

**Press release**

19 December 2008

**Elanders makes further cost adjustments in Europe while it expands in China. This has resulted in a forecast revision for 2008.**

The international economic slowdown is accelerating the structural changes in the graphic industry. This creates challenges and new opportunities.

***“The downturn in the economy provides us with opportunities. It increases our customers’ willingness to look at their publishing needs with a comprehensive perspective and reduce the number of their suppliers. At the same time it accelerates the already initiated structural changes where the focal point has been shifted from traditionally ordered printing production in offset towards flexible, recipient customised production in digital print and solutions for orders through Web-to-print,”*** says Patrick Holm, President and Chief Executive Officer. He continues:

***“Elanders is already well-equipped for the structural changes in terms of technology but a few more steps are needed to successfully handle the slow economy and in particular, to deal with a different ordering pattern which will grow stronger once demand is on the rise again. Along the way we will need to make expansive investments in such things as cost adjustments and production resources to increase our competitive capacity.”***

The following measures will be taken:

- The Group will reduce its labour force primarily in offset and binding operations by a total of 250 employees, of which 135 are in Sweden, affecting every place in the country where we have operations.
- We will increase investments in Sweden in Web-to-print and digital, recipient customised production while offset and binding production will be concentrated to two locations: Falköping and Mölnlycke.
- In 2009 our success in China will be followed up by an expansion to handle the market shares we are gaining in the consumer electronics segment. We will increase our capacity to manufacture packaging and user information.
- Next year we will invest in new technology in packaging manufacture in Hungary to meet demand from customers in consumer electronics.

The forecast revision is based on the following factors:

- Continued general decline in orders from customers, primarily in automotives and white goods, in Sweden and Italy, with an estimated effect of MSEK -20.
- One-off costs for adjustments and obligations in Sweden are estimated at MSEK -65.

**New forecast for the year 2008**

The previous forecast was “a pre-tax profit of approximately MSEK 50 and profit after tax of around MSEK 35.”

The forecast for the year 2008 is now changed to a negative pre-tax result of around MSEK -35 and after tax of approximately MSEK -27.

Elanders AB (publ.)

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Elanders AB (publ) is the leading Nordic Infomedia Group and provides publication solutions for any kind of information. Elanders offers individual solutions for the entire value chain in the publishing process through its comprehensive concept Master Vendor. Turnover in 2007 was MSEK 2,036 and including our subsidiaries in 11 countries we have about 1,700 employees. The company is listed on the OMX Nordic Exchange Stockholm Small Cap list. For further information, please see [www.elanders.com](http://www.elanders.com).