

Interim Report from ProfilGruppen AB (publ.),
January – September 2008

Åseda, October 23, 2008

Declining market

Third Quarter

- * **Turnover MSEK 259.1 (257.1), up 1 per cent compared with previous year**
- * **Operating profit MSEK 10.7 (13.9), down 23 per cent**
- * **Earnings per share SEK 1.30 (1.76), down 26 per cent**

Nine months

- * **Turnover MSEK 865.5 (886.3), down 2 per cent compared with previous year**
- * **Operating profit MSEK 39.9 (47.2), down 15 per cent**
- * **Net income MSEK 24.8 (29.5), down 16 per cent**
- * **Cash flow from current operations MSEK -4.3 (37.0)**
- * **Earnings per share SEK 5.03 (5.99), down 16 per cent**
- * **Return on capital employed 18.8 per cent (22.7)**

Nils Arthur, President and CEO of ProfilGruppen says,

“The weakening demand has, as a consequence of the financial crisis, been worsened. This has influenced the result of the third quarter to a limited extent, but the impact is estimated to be more significant in the fourth quarter.

We have already taken actions to adapt to the current market situation. Among other things, on the 8th of October, we initiated negotiations with the unions regarding staffing level cutbacks of 55 employees. Simultaneously we implement the investment programme decided earlier this year in order to secure our long term competitiveness.”

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This information is published in accordance with applicable laws, listing agreements and directives. The information was released to the media on October 23 2008 at 08:30.

For the income statement and balance sheet, key figures and other facts about the Group, refer to pages 6-14.
Current information and photographs for free publication are available at www.profilgruppen.se.

Interim Report from ProfilGruppen AB (publ),
January – September 2008

Market

The demand for aluminium extrusions in the Western European market has decreased further during the third quarter, particularly due to the decreased activity within the construction and automotive industries. In general the demand is weaker in the export markets than in the domestic market.

The price of aluminium has, during the third quarter and in the beginning of the fourth quarter decreased significantly. The global stock levels of aluminium are still unusually high. The Group has raw material clauses in all customer contracts which reduce the sensitivity to fluctuations in the raw material price.

Deliveries and production

Turnover amounted to MSEK 865.5 (886.3), a decrease of two per cent compared with last year. This decrease is explained by lower delivery volumes.

Delivery volumes totalled 18,600 tonnes (19,245) of aluminium extrusions, a decrease of three per cent from last year. The export share amounted to 49 per cent (53) of the volume, and to 44 per cent (48) of the turnover.

Turnover per country, MSEK	Q 3 2008	Q 3 2007	Q 1-3 2008	Q 1-3 2007	12 months ongoing	Q 1-4 2007
Sweden	147.9	132.1	481.2	459.0	635.4	613.2
Germany	37.8	40.4	132.1	139.9	172.0	179.8
Norway	21.9	20.8	69.4	78.8	93.7	103.2
Denmark	11.8	16.4	40.1	49.3	59.1	68.3
United Kingdom	9.8	12.4	38.1	43.1	51.5	56.5
Other countries	29.9	35.1	104.6	116.1	146.9	158.4
TOTAL	259.1	257.1	865.5	886.3	1 158.6	1 179.4

Turnover per industry, MSEK	Q 3 2008	Q 3 2007	Q 1-3 2008	Q 1-3 2007	12 months ongoing	Q 1-4 2007
Automotive	59.7	70.7	224.2	250.3	305.5	331.5
Construction	50.0	58.0	167.8	205.2	235.7	273.0
Electronics	85.3	55.8	235.1	189.4	293.1	247.4
Interior	26.3	25.2	87.9	88.1	120.5	120.7
Miscellaneous	37.8	47.4	150.4	153.5	203.8	206.8
TOTAL	259.1	257.1	865.5	886.3	1 158.6	1 179.4

Increased business with new, as well as existing, customers within the electronic industry is the primary explanation to the increased turnover in the Swedish market. The decrease in turnover from the Norwegian market is related to the automotive industry.

Turnover to automotive and construction industry has decreased almost 15 per cent.

