MSEK 356 to MSEK 2,036 (MSEK 1,680) or 21 %, of which the acquired unit in Germany generated MSEK 299 (MSEK 0). Operating profit in the remaining units rose by MSEK 52.8 to MSEK 226.8 (MSEK 174.0), of which the acquired unit in Germany generated MSEK 46.4 (MSEK 0). The capital gain of MSEK 40.6, resulting from the sales of the Group property in Kungsbacka, has been reported under other operating income. The period's tax expenses were improved by MSEK 21.1 or SEK 2.22 per share as a result of a tax case the company won in the Swedish Administrative Court of Appeal. The case concerned a deduction for losses in connection with the sales of subsidiaries in 2002.

Investments and depreciation

During the period net capital expenditures totalled MSEK 402 (MSEK 70), of which MSEK 248 (MSEK 0) was acquisitions. 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
Purchase sum paid for Artcopy	**8**
Total acquisitions	**240**

Group depreciation amounted to MSEK 84 (MSEK 95).

Financial position, cash flow and equity ratio

The Group's net debt amounted to MSEK 817 (MSEK 594) and operating cash flow for the period amounted to MSEK 18 (MSEK 141), together with MSEK -248 (MSEK 0) associated with acquisitions. One reason for the change in cash flow was the fact that the unit in Beijing was not operating in the first half-year of 2006 and therefore did not affect Group working capital as much as it did in 2007. Another is that investments in equipment have been greater in 2007, particularly in User Manuals. Equity amounted to MSEK 865 (MSEK 556), which resulted in an equity ratio of 38.9 % (33.9 %). Group net financial items were affected negatively during the fourth quarter by currency effects in connection with refinancing loans in our subsidiaries abroad.

Personnel

The average number of employees during the period was 1,579 (1,490), of which 706 were in Sweden (920). At the end of the period the Group had 1,723 employees (1,361).

Risks and uncertainties

Elanders divides risks into circumstantial risks (the future of printing, business cycles, structural and the competition), financial risks (currency, interest, financing and credit) as well as operational risks (customer concentration, operations, operating costs, contracts, disputes, insurance and other risk management as well as other operational risks). These risks together with a sensitivity analysis are described in detail on pages 27-29 in the Annual Report 2006. No significant changes have occurred that have changed the risks as reported there.

Events in the Group after the balance sheet date

No significant events that affect the content of this report have occurred between 31 December 2007 and the release date of this report.

Forecast for 2008
A positive development is forecasted for 2008. Turnover is expected to increase and pre-tax profits improve compared with pre-tax profit for 2007, not including capital gains of MSEK 40.6 from the sale of the property in Kungsbacka.

OTHER INFORMATION

Proposed dividend
The Board of Directors and CEO propose a dividend payment of SEK 4.50 per share (SEK 2.50 per share) for 2007, which amounts to MSEK 44. It is proposed that the record date for the payment of dividends be 24 April 2008. If the Annual General Meeting approves the proposal it is estimated the dividend will be paid on 29 April 2008.

Annual General Meeting
The Annual General Meeting will be held on 21 April 2008 at 1:00 p.m. at the Infomedia Centre at Designvägen 2 in Mölnlycke (Sweden). Shareholders who wish to participate in the Annual General Meeting must be inscribed in the register of the shareholders held by The Swedish Security Depository and Clearing Centre no later than 15 April 2008. Intent to participate must be reported by Wednesday 16 April 2007 to Elanders' headquarters:

Elanders AB (publ)
Box 137
SE-435 23 Mölnlycke, Sweden
Telephone: +46 31 750 0000
e-mail: arsstamma@elanders.com
or via our website www.elanders.com under Annual General Meeting

Shareholders who have nominee registered their shares must, through the services of a nominee, temporarily register their shares in their own name well in advance of 16 April 2008 in order to participate in the Annual General Meeting.

The Nominating Committee
The Annual General Meeting on 26 April 2007 appointed the following persons to participate in the Elanders AB (publ) nominating committee and they will prepare for the Annual General Meeting on 21 April 2008:

Carl Bennet, Chairman	Carl Bennet AB
Gustaf Douglas	Investment AB Latour
Göran Erlandsson	Representative for the minor shareholders
Hans Hedström	HQ Funds
Nils Petter Hollekim	Odin Funds
Stefan Roos	SEB Funds
Caroline af Ugglas	Skandia

Contact information can be found on our website www.elanders.com under "Corporate Governance".

