

Press release

12 March 2012

Elanders makes strategic acquisitions in Germany in e-commerce and web-to-business

Elanders has signed an agreement to acquire the German fotokasten GmbH ("fotokasten") and d|o|m Deutsche Online Medien GmbH ("d|o|m"). Through the acquisitions Elanders continues to expand internationally and gets access to the latest technology in e-commerce solutions and web-to-business. The acquisitions are in line with Elanders' strategy to grow in these segments and also broaden its offer and customer base.

- Together *fotokasten* and *d|o|m* had net sales in the fiscal year 2010/2011 of approximately MSEK 150 with an operating margin of some 10 %. The companies are expected to contribute positively to the Elanders Group net sales and profits already in 2012.
- The companies will be acquired through a preferential new share issue of 3.2 million class B shares in Elanders AB. A smaller additional purchase price may also be paid.
- Elanders' principal owner, Carl Bennet AB, will give the sellers of *fotokasten* and *d|o|m* a put option to sell the above mentioned shares to Carl Bennet AB. The redemption price is set between SEK 25 and 35 depending on the financial development of the acquired companies in 2012 and 2013. The put option will be issued by Carl Bennet AB independent of Elanders and without any contractual arrangements between Carl Bennet AB and Elanders.
- The acquisitions are dependent on approval of issuing compensation shares by a general shareholders meeting in Elanders AB and obtaining the required approvals from the German Competition Authority.
- Resolution proposals regarding the acquisitions will be presented to the Elanders annual general meeting on 3 May 2012.
- The acquisitions are expected to be finalized in the second quarter of 2012.

In line with Elanders' strategy to grow in the segment web-to-business Elanders is acquiring all the shares in the German companies *fotokasten GmbH* and *dlo/m Deutsche Online Medien GmbH*. *fotokasten* is a strong and well known brand on the growing German market in personalized consumer photo products such as photo books and calendars. *d/o/m* develops technical solutions for digital photo and print services. Together the two companies had net sales in the fiscal year 2010/2011 of approximately MSEK 150 with an operating margin of some 10 %. Together they have 35 employees.

These acquisitions are part of Elanders' continuous investment in innovation. *d/o/m* will provide Elanders with the latest technology in e-commerce solutions and *fotokasten* will expand Elanders' offer within web-to-business and personalized photo products. At the same time they open the door to the consumer market where *fotokasten* uses the technical solutions in *d/o/m* to serve hundreds of thousands of consumers.

"The acquisitions give Elanders access to extensive experience in technology development and expertise in the consumer market. In addition, *fotokasten* and *d/o/m* bring us around 400,000 recurring customers. Their know-how and technology platform in combination with Elanders' global presence will make it possible for us to expand into other markets and parts of the world" says Magnus Nilsson, President and CEO of Elanders.

Elanders has worked closely with *fotokasten* and *d/o/m* for several years and handles all their production and fulfillment of photo products and other printed matter. In 2011 this amounted to sales of around MSEK 60. This cooperation has been a part of making Elanders one of the most innovative and successful players in personalized print in Germany. *fotokasten* and *d/o/m* will continue to operate under their brand names although they will be a part of the Elanders Group.

fotokasten and *d/o/m* are expected to contribute positively to Group net sales and profits already in 2012, even taking into consideration the net sales Elanders currently has to these companies.

The companies will be acquired through a preferential new share issue of 3.2 million class B shares in Elanders AB. The sellers¹ are also entitled to an additional cash purchase price of maximum MEUR 0.4 annually for two years under the condition that *fotokasten* and *d/o/m* achieve a certain result. Based on the final market price of the Elanders share on 9 March 2012, 3.2 million class B shares correspond to approximately MSEK 72. The highest purchase for the two acquired companies will therefore amount to MSEK 79 on a debt-free basis, but this will be affected by changes in the market price of the Elanders share up to the takeover date.

¹ *fotokasten* and *d/o/m* have partially common owners. The companies are owned directly and indirectly by a group of German private persons, most of whom founded the companies. One of the owners of *d/o/m* is Peter Sommer who is also employed by Elanders. Peter Sommer has not participated in discussions at Elanders regarding the acquisitions and he only has the right to subscribe for shares in the new issue of compensation shares in as much as he is one of the owners of *d/o/m*.



The acquisitions are dependent on approval of the issue of the shares by the general shareholders' meeting in Elanders AB and obtaining the required approvals from the German Competition Authority. Resolution proposals regarding the new share issue will be presented to the Elanders annual general meeting on 3 May 2012. The new share issue, and thereby the acquisitions, are expected to be finalized in the second quarter of 2012. As a result of the number of shares to be issued a prospectus will be made public before trading in the new class B shares begins.

Elanders AB (publ)

Magnus Nilsson
President and CEO
Phone +46 31 750 07 50

Elanders AB is required to disclose the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 8.30 a.m. on 12 March 2012.

Elanders is a global printing group with production units in ten countries on four continents. Our product areas are Commercial Print, Packaging and Web-to-Business. In these areas Elanders also offers services in web-to-print (W2P), EDI, advanced premedia, fulfilment and logistics. Elanders has approximately 1,600 employees and net sales of more than SEK 1.8 billion. The Elanders share is listed on the NASDAQ OMX Stockholm, Small Cap. For further information, please visit www.elanders.com