

Interim report from ProfilGruppen AB (publ),
January – June 2009

Åseda 23 July, 2009

Certain stabilisation in continued weak market

Second Quarter

- * **Turnover MSEK 192.9 (304.1), down 37 percent from previous year.**
- * **Operating profit/loss MSEK -4.2 (15.0).**
- * **Cash flow from current operations MSEK 23.7 (-7.0).**
- * **Earnings per share SEK -0.99 (1.92)**

First six months

- * **Turnover MSEK 398.2 (606.4), down 34 percent from previous year.**
- * **Operating profit/loss MSEK -14.6 (29.2).**
- * **Net income MSEK -13.5 (18.4).**
- * **Cash flow from current operations MSEK -0.9 (-9.7).**
- * **Earnings per share SEK -2.74 (3.73)**

Nils Arthur, President and CEO of ProfilGruppen says:

“We have experienced a weak market also during the second quarter, but at the same time we see signs that the major inventory cutbacks for our customers now are coming to an end.

The Group has for the latest two quarters achieved gradual result improvements but is still reporting a negative result. Therefore we continue our adaptations of the operation. ”

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For income, financial position, 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.

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Market

The demand for aluminium extrusions in Europe has been weak also in the second quarter. Virtually all sectors have been affected by the downturn, but the construction and automotive industries, which previously were most affected, show certain signs of stabilisation.

The customer's inventory cutback phase, which have lasted longer than expected, is now estimated to be over. The industry is currently characterised by lower order quantities and short lead-times.

According to the latest assessment from the European Aluminium Association EAA the market in Europe has weakened by more than 25 percent in the second quarter of 2009 compared to the equivalent period for 2008. Seen over the first half year, the market is assessed to have weakened by approximately 30 percent in volume compared to last year.

The price of aluminium raw material on London Metal Exchange (LME) has been relatively stable during the second quarter. The average price during the quarter has been approximately USD 1500 per ton, an increase by nine percent compared to the first quarter of the year, but as much as 49 percent lower than during the equivalent period last year. The global inventory level of LME amounts to as much as 4.2 million tonnes, an increase by approximately 70 percent during the year.

Turnover

Turnover, for the first six months, amounted to MSEK 398.2 (606.4), a drop of 34 percent compared to the previous year, primarily as a consequence of low demand.

The delivery volume was 8,700 tonnes (13,250) of aluminium extrusions, a fall of 34 percent compared to the previous year. The share of exports amounted to 44 percent (50) of volume, and 44 percent (45) of turnover.

Turnover per country, MSEK	Q 2 2009	Q 2 2008	Q 1-2 2009	Q 1-2 2008	12 months ongoing	Q 1-4 2008
Sweden	107.8	173.0	222.4	333.3	495.9	606.8
Germany	27.5	39.9	47.9	94.3	109.7	156.1
Norway	11.3	24.1	25.6	47.5	66.6	88.5
Denmark	9.2	14.4	23.1	28.2	47.8	52.9
United Kingdom	7.5	14.6	14.9	28.3	33.7	47.1
Other countries	29.6	38.1	64.3	74.8	124.2	134.7
TOTAL	192.9	304.1	398.2	606.4	877.9	1 086.1

Due to decreased deliveries to some of the largest customers, the turnover on the Swedish market shows a fall by approximately 38 percent compared to the equivalent period last year. A certain recovery can be seen for Germany in relation to the first quarter but the downturn is despite of this approximately 30 percent lower than the second quarter 2008.

Turnover per sector, MSEK	Q 2 2009	Q 2 2008	Q 1-2 2009	Q 1-2 2008	12 months ongoing	Q 1-4 2008
Automotive	48.0	87.3	94.1	164.5	202.0	272.4
Construction	45.9	53.1	88.8	117.8	181.1	210.1
Electronics	49.6	85.0	113.3	149.8	269.0	305.5
Interiors	16.8	29.6	41.6	61.7	95.3	115.4
Other sectors	32.6	49.1	60.4	112.6	130.5	182.7
TOTAL	192.9	304.1	398.2	606.4	877.9	1 086.1

The lower delivery quantities to the automotive industry continues even though the deliveries to the car industry has somewhat stabilised. Also the construction industry has shown certain signs of stabilisation during the years second quarter. Turnover from the electronics segment, which during the first quarter remained unchanged from last year, has shown a substantial downturn during the second quarter, with approximately 40 percent lower deliveries than the equivalent period last year.