Future reports from Elanders

Interim report January– March 2008	21 April 2008
Interim report January – June 2008	11 July 2008
Interim report January – October 2008	21 October 2008

The Annual Report 2007 in Swedish is expected to be released in the week beginning the 17th of March, 2008.

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

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 external auditing of financial interim reports. Also, the Board does not produce particular reports concerning internal control and corporate governance. The code is taken into consideration in the Group's daily work with development of corporate governance.

Mölnlycke, 1 February 2008

Patrick Holm

Patrick Holm
President and Chief Executive Officer

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.

Further information can be found on Elanders' website www.elanders.com or via e-mail info@elanders.com.Questions concerning this report can be made to:

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GROUP
Summary Group Income Statements

MSEK	Fourth quarter		
	2007	**2006**	**2005**
Net turnover[1]	586.2	451.8	432.3
Cost of products and services sold[1]	-434.7	-319.4	-334.2
Gross profit	**151.5**	**132.4**	**98.1**
Sales and administration costs	-111.4	-71.2	-61.2
Other operating income	49.0	5.6	15.3
Other operating costs	-5.2	0.2	-8.5
Share in profit/loss in joint venture	0.4	0.5	0.9
Operating profit/loss	**84.3**	**67.5**	**44.6**
Net financial items	-13.3	-5.9	-3.1
Profit/loss after net financial items	**71.0**	**61.6**	**41.5**
Taxes	-7.6	-11.4	-6.9
Profit/loss for the period in remaining operations	**63.4**	**50.2**	**34.6**
Net profit/loss after tax for the period from divested operations	0.0	-130.6	13.4
Profit/loss for the period	**63.4**	**-80.4**	**48.0**
Attributable to:			
Parent company shareholders	63.3	-80.4	48.0
Minority interests	0.1	-	-
Profit/loss per share incl. divested operations, SEK[3] [4]	**6.49**	**-9.08**	**5.42**
Profit/loss per share in remaining operations, SEK[3] [4]	**6.49**	**5.67**	**3.91**
Average number of shares (in thousands)	**9,765**[2]	**8,855**[2]	**8,855**[2]
Outstanding shares at the end of period (in thousands)	**9,765**	**8,370**	**8,370**

MSEK	**Full-year 2007**	**Full-year 2006**	**Full-year 2005**
Net turnover[1]	2,035.6	1,680.1	1,603.9
Cost of products and services sold[1]	-1,494.0	-1,242.7	-1,215.0
Gross profit	**541.6**	**437.4**	**388.9**
Sales and administration costs	-372.6	-273,5	-256.0
Other operating income	67.8	21.1	19.3
Other operating costs	-10.5	-13.8	-11.2
Share in profit/loss in joint venture	0.5	2.8	-0.2
Operating profit/loss	**226.8**	**174.0**	**140.8**
Net financial items	-42.7	-21.7	-16,2
Profit/loss after net financial items	**184.1**	**152.3**	**124.6**
Taxes	-11.9	-37.2	-33.1
Profit/loss for the period in remaining operations	**172.2**	**115.1**	**91.5**
Net profit/loss after tax for the period from divested operations	0.0	-164.1	-13.9
Profit/loss for the period	**172.2**	**-49.0**	**77.6**
Attributable to:			
Parent company shareholders	172.1	-49.0	77.6
Minority interests	0.1	-	-
Profit/loss per share incl. divested operations, SEK[3] [4]	**18.06**	**-5.53**	**8.76**
Profit/loss per share in remaining operations, SEK[3] [4]	**18.06**	**13.00**	**10.33**
Average number of shares (in thousands)	**9,537**[2]	**8,855**[2]	**8,855**[2]
Outstanding shares at the end of period (in thousands)	**9,765**	**8,370**	**8,370**

[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.
[4] Earnings per share calculated by dividing profit/loss by the average number of outstanding shares during the period.

