

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

Åseda 23 October, 2009

Back to positive operating profit in the third quarter

Third Quarter

- * **Turnover MSEK 173.9 (259.1), down 33 percent from previous year.**
- * **Operating profit/loss MSEK 2.0 (10.7).**
- * **Cash flow from current operations MSEK 10.8 (5.4).**
- * **Earnings per share SEK 0.04 (1.30)**

First nine months

- * **Turnover MSEK 572.1 (865.5), down 34 percent from previous year.**
- * **Operating profit/loss MSEK -12.6 (39.9).**
- * **Net income MSEK -13.3 (24.8).**
- * **Cash flow from current operations MSEK 9.9 (-4.3).**
- * **Earnings per share SEK -2.70 (5.03)**

Nils Arthur, President and CEO of ProfilGruppen says:

“Our adaptations of the operations have lead to continued improvement of the result but the uncertainty about the market development remains.”

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For income, financial position, key figures and other facts about the Group, refer to pages 7-15.
Current information and photographs for free publication are available at www.profilgruppen.se.

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Market

The total demand for aluminium extrusions in Europe has stabilised during the third quarter. Looking at sector level the development is mixed. The automotive industry, which has been hit the hardest by the downturn, is currently the industry showing the clearest signs of a commenced recovery, with some volume increases for cars, possibly accelerated by stimuli packages on several markets. A similar increase could not be seen for heavy vehicles where the demand is still very low. In the construction industry some parts of the sector seem to continue to weaken further. Also, there is a geographical difference where the market for aluminium profiles in northern Europe seems to have been stabilised to a larger extent than in southern Europe.

According to the latest assessment from the European Aluminium Association EAA the market in Europe has weakened by nearly 18 percent in the third quarter of 2009 compared to the equivalent period for 2008. Seen over the first three quarters, the market is assessed to have weakened by approximately 28 percent in volume compared to last year.

The price of aluminium raw material on London Metal Exchange (LME) has increased during the third quarter. The average price during the quarter has been approximately USD 1 850 per ton, an increase by approximately 20 percent compared to the second quarter of the year, but as much as 35 percent lower than in the equivalent period last year. The global inventory level of LME amounts to approximately 4.6 million tonnes, an increase by approximately 85 percent during the year.

Turnover

Turnover, for the first nine months, amounted to MSEK 572.1 (865.5), a drop of 34 percent compared to the previous year, primarily as a consequence of low demand and lower raw material price.

The delivery volume was 12,900 tonnes (18,600) of aluminium extrusions, a fall of 31 percent compared to the previous year. The share of exports amounted to 44 percent (49) of volume, and 45 percent (44) of turnover.

Turnover per country, MSEK	Q 3 2009	Q 3 2008	Q 1-3 2009	Q 1-3 2008	12 months ongoing	Q 1-4 2008
Sweden	92.1	147.9	314.5	481.2	440.1	606.8
Germany	21.8	37.8	69.7	132.1	93.7	156.1
Norway	12.3	21.9	37.9	69.4	57.0	88.5
Denmark	8.4	11.9	31.5	40.1	44.3	52.9
United Kingdom	8.7	9.8	23.6	38.1	32.6	47.1
Other countries	30.6	29.8	94.9	104.6	125.0	134.7
TOTAL	173.9	259.1	572.1	865.5	792.7	1 086.1

Due to substantially lower delivery volumes to some of the largest customers, the turnover for the Swedish market showed a fall by approximately 38 percent compared to the corresponding quarter last year. A certain recovery could be seen for Germany in relation to the beginning of the year but the turnover is despite of this more than 40 percent lower than in the corresponding quarter 2008.