The turnover to other sectors, which during the first quarter was approximately 45 percent lower than 2008, recovered somewhat during the second quarter. The main reason to the relative recovery is related to the demand from German machine manufacturers.

During the period, the Group manufactured 8,550 tonnes (13,450) of aluminium extrusions.

Comments on profit

The operating profit/loss for the first six months amounted to MSEK -14.6 (29.2), which is equivalent to an operating margin of -3.7 percent (4.8).

The fall in profit compared to the previous year is primarily the result of lower delivery volumes.

The profit/loss after financial items amounted to MSEK -18.3 (26.0), while the profit/loss after tax amounted to MSEK -13.5 (18.4).

Earnings per share totalled SEK -2.74 (3.73). The average in thousands of shares was 4,933 (4,933).

The return on capital employed amounted to -9.7 percent (21.0).

In order to adapt the business to the new market conditions, a sequence of cost reductions have been implemented from the third quarter of 2008, primarily through reduced number of working shifts and a significant reduction of the work force. The implemented measures are estimated to lead to a cost reduction of around MSEK 45 per year from the year's second quarter.

To further reduce the Groups cost level, a four day working week for the main part of the salaried employees in the group was implemented during the end of the second quarter. After the vacation period a four days working week will be implemented at the processing company ProfilGruppen Manufacturing AB. The agreement with the unions means that the employees get a 10 percent wage reduction at a reduced working time of 20 percent.

The second quarter

Turnover amounted to MSEK 192.9 (304.1). The delivery volume was 4,500 tonnes (6,350) of aluminium extrusions, and production was 4,650 tonnes (6,550). The share of exports amounted to 44 percent (47) of volume, and 44 percent (43) of turnover.

The operating profit/loss for the second quarter amounted to MSEK -4.2 (15.0), which primarily is an effect of lower delivery volumes and product mix.

The profit/loss after financial items amounted to MSEK -6.6 (13.4). A non recurring cost related to additional mortgages in connection to the renegotiation of the financing of the company has influenced the financial costs in the quarter by MSEK 1.1. The financial cost has been Earnings per share totalled SEK -0.99 (1.92).

Investments

Investment amounted to MSEK 12.5 (20.8). Of the total investment, around MSEK 7.7 were related to the part of the investment programme aimed at streamlining production at the main factory in Åseda which was carried out during the previous year. Commissioning of this stage of the investment was made in the first quarter. The investment will provide a more efficient material flow and reduced production inventories.

Financing and liquidity

Cash flow from current operations, for the first six months, amounted to MSEK -0.9 (-9.7) and cash flow after investments was MSEK -17.9 (-22.0). The working capital reduction that was achieved during the year through an inventory reduction by MSEK 23.6 has to a certain extent been offset by higher accounts receivables.

The cash flow from current operations for the second quarter amounted to MSEK 23.7 (-7.0) mainly due to reduced working capital.

The balance sheet total as of 30 June 2009 was MSEK 547.4, compared to MSEK 627.3 on 30 June 2008

Net debt amounted to MSEK 161.7 (105.6) as of 30 June 2009. The net debt/equity ratio was 1.23 (0.61). The Group's liquid assets amounted to MSEK 14.0 (5.5).

Personnel

The average number of Group employees was 392 (467), which included 58 (69) people employed by the processing companies.

The number of Group employees as of 30 June 2009 totalled 352 (469).

Significant risks and uncertain factors

The uncertainty that surrounds global factors and its potential impact on Group profits remains. The company's risks and risk management have otherwise not changed significantly since the publishing of the 2008 annual report.

Outlook for 2009

The assessment made in the interim report for the first quarter remains. Demand has remained weak and the development of the extrusion market in Western Europe for 2009 is difficult to assess.

Dates for financial reporting

Financial reports for 2009 the will be issued as follows:

Interim report third quarter 23 October 2009

Year-end report 2009 2 February 2010

Åseda, 23 July 2009

Board of ProfilGruppen AB (publ.)

Org.no. 556277-8943

This report has not been submitted for checking by the company's auditors.