Summary Group Cash Flow Statements Including Divested Operations

MSEK	Fourth quarter			Full-year		
	2007	2006	2005	2007	2006	2005
Profit/loss after net financial items in remaining operations	71.0	61.6	41.5	184.1	152.3	124.6
Net profit/loss after tax for the period from divested operations	0.0	-130.6	13.4	0.0	-164.1	-13.9
Reversal of tax in divested operations	0.0	-7.1	5.1	0.0	-20.0	-5.4
Profit/loss after net financial items	**71.0**	**-76.1**	**60.0**	**184.1**	**-31.8**	**105.3**
Adjustments for items not included in cash flow	-14.3	161.3	16.3	37.2	227.5	65.7
Paid taxes	-10.8	0.2	-4.9	-32.3	-20.8	-44.7
Changes in working capital	17.9	-28.3	-49.4	-91.6	-7.8	-80.7
Cash flow from operating activities	**63.8**	**57.1**	**22.0**	**97.4**	**167.1**	**45.6**
Cash flow from investing activities	**-27.1**	**-8.3**	**-41.9**	**-402.5**	**-72.7**	**-89.2**
Changes in long-term and short- term borrowing	-39.6	-2.6	-10.4	171.2	-22.6	44.4
Rights issue	-	-	-	146.5	-	-
Dividends	-	-	-	-24.4	-20.9	-16.7
Cash flow from financing activities	**-39.6**	**-2.6**	**-10.4**	**293.3**	**-43.5**	**27.7**
Cash flow for the period	**-2.9**	**46.2**	**-30.3**	**-11.8**	**50.9**	**-15.9**
Liquid funds at the beginning of the period	**66.1**	**29.0**	**53.0**	**74.5**	**24.9**	**39.7**
Translation difference	2.0	-0.7	2.2	2.5	-1.3	1.1
Liquid funds at the end of the period	**65.2**	**74.5**	**24.9**	**65.2**	**74.5**	**24.9**
Net debt at the beginning of the period	**838.3**	**643.7**	**642.2**	**594.1**	**669.4**	**602.3**
Translation difference in net debt	3.6	-1.1	3.8	1.2	-1.2	1.7
Change in net debt	-24.4	-48.5	23.4	222.2	-74.1	65.4
Net debt at the end of the period	**817.5**	**594.1**	**669.4**	**817.5**	**594.1**	**669.4**
Operating cash flow	**60.8**	**55.0**	**-18.7**	**-230.1**	**138.2**	**17.5**

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

Summary Group Balance Sheets

MSEK	Dec 31, 2007	Dec 31, 2006	Dec 31, 2005
Assets			
Intangible assets	866.1	542.0	562.9
Tangible assets	445.0	345.4	490.9
Other fixed assets	80.3	55.6	92.3
Total fixed assets	**1,391.4**	**943.0**	**1,146.1**
Inventories	125.7	92.9	95.3
Accounts receivable	450.6	456.8	456.7
Other current assets	191.4	73.9	83.6
Liquid funds	65.2	74.5	24.9
Total current assets	**832.8**	**698.1**	**660.5**
Total assets	**2,224.3**	**1,641.1**	**1,806.6**
Equity and liabilities			
Equity	**864.6**	**556.4**	**637.8**
Liabilities			
Non-interest bearing long-term liabilities	55.4	28.9	76.3
Interest bearing long-term liabilities	281.4	87.4	109.5
Total long-term liabilities	**336.8**	**116.3**	**185.8**
Non-interest bearing current liabilities	421.6	387.3	398.7
Interest bearing current liabilities	601.3	581.1	584.3
Total current liabilities	**1,022.9**	**968.4**	**983.0**
Total equity and liabilities	**2,224.3**	**1,641.1**	**1,806.6**

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 2006	**556.4**	**-**	**556.4**
Translation difference	17.2	-	17.2
Cash flow hedges after tax	-0.6	-	-0.6
Hedging of net investment in foreign subsidiaries	-4.9	-	-4.9
Other transactions with minority owners	-	2.2	2.2
Profit/loss for the period	172.1	0.1	172.2
Rights issue	146.5	-	146.5
Dividends	-24.4	-	-24.4
Equity at the end of 2007	**862.3**	**2.3**	**864.6**