During the period the Group manufactured 18,300 tonnes (19,305) of aluminium extrusions.

Comments on profit

The operating profit for the first nine month of the year amounted to MSEK 39.9 (47.2), which is equivalent to an operating margin of 4.6 per cent (5.3). The profit was, compared to last year, negatively influenced by a lower delivery volume. During the third quarter the capacity utilization fell. In order to adjust the capacity to the current market situation, the night shifts at two of the Group's three extrusion lines will be shut down for the time being.

The profit after financial items amounted to MSEK 35.0 (41.5), while the profit after tax amounted to MSEK 24.8 (29.5).

Earnings per share totalled SEK 5.03 (5.99). On average, the number of shares in thousands amounted to 4,933 (4,933).

The return on capital employed amounted to 18.8 per cent (22.7).

The third quarter

Turnover amounted to MSEK 259.1 (257.1). During the quarter, the company delivered 5,350 tonnes (5,380) of aluminium extrusions and production amounted to 4,850 tonnes (5,495). The export share amounted to 47 per cent (53) of the volume, and to 43 per cent (49) of the turnover.

The operating income amounted to MSEK 10.7 (13.9), which is equivalent to an operating margin of 4.1 per cent (5.4). The lower operating income is mainly explained by lower capacity utilization in production of extrusions. The improved product mix in the second quarter has been maintained in the third quarter.

The income after financial items amounted to MSEK 9.0 (12.2). Earnings per share amounted to SEK 1.30 (1.76).

Events after the third quarter

The 8th of October 2008 ProfilGruppen Extrusions AB initiated negotiations with the unions regarding staffing level cutbacks of 55 employees. This measure is taken in order to adjust the organization and production capacity in Åseda to a declining demand. The adjustment means, among other things, that the night shifts at two out of the company's three extrusion lines will be shut down.

Investments

The investments amounted to MSEK 32.1 (22.2). Approximately MSEK 5.4 of the total investments was customer related and 19.8 MSEK was related to the investment programme which was decided earlier this year. Investments during the third quarter amounted to MSEK 11.3 (8.0).

Financing and liquidity

The cash flow from current operations amounted to MSEK -4.3 (37.0) and, after investment activities, to MSEK -26.1 (17.9). The cash flow from current operations of the quarter amounted to 5.4 MSEK (-13.6). The improved cash flow of the quarter is primarily explained by reduced levels of stock.

The balance sheet total as of 30 September 2008 amounted to MSEK 619.4, compared with MSEK 621.8 as of 30 September 2007.

Net debt amounted to MSEK 110.1 (107.1) as of 30 September 2008. The net debt/equity ratio was 0.63 (0.66). At that time, the Group's liquid assets amounted to MSEK 11.5 (4.6).

Personnel

The average number of employees in the Group was 467 (476), which included 70 (70) people employed by the processing companies. The number of employees in the Group as of 30 September totalled 465 (486).

Significant risks and uncertain factors

The Group's risks and risk management have not changed significantly since the annual report for 2007 was made. The uncertainty regarding surrounding factors and their effect on the result of the Group has increased.

Outlook for 2008

The demand for aluminium extrusions in Western Europe in 2008 has, during the first nine months, been lower than in 2007 and is assessed to be below previous year's level also in the fourth quarter. As a consequence of the weakening general business cycle, which has been worsened by the financial crisis, the customers are expected to reduce their stock levels in the fourth quarter. Because of this, the result for the fourth quarter is assessed to be substantially below previous year's level. The outlook in a longer perspective is difficult to assess but ProfilGruppen has taken actions to adapt the operations to a lower demand.

Outlook for 2008 – assessment in previous interim reports

The demand for aluminium extrusions in Western Europe in 2008 is assessed to be below the volumes of 2007. ProfilGruppen takes offensive measures to balance the uncertainty of the demand. ProfilGruppen's growth will continue to depend on the development of the key customers.

Year-end report and annual general meeting

ProfilGruppen will publish its year-end report for 2008 on 4 February 2009.

Annual General Meeting 2009 will be held in Åseda on 31 March 2009 at 15:00.

