

Elanders adjusts production capacity in southern Sweden – closes plant in Trelleborg

- *Shuts down operations in Berlings Skogs AB in Trelleborg*
- *48 employees given notice*
- *Operations will be concentrated to Malmö*
- *The estimated cost of closing down Berlings Skogs AB will charge this year's profits but will not affect the forecast previously given by the Group for 2003 of approximately MSEK 50 in pre-tax profits and a continued positive cash flow.*

Elanders currently has operations in Skåne at Elanders Skogs Grafiska AB in Malmö and Berlings Skogs AB in Trelleborg.

Elanders continuously adjusts capacity based on market conditions in the regions and segments where the Group is active in order to be competitive in the long run. The Group also works successfully on raising productivity in its various production units, which gradually increases available capacity. Large volumes, primarily in the mobile telephone segment, have previously been placed in Elanders' foreign plants as a result of customer relocation. The market in the Skåne region for certain types of printing is and has been in decline.

With all these factors combined it is no longer profitable for Elanders to maintain two similar operations so geographically close to each other in Skåne. Operations in Berlings Skogs AB in Trelleborg will be phased out and 48 employees have been given notice conditional upon customary union negotiation, which will begin immediately. The operations are expected to be shut down by the end of the first quarter in 2004.

The decision to close the unit in Trelleborg and direct resources to the unit in Malmö is based on the strategic importance for the Group's development Elanders places on being located in Sweden's third largest city and within the Öresund region.

The cost of closing down the Trelleborg unit charges Group profits for 2003. The previous forecast presented by Elanders for 2003 of pre-tax profits of around MSEK 50 and a continued positive cash flow remains the same.

For further information please contact:

Patrick Holm
President and CEO
Elanders AB
+46 300 50 195
+46 708 210 410

Monica Banck
Human Resource Director
Elanders AB
+46 300 50 132
+46 703 117 055

Peter Hjelm
Region South Manager
Elanders Gummessons AB
+46 515 72 32 03
+46 703 249 430