PARENT COMPANY

Summary Parent Company Income Statements

MSEK	Fourth quarter		
	2007	**2006**	**2005**
Net turnover	0.0	1.3	1.3
Cost of products and services sold	0.0	-0.8	-1.0
Gross profit	**0.0**	**0.5**	**0.3**
Operating costs	-9.7	-11.2	-3.6
Operating profit/loss	**-9.7**	**-10.7**	**-3.3**
Net financial items	28.3	-140.2	-2.2
Profit/loss after net financial items	**18.6**	**-150.9**	**-5.5**
Appropriations	-	13.3	1.3
Taxes	5.2	0.9	8.1
Profit/loss for the period	**23.8**	**-136.7**	**3.9**

MSEK	Full-year 2007	Full-year 2006	Full-year 2005
Net turnover	3.7	5.2	5.3
Cost of products and services sold	-2.8	-4.8	-5.1
Gross profit	**0.9**	**0.4**	**0.2**
Operating costs	-25.3	-28.4	-24.2
Operating profit/loss	**-24.4**	**-28.0**	**-24.0**
Net financial items	49.7	-133.7	1.1
Profit/loss after net financial items	**25.3**	**-161.7**	**-22.9**
Appropriations	-	13.3	1.3
Taxes	34.8	8.2	14.2
Profit/loss for the period	**60.1**	**-140.2**	**-7.4**

Summary Parent Company Balance Sheets

MSEK	Dec 31, 2007	Dec 31, 2006	Dec 31, 2005
Assets			
Fixed assets	1,337.6	1,090.7	1,050.0
Current assets	251.3	217.6	203.2
Total assets	**1,588.9**	**1,308.3**	**1,253.2**
Equity, provisions and liabilities			
Equity	729.3	503.6	510.2
Untaxed reserves	-	-	13.3
Provisions	5.1	10.7	1.7
Long-term liabilities	159.3	0.1	-
Current liabilities	695.2	793.9	728.0
Total equity, provisions and liabilities	**1,588.9**	**1,308.3**	**1,253.2**

KEY RATIOS

Group Key Ratios Including Divested Operations

	Full-year 2007	Full-year 2006	Full-year 2005
Return on equity, % [1]	24.2	-8.2	13.2
Equity ratio, %	38.9	33.9	35.3
Return on capital employed, % [1]	16.3	-0.7	16.0
Debt/equity ratio	1.0	1.1	0.9

[1] Return valuations are annualised.

Group Quarterly Data Including Divested Operations

MSEK	2005 Q4	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4
Net turnover	577	489	490	432	576	484	512	471	586
Operating profit/loss	63	18	22	21	-70	40	48	54	84
Profit/loss after net financial items	60	13	16	15	-76	32	38	43	71
Net profit/loss	48	9	11	11	-80	25	30	54	63
Operating cash flow	-19	81	14	-12	55	-220	7	-78	61
Depreciation	24	24	23	24	24	19	21	23	21
Net investments	42	26	18	21	8	263	44	69	27
Goodwill	558	557	556	558	532	831	829	826	845
Total assets	1,807	1,789	1,711	1,752	1,641	2,027	2,002	2,129	2,224
Equity	638	643	625	641	556	737	742	788	865
Net debt	669	597	619	644	594	737	769	838	817
Capital employed	1,307	1,239	1,244	1,285	1,150	1,473	1,511	1,626	1,594
Return on equity, % [1]	32.0	5.6	7.1	7.1	-53.7	15.6	16.0	28.3	30.5
Return on capital employed, % [1]	21.0	5.6	7.2	6.6	-22.9	12.3	13.0	13.8	20.3
Debt/equity ratio	1.0	0.9	1.0	1.0	1.1	1.0	1.0	1.1	0.9
Equity ratio, %	35.3	35.9	36.5	36.6	33.9	36.4	37.1	37.0	38.9
Interest coverage ratio [2]	5.5	5.5	5.0	6.4	-0.4	0.5	1.4	2.1	5.5
Number of employees at the end of the period	1,511	1,461	1,511	1,495	1,553	1,534	1,559	1,592	1,723

[1] Return valuations are annualised.
[2] Interest coverage ratio is calculated on a rolling 12 month schedule.