Åseda, October 23, 2008

Board of Directors, ProfilGruppen AB (publ)
Org no 556277-8943

Review Report for ProfilGruppen AB (publ) Org no 556277-8943

To the Board of Directors / Managing Director of ProfilGruppen AB (publ).

Introduction

We have reviewed the interim report for Profilgruppen AB (publ) for the period from January 1, 2008 to September 30, 2008. It is the Board of Directors and the Managing Director who are responsible for the presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The Scope of the Review

We conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, Review of the Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Federation of Authorized Public Accountants. A review of the interim report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review substantially smaller less in scope compared to an audit conducted according to Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed based on a review does not constitute the same level of assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material respects, is not prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Växjö, October 22, 2008

Ernst & Young AB

Kerstin Mouchard
Certified Public Accountant

Åke Andersson
Certified Public Accountant

Income Statement

The Group, MSEK	Q 3 2008	Q 3 2007	Q 1-3 2008	Q 1-3 2007	12 months ongoing ¹⁾	Q 1-4 2007
Net turnover	259.1	257.1	865.5	886.3	1 158.6	1 179.4
Cost of goods sold	-225.0	-222.5	-749.1	-766.8	-998.4	-1 016.1
Gross margin	34.1	34.6	116.4	119.5	160.2	163.3
Other operating revenues	0.1	0.1	0.5	0.8	1.1	1.4
Selling expenses	-12.8	-10.4	-40.0	-38.0	-53.8	-51.8
Administrative expenses	-10.7	-10.4	-37.0	-35.1	-51.5	-49.6
Operating income	10.7	13.9	39.9	47.2	56.0	63.3
Interest income	0.1	0.1	0.4	0.5	0.7	0.8
Interest expenses	-1.8	-1.8	-5.3	-6.2	-6.2	-7.1
Net financial income/expense	-1.7	-1.7	-4.9	-5.7	-5.5	-6.3
Income after financial items	9.0	12.2	35.0	41.5	50.5	57.0
Tax	-2.6	-3.6	-10.2	-12.0	-15.0	-16.8
Net income for the period	6.4	8.6	24.8	29.5	35.5	40.2
Earnings per share, SEK	1.30	1.76	5.03	5.99	7.19	8.15
Average number of shares, thousands	4 933	4 933	4 933	4 933	4 933	4 933
No dilution.						
Depreciation and write-down of fixed assets						
Land and buildings	0.7	0.8	2.4	2.8	3.4	3.8
Machinery and equipment	5.2	5.2	20.7	20.1	29.1	28.5
Total	5.9	6.0	23.1	22.9	32.5	32.3
of which write-down	0.0	0.0	0.6	0.0	1.4	0.8
Net turnover per geographical market ²⁾						
Sweden	147.9	132.1	481.2	459.0	635.4	613.2
Other Nordic countries	38.2	47.5	130.7	151.3	187.6	208.2
Rest of Europe	70.8	76.4	250.0	269.5	331.8	351.3
Other	2.2	1.1	3.6	6.5	3.8	6.7
Total	259.1	257.1	865.5	886.3	1 158.6	1 179.4

¹⁾ Refers to period October 2007 – September 2008.

²⁾ The figures for the second quarter have been adjusted.

Balance sheet

The Group, MSEK	30 September 2008	30 September 2007	31 December 2007
Assets			
Fixed assets			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	269.0	273.8	260.9
Financial fixed assets	0.2	0.2	0.2
Total fixed assets	279.2	284.0	271.1
Current assets			
Inventories	120.8	127.0	133.4
Current receivables	207.9	206.2	172.7
Liquid assets	11.5	4.6	38.7
Total current assets	340.2	337.8	344.8
Total assets	619.4	621.8	615.9
Shareholders' equity and liabilities			
Shareholders' equity	173.7	163.4	172.3
Long-term liabilities			
Interest-bearing liabilities	102.7	108.7	102.9
Interest-free liabilities	63.0	48.8	55.1
Total long-term liabilities	165.7	157.5	158.0
Short-term liabilities			
Interest-bearing liabilities	18.9	2.9	0.7
Interest-free liabilities	261.1	298.0	284.9
Total short-term liabilities	280.0	300.9	285.6
Total shareholders' equity and liabilities	619.4	621.8	615.9