Turnover per sector, MSEK	Q 3 2009	Q 3 2008	Q 1-3 2009	Q 1-3 2008	12 months ongoing	Q 1-4 2008
Automotive	48.3	59.7	142.4	224.2	190.6	272.4
Construction	34.4	50.0	123.2	167.8	165.5	210.1
Electronics	45.2	85.3	158.5	235.1	228.9	305.5
Interiors	19.3	26.2	60.9	87.9	88.4	115.4
Other sectors	26.7	37.9	87.1	150.5	119.3	182.7
TOTAL	173.9	259.1	572.1	865.5	792.7	1 086.1

The delivery quantities to the automotive industry were still on a low level in the quarter although the deliveries to the car industry clearly stabilised. For the construction industry the development is mixed for the different parts but in total the demand weakened somewhat in the third quarter compared to the second. The turnover for the electronics segment, which was down by approximately 25 percent during the first half of the year, has continued its downturn and was more than 45 percent lower in the third quarter 2009 than in the corresponding period 2008. The turnover for other sectors, which during the first half of the year was approximately 45 percent lower than 2008, recovered somewhat during the third quarter.

During the period, the Group manufactured 12,600 tonnes (18,300) of aluminium extrusions.

Comments on profit

The operating profit/loss for the first nine months amounted to MSEK -12.6 (39.9). The fall in profit compared to the previous year is primarily caused by lower delivery volumes.

The profit/loss after financial items amounted to MSEK -18.0 (35.0), while the profit/loss after tax amounted to MSEK -13.3 (24.8).

Earnings per share totalled SEK -2.70 (5.03). The average in thousands of shares was 4,933 (4,933).

The return on capital employed amounted to -5.6 percent (18.8).

Due to the radical change of the market conditions during the autumn of 2008 a number of measures have been taken. Above all, a substantial reduction of the work force has been made. The implemented measures are estimated to lead to a cost reduction of around MSEK 45 per year from the year's second quarter. In conjunction with other cost reducing measures, for instance implementation of a four day work week for most of the white collar employees in the group, the cost base has been reduced by approximately MSEK 16 in the third quarter compared to the corresponding period last year.

The third quarter

Turnover amounted to MSEK 173.9 (259.1). The delivery volume in the quarter was 4,200 tonnes (5,350) of aluminium extrusions, and production was 4,050 tonnes (4,850). The share of exports amounted to 46 percent (47) of volume, and 47 percent (43) of turnover.

The operating profit/loss for the third quarter amounted to MSEK 2.0 (10.7), which means that the group, as a result of the implemented measures is able to show a positive operating profit for the quarter. The deviation compared to last year is mainly an effect of lower delivery volumes.

The profit/loss after financial items amounted to MSEK 0.3 (9.0). Earnings per share totalled SEK 0.04 (1.30).

Investments

Investments amounted to MSEK 17.8 (32.1) for the first nine months of the year. Of the total investment, around MSEK 7.7 were related to the investment programme at the main factory in Åseda which was mainly carried out during last year. The investment will provide a more efficient material flow and reduced production inventories and was taken into operation during the first quarter. Also, approximately MSEK 6 has been invested in new billet heating equipment at the company's largest press line, in order to increase capacity and efficiency at this unit.

Financing and liquidity

Cash flow from current operations, for the first nine months, amounted to MSEK 9.9 (-4.3) and cash flow after investments was MSEK -9.7 (-26.1). The working capital reduction that was achieved during the year through an inventory reduction by MSEK 40.2 has to a certain extent been offset by higher accounts receivable and lower accounts payable.

The cash flow from current operations for the third quarter amounted to MSEK 10.8 (5.4) mainly due to reduced working capital.

The balance sheet total as of 30 September 2009 was MSEK 522.3, compared to MSEK 619.4 on 30 September 2008

Net debt amounted to MSEK 156.8 (110.1) as of 30 September 2009. The net debt/equity ratio was 1.10 (0.63).

Personnel

The average number of Group employees during the first three quarters was 382 (467), which included 56 (70) people employed by the processing companies.

The number of Group employees as of 30 September 2009 totalled 349 (465).

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 second quarter remains. Demand has remained weak and the development of the extrusion market in Western Europe for 2009 is difficult to assess.

Year-end-report and Annual general meeting

Year-end report for 2009 will be issued on 2 February 2010.

The annual general meeting will take place at 15.00 CET on 25 March 2010 at Folkets Hus, Åseda.