Quarterly Data for Remaining Operations

MSEK	2005 Q4	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4
Net turnover	432	408	427	393	452	466	512	471	586
Operating profit/loss	45	32	32	42	68	40	48	54	84
Profit/loss after net financial items	41	27	27	36	62	32	38	43	71
Net profit/loss	35	19	19	27	50	25	30	54	63
Depreciation	16	16	15	16	16	19	21	23	21
Number of employees at the end of the period	1,188	1,254	1,313	1,307	1,361	1,534	1,559	1,592	1,723

Definitions

Return on equity — Net profit/loss for the year 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	**Fourth quarter**		
	2007	**2006**	**2005**
Net turnover[1]	-	148.7	168.9
Cost of products and services sold[1]	-	-280.9	-143.1
Gross profit/loss	**-**	**-132.2**	**25.8**
Sales and administration costs	-	-3.7	-6.9
Other operating income	-	-	2.1
Other operating costs	-	-1.3	-2.4
Share in profit/loss in joint venture	-	-	-
Operating profit/loss	**-**	**-137.2**	**18.6**
Net financial items	-	-0.5	-0.1
Profit/loss after net financial items	**-**	**-137.7**	**18.5**
Taxes	-	7.1	-5.1
Profit/loss from operations for the period	**-**	**-130.6**	**13.4**
Profit from divestment of operations	-	-	-
Tax on profit from divestment of operations	-	-	-
Profit/loss for the period	**-**	**-130.6**	**13.4**
Attributable to:			
Parent company shareholders	-	-130.6	13.4
Minority interests	-	-	-
Profit/loss per share from divested operations, SEK [3) 4)]	**-**	**-14.75**	**1.51**
Average number of shares (in thousands)	**9,765**	**8,855**[2)]	**8,855**[2)]
Outstanding shares at the end of period (in thousands)	**9,765**	**8,370**	**8,370**

	Full-year	**Full-year**	**Full-year**
MSEK	**2007**	**2006**	**2005**
Net turnover[1]	23.2	380.6	405.7
Cost of products and services sold[1]	-21.1	-535.8	-399.9
Gross profit/loss	**2.1**	**-155.2**	**5.8**
Sales and administration costs	-1.9	-27.2	-29.2
Other operating income	-	7.6	6.8
Other operating costs	-	-8.0	-2.4
Share in profit/loss in joint venture	-	-	-
Operating profit/loss	**0.2**	**-182.8**	-19.0
Net financial items	-0.2	-1.3	-0.3
Profit/loss after net financial items	**0.0**	**-184.1**	**-19.3**
Taxes	-	20.0	5.4
Profit/loss from operations for the period	**0.0**	**-164.1**	**-13.9**
Profit from divestment of operations	-	-	-
Tax on profit from divestment of operations	-	-	-
Profit/loss for the period	**0.0**	**-164.1**	**-13.9**
Attributable to:			
Parent company shareholders	0.0	-164.1	-13.9
Minority interests	-	-	-
Profit/loss per share from divested operations, SEK [3) 4)]	**-**	**-18.53**	**1.57**
Average number of shares (in thousands)	**9,537**[2)]	**8,855**[2)]	**8,855**[2)]
Outstanding shares at the end of period (in thousands)	**9,765**	**8,370**	**8,370**

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.
4) Earnings per share calculated by dividing profit/loss by the average number of outstanding shares during the period.

Cash Flow Statements for Remaining Units and Divested Operations

MSEK	Fourth quarter 2007		
	Remaining units	**Divested operations**	**Total**
Cash flow from operating activities	63.8	-	63.8
Cash flow from investing activities	-27.1	-	-27.1
Cash flow from financing activities	-39.6	-	-39.6
Cash flow for the period	**-2.9**	**-**	**-2.9**
Liquid funds at the beginning of the period	**66.1**	**-**	**66.1**
Translation difference	2.0	-	2.0
Liquid funds at the end of the period	**65.2**	**-**	**65.2**
Operating cash flow	**60.8**	**-**	**60.8**

MSEK	Fourth quarter 2006		
	Remaining units	**Divested operations**	**Total**
Cash flow from operating activities	61.9	-4.8	57.1
Cash flow from investing activities	-7.3	-1.0	-8.3
Cash flow from financing activities	-8.4	5.8	-2.6
Cash flow for the period	**46.2**	**0.0**	**46.2**
Liquid funds at the beginning of the period			**29.0**
Translation difference			-0.7
Liquid funds at the end of the period			**74.5**
Operating cash flow	**61.7**	**-6.7**	**55.0**