Changes in shareholders' equity

The Group, MSEK	Q 3 2008	Q 3 2007	Q 1-3 2008	Q 1-3 2007	kv 1-4 2007
Opening balance	173.0	153.6	172.3	148.4	148.4
Changes in reserves	-6.1	1.2	-6.0	-0.7	-2.5
Dividend	0.0	0.0	-17.8	-13.8	-13.8
Others	0.4	0.0	0.4	0.0	0.0
Net income for the period	6.4	8.6	24.8	29.5	40.2
Closing balance	173.7	163.4	173.7	163.4	172.3

Cash flow statement

The Group, MSEK	Q 3 2008	Q 3 2007	Q 1-3 2008	Q 1-3 2007	12 months ongoing ¹⁾	Q 1-4 2007
Operating cash flow ¹⁾	9.9	15.8	42.0	54.9	56.1	69.0
Working capital changes	-4.5	-29.4	-46.3	-17.9	-19.0	9.4
Cash flow from operating activities	5.4	-13.6	-4.3	37.0	37.1	78.4
Cash flow from investing activities	-9.5	-4.6	-21.8	-19.1	-20.9	-18.2
Cash flow from financing activities	9.9	-29.7	-1.3	-42.2	-10.0	-50.9
Cash flow for the period	5.8	-47.9	-27.4	-24.3	6.2	9.3
Liquid assets, opening balance	5.5	52.9	38.7	28.8	4.6	28.8
Translation differences in liquid assets	0.2	-0.4	0.2	0.1	0.7	0.6
Liquid assets, closing balance	11.5	4.6	11.5	4.6	11.5	38.7

¹⁾ Refers to period October 2007 – September 2008.

²⁾ Cash flow from operating activities before working capital changes.

Accounting Principles

This quarterly report has been prepared in accordance with the IAS 34 Interim financial reporting and the RR 31 Quarterly reporting for groups. The Group apply IFRS and interpretation statements from IFRIC as they have been approved by the EU commission for application within the European Union. The same accounting principles and calculating methods have been used as in the latest annual report. The new or modified IFRS standards and IFRIC interpretations that were taken in action as of 1 January 2008 have not affected the Group's result or position.

Key ratios

The Group	Q 3 2008	Q 3 2007	Q 1-3 2008	Q 1-3 2007	12 months ongoing ¹⁾	Q 1-4 2007
Net turnover, MSEK	259.1	257.1	865.5	886.3	1 158.6	1 179.4
Income before depreciation, MSEK	16.6	19.9	63.0	70.1	88.5	95.6
Operating income/loss, MSEK	10.7	13.9	39.9	47.2	56.0	63.3
Operating margin, %	4.1	5.4	4.6	5.3	4.8	5.4
Income after financial items, MSEK	9.0	12.2	35.0	41.5	50.5	57.0
Operating margin, %	3.5	4.7	4.0	4.7	4.4	4.8
Return on equity, %	14.8	21.9	19.1	25.2	21.1	25.1
Return on capital employed, %	15.0	19.7	18.8	22.7	19.9	22.8
Cash flow from operating activities, MSEK	5.4	-13.6	-4.3	37.0	37.1	78.4
Investments, MSEK	11.3	8.0	32.1	22.2	34.6	24.7
Liquidity reserve, MSEK	-	-	162.9	163.2	-	212.1
Net debt, MSEK	-	-	110.1	107.1	-	65.0
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	121.6	111.6	-	103.6
Net debt/equity ratio	-	-	0.63	0.66	-	0.38
Total assets, MSEK	-	-	619.4	621.8	-	615.9
Equity ratio, %	-	-	28.0	26.3	-	28.0
Capital turnover	3.6	3.6	4.0	4.2	4.1	4.2
Proportion of risk-bearing capital, %	-	-	38.2	34.1	-	36.9
Interest coverage ratio	6.0	7.5	7.6	7.6	9.2	9.0
Average number of employees	467	486	467	476	470	475
Net turnover per employee (average), TSEK	555	529	1 855	1 861	2 465	2 481
Income after fin. per employee (average), TSEK	19	25	75	87	107	120
Average number of shares, thousands (No dilution.)	4 933	4 933	4 933	4 933	4 933	4 933
Number of shares, end of period, thousands	4 933	4 933	4 933	4 933	4 933	4 933
Earnings per share, SEK	1.30	1.76	5.03	5.99	7.19	8.15
Equity per share, SEK	-	-	35.21	33.13	-	34.92