Statement of comprehensive income

The Group, MSEK	Q 2 2009	Q 2 2008	Q 1-2 2009	Q 1-2 2008	12 months ongoing	Q 1-4 2008
Net turnover	192.9	304.1	398.2	606.4	877.9	1 086.1
Cost of goods sold	-173.9	-261.0	-366.3	-524.1	-807.5	-965.3
Gross margin	19.0	43.1	31.9	82.3	70.4	120.8
Other operating revenues	0.2	0.1	0.2	0.4	0.4	0.6
Selling expenses	-12.8	-14.2	-24.7	-27.2	-52.6	-55.1
Administrative expenses	-10.6	-14.0	-22.0	-26.3	-45.5	-49.8
Operating profit/loss	-4.2	15.0	-14.6	29.2	-27.3	16.5
Financial income	0.0	0.2	0.2	0.3	0.5	0.6
Financial expenses	-2.4	-1.8	-3.9	-3.5	-7.5	-7.1
Net financial income/expense	-2.4	-1.6	-3.7	-3.2	-7.0	-6.5
Income after financial items	-6.6	13.4	-18.3	26.0	-34.3	10.0
Tax	1.7	-3.9	4.8	-7.6	11.7	-0.7
Net income for the period	-4.9	9.5	-13.5	18.4	-22.6	9.3
Other comprehensive income						
Changes in hedging reserve	6.8	-1.7	6.3	0.2	-15.9	-22.0
Translation differences	0.0	0.0	0.3	0.0	0.3	0.0
Other, reported directly against equity	0.0	0.0	0.5	-0.1	1.1	0.5
Comprehensive income for the period	1.9	7.8	-6.4	18.5	-37.1	-12.2
Earnings per share (before and after dilution), SEK	-0.99	1.92	-2.74	3.73	-4.59	1.88
Average number of shares, thousands	4 933	4 933	4 933	4 933	4 933	4 933
Depreciation and write-down of fixed assets						
Land and buildings	0.9	0.8	1.9	1.7	3.4	3.2
Machinery and equipment	7.9	8.3	15.5	15.5	28.6	28.6
Total	8.8	9.1	17.4	17.2	32.0	31.8
of which write-down	0.0	0.6	0.0	0.6	0.0	0.6

Statement of financial position

The Group, MSEK	30 June 2009	30 June 2008	31 December 2008
Assets			
Fixed assets			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	278.7	263.7	284.2
Financial fixed assets	0.2	0.2	0.2
Total fixed assets	288.9	273.9	294.4
Current assets			
Inventories	104.6	134.3	128.2
Current receivables	139.9	213.6	134.4
Liquid assets	14.0	5.5	6.6
Total current assets	258.5	353.4	269.2
Total assets	547.4	627.3	563.6
Shareholders' equity and liabilities			
Shareholders' equity	131.0	173.0	142.3
Long-term liabilities			
Interest-bearing liabilities	93.5	103.9	91.1
Interest-free liabilities	38.6	62.8	41.0
Total long-term liabilities	132.1	166.7	132.1
Short-term liabilities			
Interest-bearing liabilities	82.3	7.2	51.3
Interest-free liabilities	202.0	280.4	237.9
Total short-term liabilities	284.3	287.6	289.2
Total shareholders' equity and liabilities	547.4	627.3	563.6

Statement of changes in equity

The Group, MSEK	Q 2 2009	Q 2 2008	Q 1-2 2009	Q 1-2 2008	Q 1-4 2008
Opening balance	134.0	183.0	142.3	172.3	172.3
Dividend	-4.9	-17.8	-4.9	-17.8	-17.8
Comprehensive income for the period	1.9	7.8	-6.4	18.5	-12.2
Closing balance	131.0	173.0	131.0	173.0	142.3

Statement of cash flows

The Group, MSEK	Q 2 2009	Q 2 2008	Q 1-2 2009	Q 1-2 2008	12 months ongoing	Q 1-4 2008
Operating cash flow ¹⁾	2.9	18.0	9.0	32.1	-0.3	22.8
Working capital changes	20.8	-25.0	-9.9	-41.8	4.5	-27.4
Cash flow from operating activities	23.7	-7.0	-0.9	-9.7	4.2	-4.6
Cash flow from investing activities	-4.9	-10.2	-17.0	-12.3	-51.2	-46.5
Cash flow from financing activities	-10.5	-10.6	25.1	-11.2	55.2	18.9
Cash flow for the period	8.3	-27.8	7.2	-33.2	8.2	-32.2
Liquid assets, opening balance	5.8	33.2	6.6	38.7	5.5	38.7
Translation differences in liquid assets	-0.1	0.1	0.2	0.0	0.3	0.1
Liquid assets, closing balance	14.0	5.5	14.0	5.5	14.0	6.6

¹⁾ Cash flow from operating activities before working capital changes.