Åseda, 23 October 2009

Board of 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, 2009 to September 30, 2009. 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, 2009

Ernst & Young AB

Kerstin Mouchard
Certified Public Accountant

Åke Andersson
Certified Public Accountant

Statement of comprehensive income

The Group, MSEK	Q 3 2009	Q 3 2008	Q 1-3 2009	Q 1-3 2008	12 months ongoing	Q 1-4 2008
Net turnover	173.9	259.1	572.1	865.5	792.7	1 086.1
Cost of goods sold	-153.8	-225.0	-520.1	-749.1	-736.3	-965.3
Gross margin	20.1	34.1	52.0	116.4	56.4	120.8
Other operating revenues	0.0	0.1	0.2	0.5	0.3	0.6
Selling expenses	-9.7	-12.8	-34.4	-40.0	-49.5	-55.1
Administrative expenses	-8.4	-10.7	-30.4	-37.0	-43.2	-49.8
Operating profit/loss	2.0	10.7	-12.6	39.9	-36.0	16.5
Financial income	0.1	0.1	0.3	0.4	0.5	0.6
Financial expenses	-1.8	-1.8	-5.7	-5.3	-7.5	-7.1
Net financial income/expense	-1.7	-1.7	-5.4	-4.9	-7.0	-6.5
Income after financial items	0.3	9.0	-18.0	35.0	-43.0	10.0
Tax	-0.1	-2.6	4.7	-10.2	14.2	-0.7
Net income for the period	0.2	6.4	-13.3	24.8	-28.8	9.3
Other comprehensive income						
Changes in hedging reserve	11.3	-6.2	17.6	-6.0	1.6	-22.0
Translation differences	-0.4	0.0	-0.1	0.0	-0.1	0.0
Other, reported directly against equity	0.0	0.5	0.5	0.4	0.6	0.5
Comprehensive income for the period	11.1	0.7	4.7	19.2	-26.7	-12.2
Earnings per share (before and after dilution), SEK	0.04	1.30	-2.70	5.03	-5.85	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	0.8	0.7	2.7	2.4	3.5	3.2
Machinery and equipment	5.3	5.2	20.8	20.7	28.7	28.6
Total	6.1	5.9	23.5	23.1	32.2	31.8
of which write-down	0.0	0.0	0.0	0.6	0.0	0.6

Statement of financial position

The Group, MSEK	30 September 2009	30 September 2008	31 December 2008
Assets			
Fixed assets			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	277.7	269.0	284.2
Financial fixed assets	0.2	0.2	0.2
Total fixed assets	287.9	279.2	294.4
Current assets			
Inventories	88.0	120.8	128.2
Current receivables	143.6	207.9	134.4
Liquid assets	2.8	11.5	6.6
Total current assets	234.4	340.2	269.2
Total assets	522.3	619.4	563.6
Shareholders' equity and liabilities			
Shareholders' equity	142.1	173.7	142.3
Long-term liabilities			
Interest-bearing liabilities	93.5	102.7	91.1
Interest-free liabilities	42.7	63.0	41.0
Total long-term liabilities	136.2	165.7	132.1
Short-term liabilities			
Interest-bearing liabilities	66.1	18.9	51.3
Interest-free liabilities	177.9	261.1	237.9
Total short-term liabilities	244.0	280.0	289.2
Total shareholders' equity and liabilities	522.3	619.4	563.6

Statement of changes in equity

The Group, MSEK	Q 3 2009	Q 3 2008	Q 1-3 2009	Q 1-3 2008	Q 1-4 2008
Opening balance	131.0	173.0	142.3	172.3	172.3
Dividend	0.0	0.0	-4.9	-17.8	-17.8
Comprehensive income for the period	11.1	0.7	4.7	19.2	-12.2
Closing balance	142.1	173.7	142.1	173.7	142.3