¹⁾ Refers to period October 2007 – September 2008.

Definitions are given in ProfilGruppen's Annual Report 2007. Rounding differences may occur.
When not specified the information regards the total Group.

The parent company

The net turnover of the parent company amounted to MSEK 13.9 (13.9) and comprised rents from companies in the Group. No purchases were made from companies within the Group. Profit after financial items amounted to MSEK 4.4 (4.6).

Investments in the parent company amounted to MSEK 8.8 (1.8) and comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 63.3 (67.1) as of 30 September 2008. The change in the parent company's liquidity during the period has been MSEK 0 (0).

The parent company employs one (1) person.

The parent company's risks and uncertain factors have not changed significantly compared to that described in the 2007 annual report.

No significant related transactions apart from rent debiting for subsidiaries have been implemented during the period.

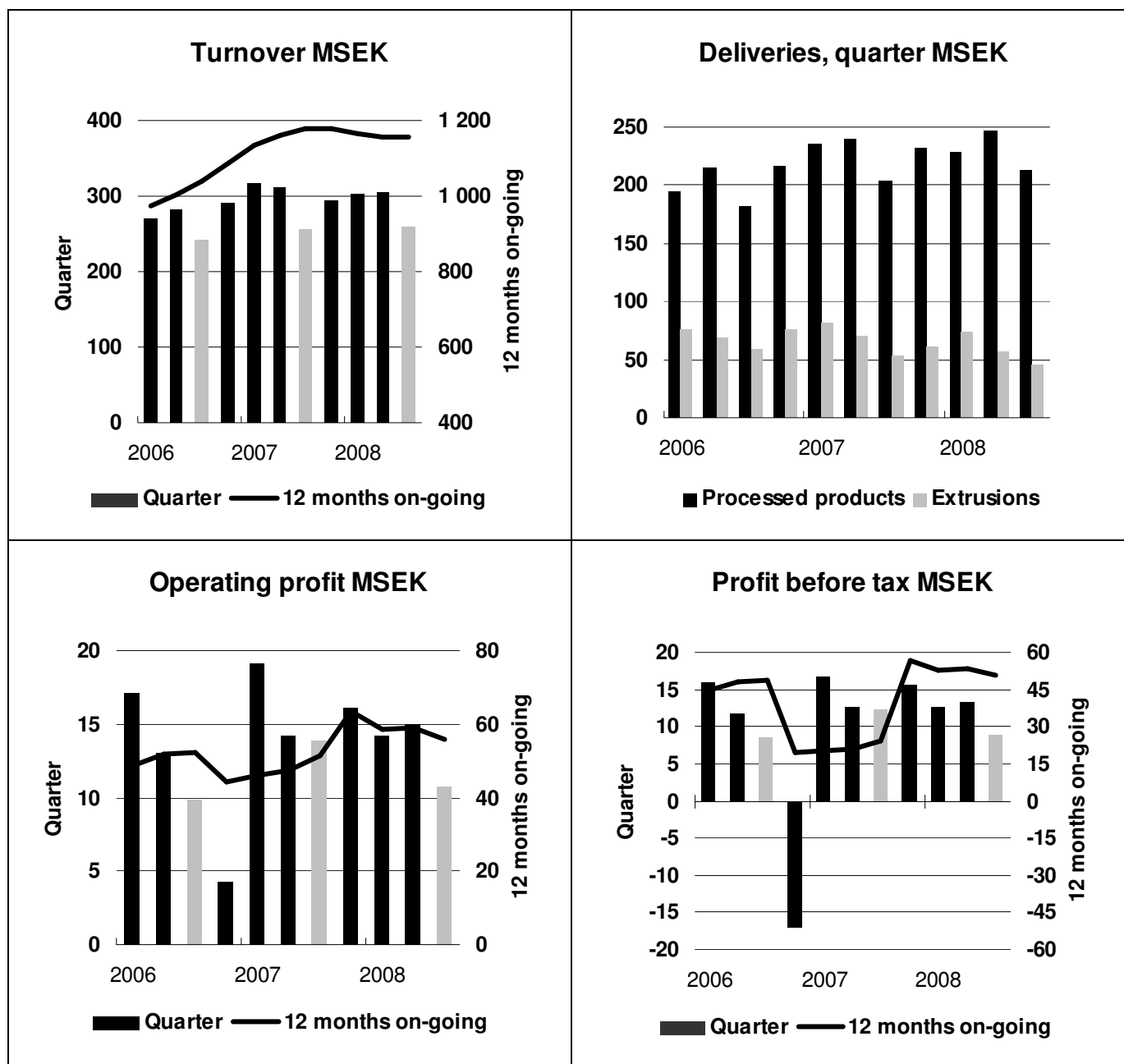
Income Statement– the parent company

Parent company, MSEK	Q 3 2008	Q 3 2007	Q 1-3 2008	Q 1-3 2007	kv 1-4 2007
Net turnover	4.6	4.6	13.9	13.9	18.6
Cost of goods sold	-0.5	-0.6	-2.1	-2.1	-2.9
Gross margin	4.1	4.0	11.8	11.8	15.7
Administrative expenses	-1.4	-1.3	-5.0	-4.2	-5.6
Operating income	2.7	2.7	6.8	7.6	10.1
Interest income	0.0	0.0	0.0	0.0	0.1
Interest expenses	-0.9	-1.0	-2.4	-3.0	-3.5
Income after financial items	1.8	1.7	4.4	4.6	6.7
Appropriations	0.0	0.0	0.0	0.0	-4.8
Income before tax	1.8	1.7	4.4	4.6	1.9
Tax	-0.5	-0.5	-1.3	-1.4	-0.6
Result of the year	1.3	1.2	3.1	3.2	1.3

