

Press release

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Elanders grows by 60% via acquisition of a global Supply Chain company with a strong presence in Asia

Elanders advances its position and expands its global offer with Supply Chain services by acquiring the Singapore-based company Mentor Media Ltd. As a result of the acquisition Elanders will increase its annual net sales from around 2.2 to 3.5 billion Swedish crowns and the number of employees will grow from approximately 1,900 to 3,600. Mentor Media will be consolidated into Elanders as of 1 January 2014, will operate as a separate subsidiary, and is expected to contribute a substantial increase in profit already in 2014. The purchase price is approximately MSEK 312 on a cash- and debt-free basis and will be financed through a combination of external debt and a new rights issue.

"The acquisition of Mentor Media makes Elanders a complete supplier in Supply Chain where packaging and other printed matter are often partial components. We climb up the value chain and expand our offer to global customers. The acquisition is yet another step in our strategic positioning to reduce our exposure to traditional print and we will now create three strong areas in Elanders; Print & Packaging Solutions, Supply Chain Solutions and e-Commerce Solutions. The past few years we have rapidly transformed Elanders from a classic graphic group to a company that offers global solutions for our customers in print, packaging, e-commerce and now we add supply chain. Mentor Media has a strong position in Asia, which means that around 40 percent of Elanders' net sales will now be generated in the growth region Asia," says Magnus Nilsson, President and CEO of Elanders AB.

Elanders purchases Mentor Media from an Asian investment fund and the purchase price is MUSD 48 on a cash- and debt-free basis. Mentor Media has operations in eight countries, the largest of which are China, Singapore, India and the USA. The company is also represented in Japan, Mexico, Taiwan and the Czech Republic. In 2013 the company's net sales are expected to reach MUSD 185. Mentor Media was founded in 1984, listed on the Singapore Stock Market in 1999, was acquired by a consortium of investors and subsequently taken private in 2006.

Mentor Media is specialized in the provision of value added services to companies in the electronics and computer industry with special focus on product and component flows with extremely short lead times and comprehensive statistics reporting to customers. Its operations are built up around sophisticated IT solutions and its range of services includes sourcing, procuring components, warehousing and logistics management, customized manufacturing, order management and fulfilment, distribution, reverse logistics and repair services and e-Commerce solutions.

"Mentor Media broadens our service offering, even in e-Commerce, both to companies and directly to consumers. It is a stable company with a good reputation, who will be able to develop Elanders' business, people and customers very positively. The acquisition is a step in Elanders' strategy of the past few years to be a global player with progressively less exposure to traditional print. Through the acquisition we also increase our geographic presence from 10 to 14 countries," continues Magnus Nilsson.

Elanders is a global graphic company with production facilities in nine countries on four continents. Our product areas are Commercial Print, Packaging and e-Commerce. The Group has around 1,900 employees and had net sales of more than SEK 1.9 billion in 2012. The Elanders share is listed on NASDAQ OMX Stockholm, Small Cap. For mer information, please visit www.elanders.com

“We have built a business that we are really proud of, and as a part of Elanders, we will broaden and strengthen our services to our valued customers. The collective competencies in Elanders and Mentor Media now enhance us as a full-fledged contractor of Supply Chain, Print & Packaging and e-Commerce solutions,” comments Lim Kok Khoo, CEO of Mentor Media.

The acquisition will be financed through a combination of external debt and a new rights issue. The bridge financing will be handled through Elanders’ existing bank relations. As part of the financing of the acquisition the board of Elanders intends to suggest a new rights issue with preference for existing shareholders of some MSEK 125. The entire sum of the new issue will be guaranteed by majority owner Carl Bennet AB. A detailed time schedule and terms will be announced later.

Elanders’ recent acquisitions:

- Fotokasten and d|o|m (e-Commerce), March 2012, Germany
- Midland Information Resources (Print & Packaging), December 2012, USA
- McNaughtan’s (Print & Packaging), February 2013, Scotland
- Myphotobook (e-Commerce), August 2013, Germany
- Mentor Media (Supply Chain), January 2014, Singapore

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