Statement of cash flows

The Group, MSEK	Q 3 2009	Q 3 2008	Q 1-3 2009	Q 1-3 2008	12 months ongoing	Q 1-4 2008
Operating cash flow ¹⁾	2.5	9.9	11.5	42.0	-7.7	22.8
Working capital changes	8.3	-4.5	-1.6	-46.3	17.3	-27.4
Cash flow from operating activities	10.8	5.4	9.9	-4.3	9.6	-4.6
Cash flow from investing activities	-2.6	-9.5	-19.6	-21.8	-44.3	-46.5
Cash flow from financing activities	-19.4	9.9	5.7	-1.3	25.9	18.9
Cash flow for the period	-11.2	5.8	-4.0	-27.4	-8.8	-32.2
Liquid assets, opening balance	14.0	5.5	6.6	38.7	11.5	38.7
Translation differences in liquid assets	0.0	0.2	0.2	0.2	0.1	0.1
Liquid assets, closing balance	2.8	11.5	2.8	11.5	2.8	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 3 2009	Q 3 2008	Q 1-3 2009	Q 1-3 2008	12 months ongoing	Q 1-4 2008
Net turnover, MSEK	173.9	259.1	572.1	865.5	792.7	1 086.1
Income before depreciation, MSEK	8.0	16.6	10.8	63.0	-3.9	48.3
Operating income/loss, MSEK	2.0	10.7	-12.6	39.9	-36.0	16.5
Operating margin, %	1.1	4.1	-2.2	4.6	-4.5	1.5
Income after financial items, MSEK	0.3	9.0	-18.0	35.0	-43.0	10.0
Profit margin, %	0.2	3.5	-3.1	4.0	-5.4	0.9
Return on equity, %	0.6	14.8	-12.5	19.1	-18.3	5.9
Return on capital employed, %	2.6	15.0	-5.6	18.8	-11.9	6.1
Cash flow from operating activities, MSEK	10.8	5.4	9.9	-4.3	9.6	-4.6
Investments, MSEK	5.3	11.3	17.8	32.1	42.2	56.5
Liquidity reserve, MSEK	-	-	138.7	162.9	-	133.7
Net debt, MSEK	-	-	156.8	110.1	-	135.8
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	159.6	121.6	-	142.4
Net debt/equity ratio	-	-	1.10	0.63	-	0.95
Total assets, MSEK	-	-	522.3	619.4	-	563.6
Equity ratio, %	-	-	27.2	28.0	-	25.2
Capital turnover	2.3	3.6	2.6	4.0	2.7	3.9
Proportion of risk-bearing capital, %	-	-	35.4	38.2	-	32.5
Interest coverage ratio	1.2	6.0	-2.2	7.6	-4.8	2.4
Average number of employees	351	467	382	467	398	460
Net turnover per employee (average), TSEK	496	555	1 499	1 855	1 992	2 359
Income after fin, per employee (average), TSEK	1	19	-47	75	-108	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	0.04	1.30	-2.70	5.03	-5.85	1.88
Equity per share, SEK	-	-	28.81	35.21	-	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 18.5 (13.9) 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 9.6 (4.4). Investments in the parent company amounted to MSEK 3.3 (8.8) and comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 64.3 (63.3) as of 30 September 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.