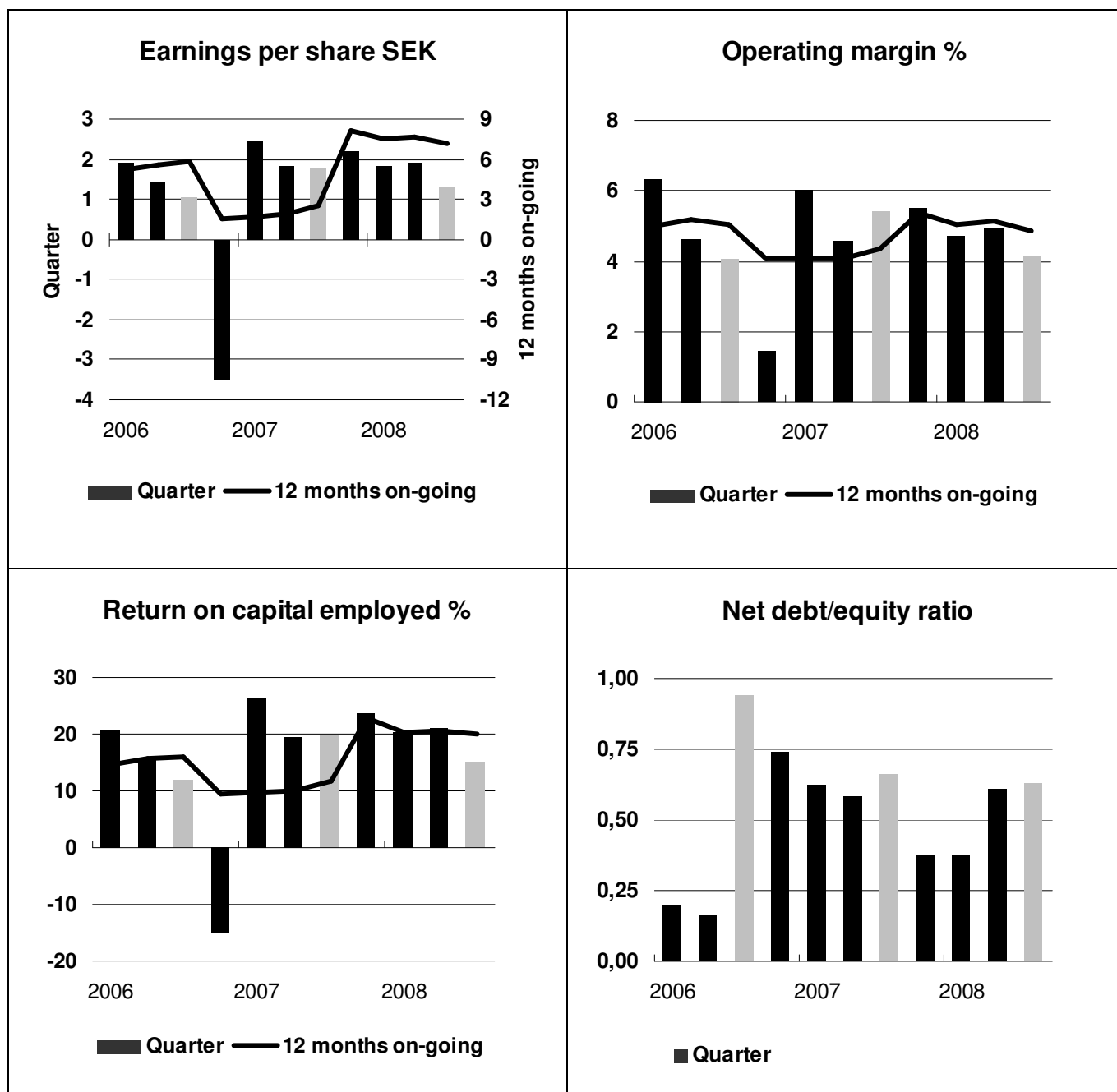
Balance sheet – the parent company

Parent company, MSEK	30 September 2008	30 September 2007	31 December 2007
Assets			
Tangible assets			
Tangible fixed assets	88.8	82.5	82.0
Financial assets	108.9	108.9	108.9
Total fixed assets	197.7	191.4	190.9
Current assets			
Current receivables	6.5	4.1	1.2
Cash and bank balances	0.4	0.4	0.4
Total current assets	6.9	4.5	1.6
Total assets	204.6	195.9	192.5
Equity and liabilities			
Equity	31.4	34.4	45.7
Untaxed reserves	19.3	14.4	19.3
Provisions for taxes	3.1	2.8	3.0
Long-term liabilities	49.7	50.2	50.3
Current liabilities	101.1	94.1	74.2
Total equity and liabilities	204.6	195.9	192.5

The Group



The Group



Brief facts about the Group

- ProfilGruppen AB in Åseda, Småland, in Sweden develops, manufactures and delivers customised extrusions and components in aluminium.
- The company has customers in several European countries and during 2007 53 per cent of the volume was exported.
- Aluminium extrusions are used within many industries, for example, construction, automotive industry, telecommunications/electronics and furnishings.
- The manufacture of extrusions takes place on three modern press lines at the company's facilities at ProfilGruppen Extrusions AB.
- The processing subsidiaries ProfilGruppen Manufacturing AB and ProfilGruppen Components AB are equipped for cutting processing, surface treatment, friction stir welding, bending and mounting.
- Over the last few years ProfilGruppen has invested heavily in equipment for the manufacturing and processing of aluminium extrusions.
- The company cooperates with around ten regional suppliers who process products on behalf of ProfilGruppen.
- The Group had 472 employees at the end of 2007.
- The company is quality-certified in accordance with ISO TS 16949, ISO 9001 and ISO 14001.
- ProfilGruppen AB was listed on the Stockholm Stock Exchange in June 1997 and is listed as Small Cap.