MSEK	Fourth quarter 2005		
	Remaining units	**Divested operations**	**Total**
Cash flow from operating activities	15.8	6.2	22.0
Cash flow from investing activities	-41.8	-0.1	-41.9
Cash flow from financing activities	-4.3	-6.1	-10.4
Cash flow for the period	**-30.3**	**0.0**	**-30.3**
Liquid funds at the beginning of the period			**53.0**
Translation difference			2.2
Liquid funds at the end of the period			**24.9**
Operating cash flow	**-23.7**	**5.0**	**-18.7**

MSEK	Full-year 2007		
	Remaining units	**Divested operations**	**Total**
Cash flow from operating activities	89.9	7.5	97.4
Cash flow from investing activities	-402.5	0.0	-402.5
Cash flow from financing activities	300.8	-7.5	293.3
Cash flow for the period	**-11.8**	**0.0**	**-11.8**
Liquid funds at the beginning of the period			**74.5**
Translation difference			2.5
Liquid funds at the end of the period			**65.2**
Operating cash flow	**-237.8**	**7.7**	**-230.1**

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	-61.5	-11.2	-72.7
Cash flow from financing activities	-43.2	-0.3	-43.5
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	**136.7**	**1.5**	**138.2**

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	-87.2	-2.0	-89.2
Cash flow from financing activities	40.0	-12.3	27.7
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	**4.9**	**12.6**	**17.5**

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**

Note 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 October 2007	Elanders Artcopy Ltda. [2]	Brazil	Infologistics	50

[1] The company owns and manages the property in Zalalövö, Hungary, where Elanders Hungary Kft operates.
[2] Ownership in Elanders Artcopy Ltda. is 80 %.

Assets and Liabilities in Acquired Operations - Sommer Corporate Media Gmbh & Co KG

In January 2007 Elanders acquired the German company Sommer Corporate Media in Waiblingen, close to Stuttgart, Germany. The company is a leading supplier of information solutions in the segment *Automotive, Industry & Trade and the Service Sector*. Through this acquisition Elanders has reinforced its 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. This acquisition, in addition to acquisition goodwill, resulted in intangible assets of MSEK 18. Most of these assets, MSEK 13, stem from the goodwill recognised in the legal entity and the remainder, MSEK 5, relates to the capitalized development expenditures for software, which has an estimated usable period of 3 years.

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	41.8	0.8	42.6
Other fixed assets	0.1	-	0.1
Inventory	10.8	0.6	11.4
Accounts receivable	36.1	-	36.1
Other current assets	1.6	-	1.6
Liquid funds	50.3	-	50.3
Interest bearing long-term liabilities	-41.6	-	-41.6
Non-interest bearing current liabilities	-84.0	-1.5	-85.5
Interest bearing current liabilities	-23.2	-	-23.2
Identifiable net assets	**7.5**	**2.6**	**10.1**
Goodwill			277.0
Total purchase sums			**287.1**
Deducted:			
Unpaid purchase sums			-31.1
Liquid funds in acquisitions			-50.3
Effect on Group liquid funds			**205.7**

Assets and Liabilities in Acquired Operations - Other[1]

MSEK	**Recorded values in acquired operations**	**Adjustment to fair value**	**Recorded value in the Group**
Intangible assets	0.0	-	0.0
Tangible assets	43.6	-	43.6
Inventory	0.1	-	0.1
Accounts receivable	0.8	-	0.8
Other current assets	0.2	-	0.2
Liquid funds	1.2	-	1.2
Minority interests	-2.2	-	-2.2
Interest bearing long-term liabilities	-1.5	-	-1.5
Non-interest bearing current liabilities	-6.4	-	-6.4
Identifiable net assets	**35.8**	**-**	**35.8**
Goodwill			10.6
Total purchase sums			**46.5**
Deducted:			
Unpaid purchase sums			-3.2
Liquid funds in acquisitions			-1.2
Effect on Group liquid funds			**42.1**

[1] The first report on the acquisition of San Marco Hungary Kft has been adopted during the period. In the final version no adjustments have been made in the previous evaluation of assets and liabilities, which was based on preliminary figures.