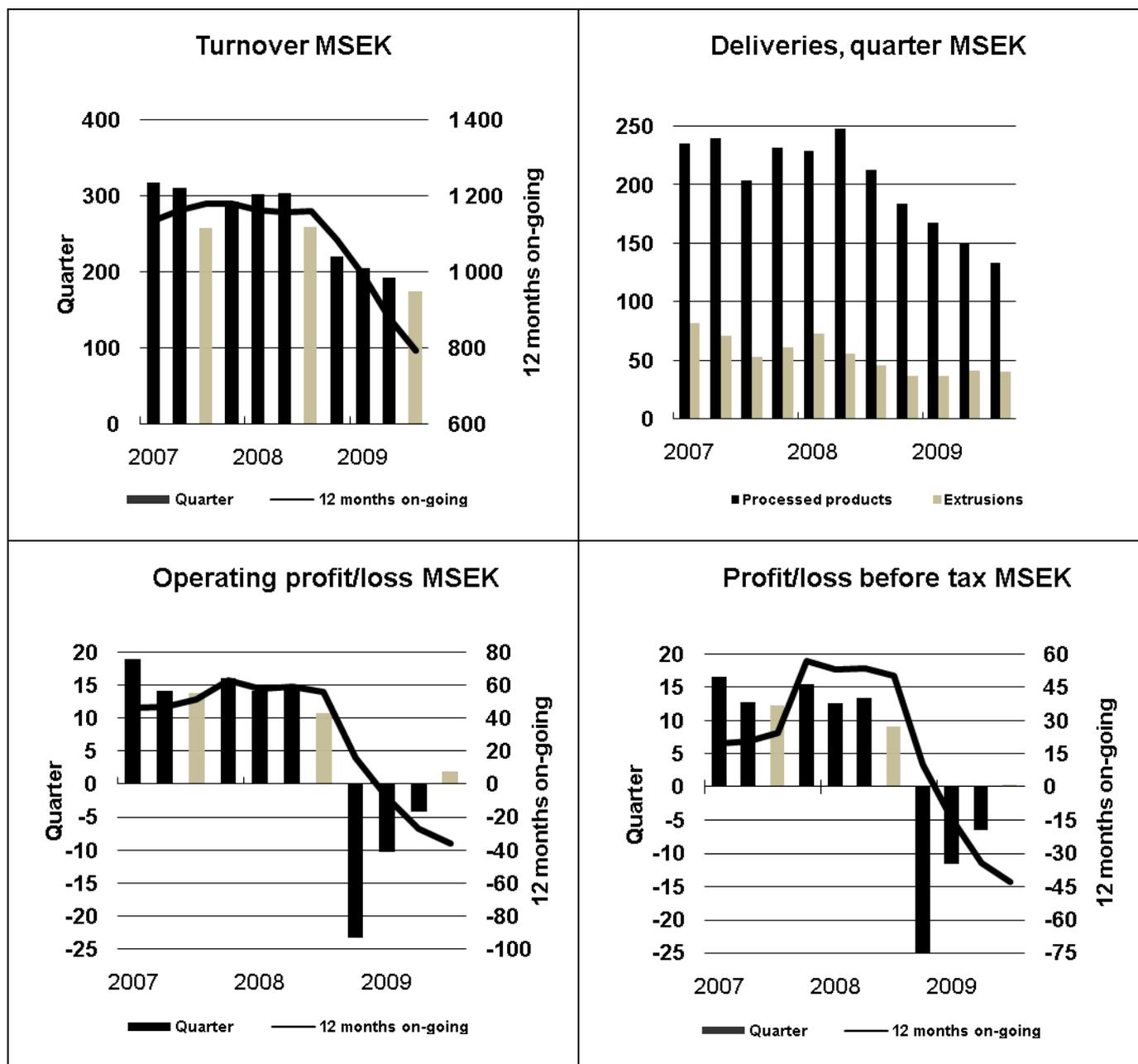
Income Statement – the parent company

Parent company, MSEK	Q 3 2009	Q 3 2008	Q 1-3 2009	Q 1-3 2008	Q 1-4 2008
Turnover	6.1	4.6	18.5	13.9	18.6
Cost of goods sold	-0.6	-0.5	-2.4	-2.1	-2.9
Gross margin	5.5	4.1	16.1	11.8	15.7
Administrative expenses	-1.7	-1.4	-5.2	-5.0	-6.7
Operating income	3.8	2.7	10.9	6.8	9.0
Interest income	0.5	0.0	1.0	0.0	0.0
Interest expenses	-0.8	-0.9	-2.3	-2.4	-3.2
Income after financial items	3.5	1.8	9.6	4.4	5.8
Appropriations	0.0	0.0	0.0	0.0	-3.9
Income before tax	3.5	1.8	9.6	4.4	1.9
Tax	-1.1	-0.5	-2.7	-1.3	-0.5
Result of the year	2.4	1.3	6.9	3.1	1.4