Accounting Principles

The consolidated accounts have, as the year-end report for 2008, been prepared according to International Financial Reporting Standards (IFRS), as they have been approved by the EU, the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Standards Council's RFR 2.2 Accounting for Legal Entities.

This interim report has been prepared according to IAS 34. The term "IFRS" in this document means the application of IAS and IFRS as well as the interpretations of these standards that have been issued by IASB's Standards Interpretation Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC).

The Group applies the same accounting principles as in the annual report for 2008 with the exception for the additions and alterations of IFRS that were taken in action as of 1 January 2009.

As of 1 January 2009 IFRS 8 was taken in action, which means new requirements for the reporting of business segments. The new standard requires that the information of segments should be presented identically to the management's internal follow up of the operations. The implementation of IFRS 8 has not resulted in identification of other business segments than in the previous years, which means the Group reports one single segment. The standard has not affected the Group's financial position, cash flow or income.

A revised version of IAS 1 Presentation of Financial Statements was also taken in action. The implementation of this standard has mainly meant a change of the presentation of income and changes in equity in the interim reports.

Key ratios

The Group	Q 2 2009	Q 2 2008	Q 1-2 2009	Q 1-2 2008	12 months ongoing	Q 1-4 2008
Net turnover, MSEK	192.9	304.1	398.2	606.4	877.9	1 086.1
Income before depreciation, MSEK	4.6	24.1	2.8	46.4	4.7	48.3
Operating income/loss, MSEK	-4.2	15.0	-14.6	29.2	-27.3	16.5
Operating margin, %	-2.2	4.9	-3.7	4.8	-3.1	1.5
Income after financial items, MSEK	-6.6	13.4	-18.3	26.0	-34.3	10.0
Profit margin, %	-3.4	4.4	-4.6	4.3	-3.9	0.9
Return on equity, %	-14.8	21.2	-19.8	21.3	-14.9	5.9
Return on capital employed, %	-5.4	21.2	-9.7	21.0	-9.0	6.1
Cash flow from operating activities, MSEK	23.7	-7.0	-0.9	-9.7	4.2	-4.6
Investments, MSEK	6.9	15.8	12.5	20.8	48.2	56.5
Liquidity reserve, MSEK	-	-	115.8	165.9	-	133.7
Net debt, MSEK	-	-	161.7	105.6	-	135.8
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	175.8	111.1	-	142.4
Net debt/equity ratio	-	-	1.23	0.61	-	0.95
Total assets, MSEK	-	-	547.4	627.3	-	563.6
Equity ratio, %	-	-	23.9	27.6	-	25.2
Capital turnover	2.5	4.3	2.7	4.3	3.0	3.9
Proportion of risk-bearing capital, %	-	-	31.0	37.6	-	32.5
Interest coverage ratio	-1.7	8.4	-3.6	8.5	-3.5	2.4
Average number of employees	371	465	392	467	422	460
Net turnover per employee (average), TSEK	520	654	1 014	1 298	2 080	2 359
Income after fin, per employee (average), TSEK	-18	29	-47	56	-81	22
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	-0.99	1.92	-2.74	3.73	-4.59	1.88
Equity per share, SEK	-	-	26.56	35.08	-	28.85

Definitions are given in ProfilGruppen's Annual Report 2008. Rounding differences may occur.
When not specified the information regards the total Group.

The parent company

The turnover of the parent company amounted to MSEK 12.4 (9.3) and comprised payments for rents and services from companies in the Group. No purchases were made from companies within the Group. Income after financial items amounted to MSEK 6.1 (2.6). Investments in the parent company amounted to MSEK 2.9 (2.5) and comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 67.0 (62.4) as of 30 June 2009. 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 2008 annual report.

No significant related transactions apart from above mentioned transactions with subsidiaries have been implemented during the period.

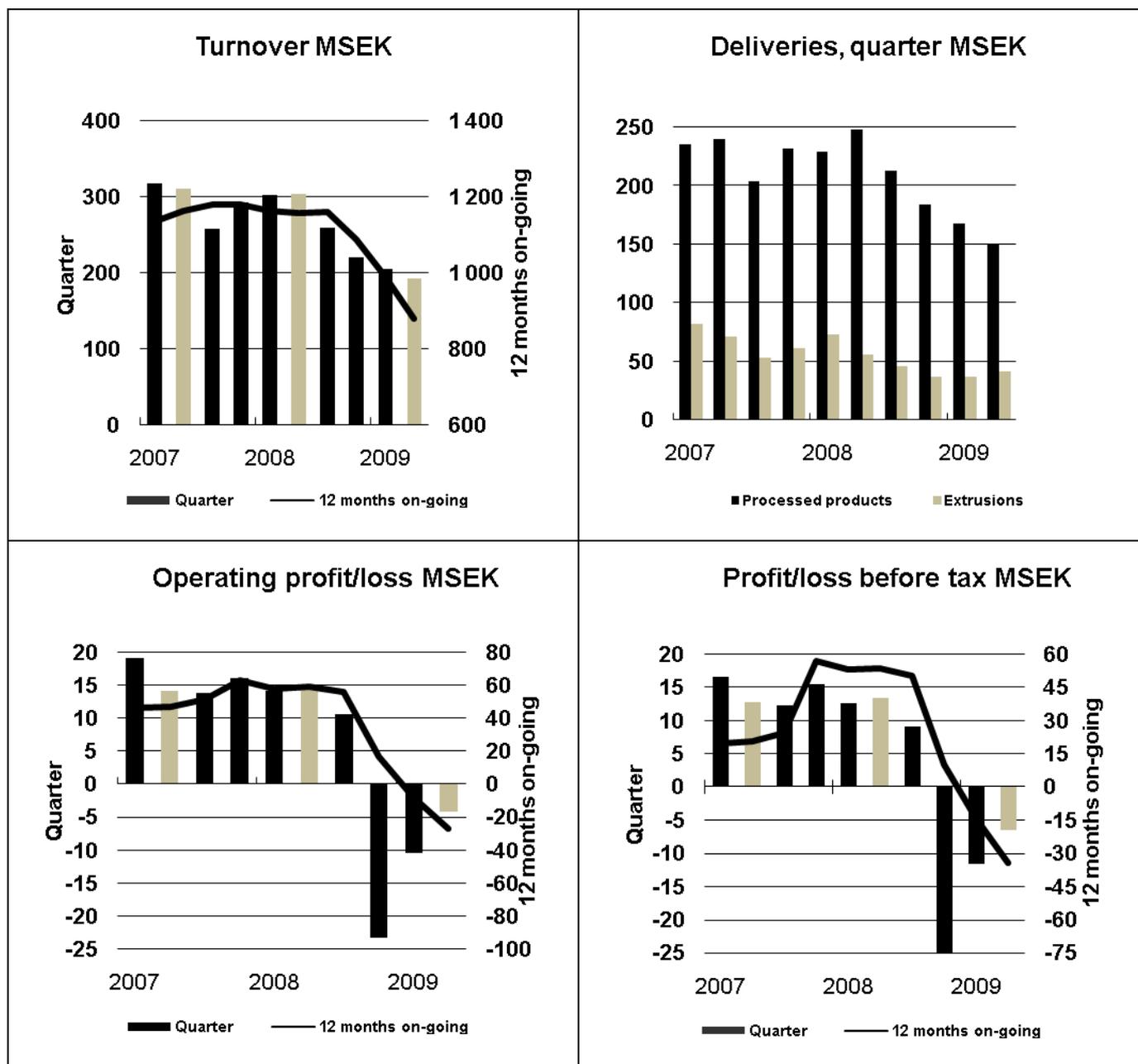
Income Statement – the parent company

Parent company, MSEK	Q 2 2009	Q 2 2008	Q 1-2 2009	Q 1-2 2008	Q 1-4 2008
Turnover	6.9	4.7	12.4	9.3	18.6
Cost of goods sold	-1.0	-0.9	-1.8	-1.6	-2.9
Gross margin	5.9	3.8	10.6	7.7	15.7
Administrative expenses	-1.9	-1.7	-3.5	-3.6	-6.7
Operating income	4.0	2.1	7.1	4.1	9.0
Interest income	0.3	0.0	0.5	0.0	0.0
Interest expenses	-0.9	-0.7	-1.5	-1.5	-3.2
Income after financial items	3.4	1.4	6.1	2.6	5.8
Appropriations	0.0	0.0	0.0	0.0	-3.9
Income before tax	3.4	1.4	6.1	2.6	1.9
Tax	-0.9	-0.5	-1.6	-0.8	-0.5
Result of the year	2.5	0.9	4.5	1.8	1.4