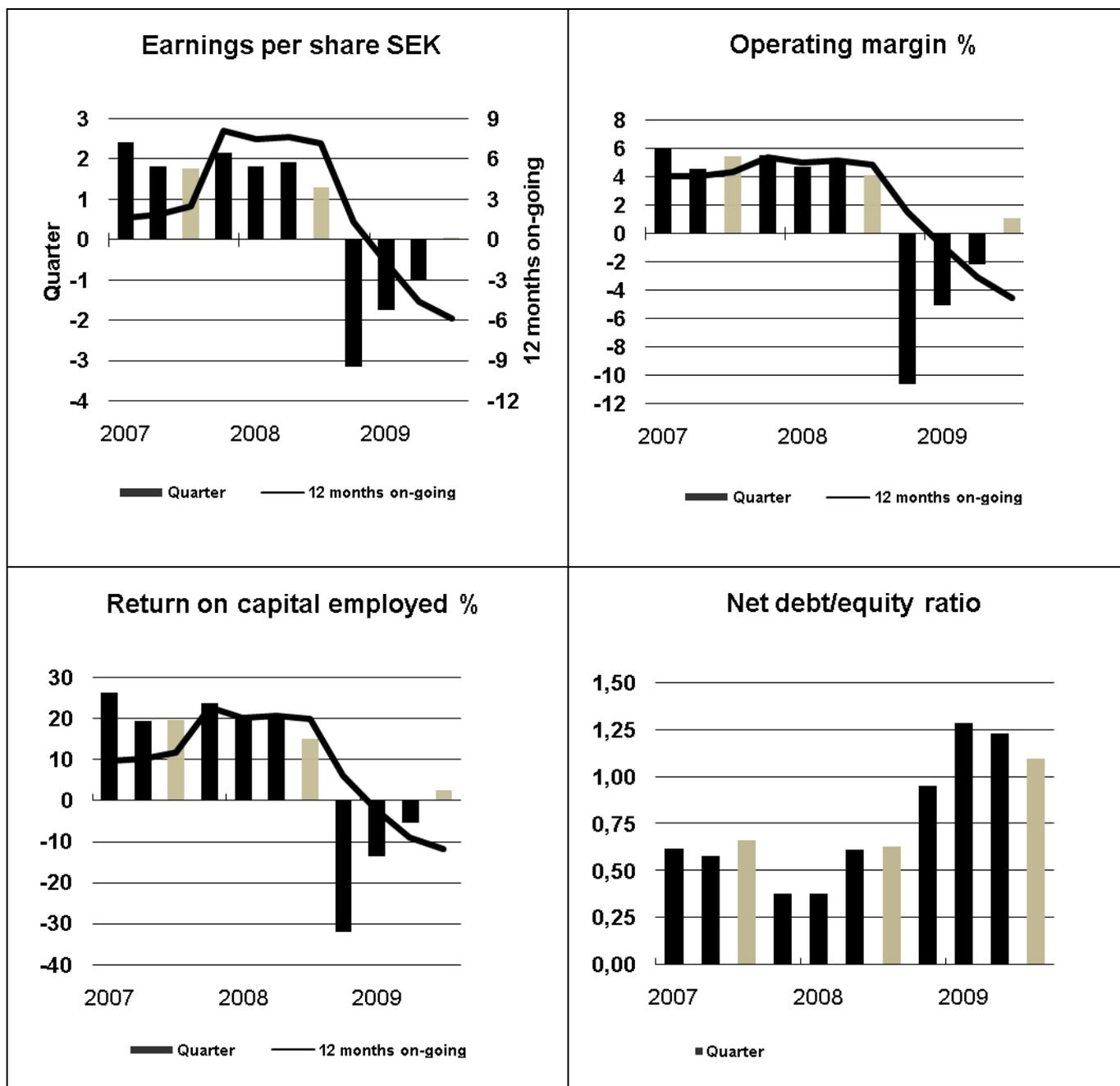
Balance sheet – the parent company

Parent company, MSEK	30 September 2009	30 September 2008	31 December 2008
Assets			
Tangible assets			
Tangible fixed assets	99.1	88.8	98.0
Financial assets	108.9	108.9	108.9
Total fixed assets	208.0	197.7	206.9
Current assets			
Current receivables	3.3	6.5	7.1
Cash and bank balances	0.4	0.4	0.4
Total current assets	3.7	6.9	7.5
Total assets	211.7	204.6	214.4
Equity and liabilities			
Equity	38.7	31.4	37.0
Untaxed reserves	23.2	19.3	23.2
Provisions for taxes	3.0	3.1	2.9
Long-term liabilities	47.0	49.7	49.7
Current liabilities	99.8	101.1	101.6
Total equity and liabilities	211.7	204.6	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 349 employees at the end of September 2009.
- 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.