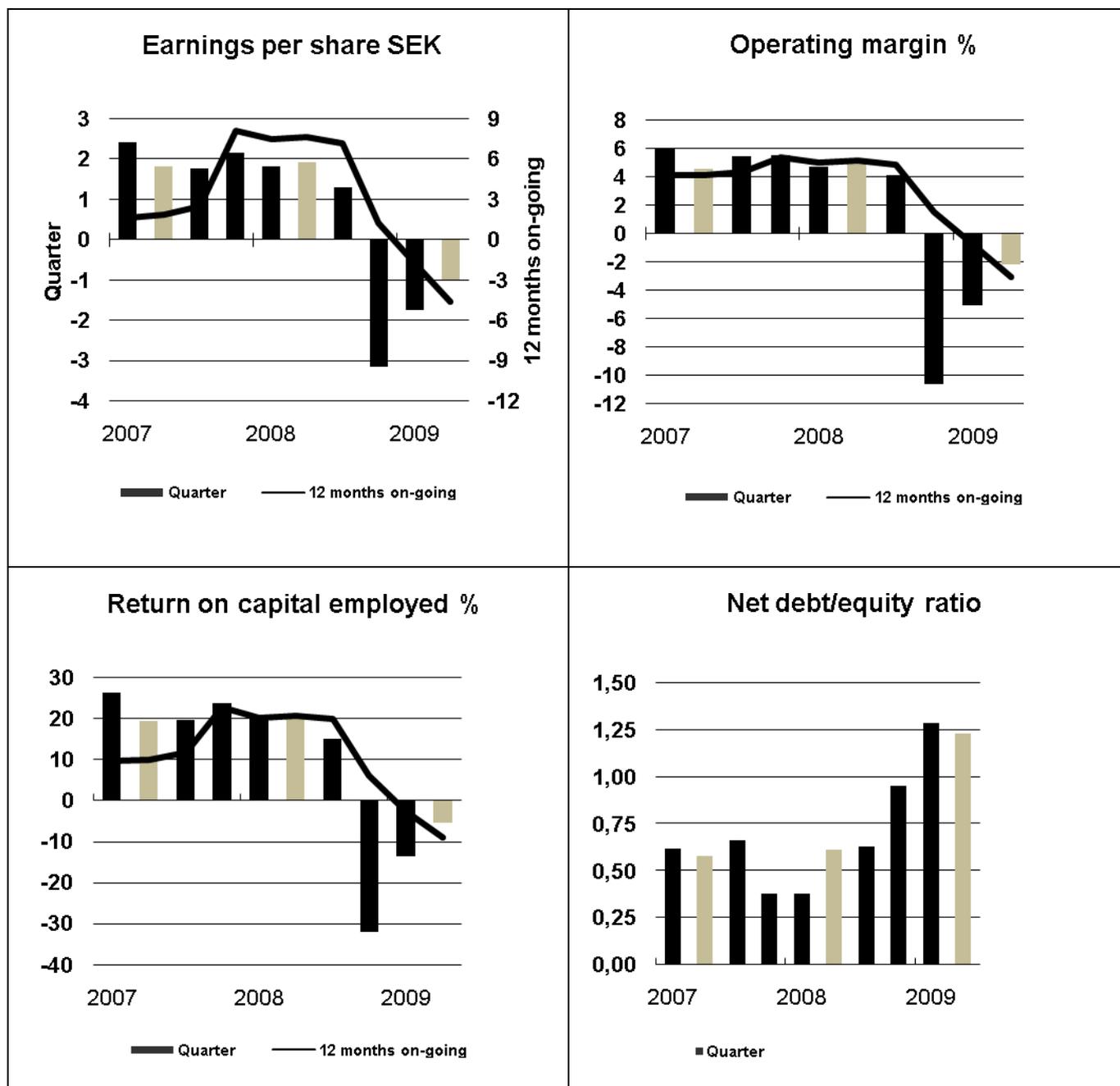
Balance sheet – the parent company

Parent company, MSEK	30 June 2009	30 June 2008	31 December 2008
Assets			
Tangible assets			
Tangible fixed assets	99.2	83.1	98.0
Financial assets	108.9	108.9	108.9
Total fixed assets	208.1	192.0	206.9
Current assets			
Current receivables	2.5	3.6	7.1
Cash and bank balances	0.4	0.4	0.4
Total current assets	2.9	4.0	7.5
Total assets	211.0	196.0	214.4
Equity and liabilities			
Equity	36.5	29.8	37.0
Untaxed reserves	23.2	19.3	23.2
Provisions for taxes	3.0	3.0	2.9
Long-term liabilities	49.5	50.0	49.7
Current liabilities	98.8	93.9	101.6
Total equity and liabilities	211.0	196.0	214.4

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 2008 48 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 436 employees at the end of 2008.
- 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.