

Year-end report from ProfilGruppen AB (publ),  
January – December 2009

Åseda 2 February, 2010

## Positive operating profit also in the fourth quarter

### *Fourth Quarter*

- \* **Turnover MSEK 192.2 (220.6), down 13 percent from previous year.**
- \* **Operating profit/loss MSEK 2.1 (-23.4, including negative one-off items of MSEK 14,2).**
- \* **Cash flow from current operations MSEK 18.5 (-0.3).**
- \* **Earnings per share SEK -0.08 (-3.15)**

### *Full year*

- \* **Turnover MSEK 764.3 (1,086.1), down 30 percent from previous year.**
- \* **Operating profit/loss MSEK -10.5 (16.5), including negative impact from one-off items of MSEK -3.5 (-16.0).**
- \* **Net income MSEK -13.7 (9.3).**
- \* **Cash flow from current operations MSEK 28.4 (-4.6).**
- \* **Earnings per share SEK -2.77 (1.88)**

### Nils Arthur, President and CEO of ProfilGruppen says:

*“We report a positive operating result also for the fourth quarter, after having adapted the number of personnel to the prevailing market conditions. The capacity of our operations is well prepared for increased production when the market strengthens. The market development is still difficult to assess but the demand has, during the beginning of 2010, been stronger than in 2009.”*

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This information is published in accordance with applicable laws, listing agreements and regulations. The information was submitted to the media for publication at 13.30 CET on 2 February 2010.

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](http://www.profilgruppen.se).

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## Market

The market for aluminium extrusions in Europe has shown signs of recovery under the fourth quarter, more accentuated in northern and central Europe. The automotive industry, where the upturn for cars has been accelerated by stimuli packages, shows a clear volume increase. The market for heavy vehicles has not benefited from those measures but is now showing a stabilisation. In the construction industry some parts of the sector continue to weaken further due to difficulties in financing larger projects.

According to the latest official assessment from the European Aluminium Association (EAA) the market in Europe has weakened by approximately 24 percent in the full year of 2009, and by nearly 9 percent in the fourth quarter compared to the corresponding periods 2008.

The price of aluminium raw material on London Metal Exchange (LME) has, after a dramatic drop during the second half of 2008, gradually increased during 2009. The average price during the year has been approximately USD 1 700 per ton, approximately 35 percent lower than in 2008. The current price is around USD 2100 per ton and the global inventory level of LME amounts to just over 4.6 million tonnes, after an increase by approximately 85 percent during last year.

## Turnover

The turnover of the group amounted to MSEK 764.3 (1,086.1), a decline by 30 percent compared to the previous year, as a consequence of low demand and lower raw material price. For the fourth quarter the turnover amounted to MSEK 192.2 (220.6) a decline by 13 percent compared to the corresponding period 2008.

The delivery volume was 17,398 tonnes (22,900) of aluminium extrusions, a fall of 24 percent compared to the previous year. The share of exports amounted to 45 percent (48) of volume, and 45 percent (44) of turnover.

Turnover per country, MSEK	Q 4 2009	Q 4 2008	Q 1-4 2009	Q 1-4 2008
Sweden	105.0	125.6	419.5	606.8
Germany	21.2	24.0	90.9	156.1
Norway	16.9	19.1	54.8	88.5
Denmark	9.9	12.8	41.4	52.9
United Kingdom	11.1	9.0	34.7	47.1
Other countries	28.1	30.1	123.0	134.7
<b>TOTAL</b>	<b>192.2</b>	<b>220.6</b>	<b>764.3</b>	<b>1 086.1</b>

The turnover for the Swedish market has been on a stable level during the year. The turnover in the fourth quarter was approximately 16 percent lower than in the corresponding period previous year. The increased turnover on the Norwegian and UK markets is mainly related to a number of large customers in the automotive segment. The deliveries to the German market were still on a low level.

<b>Turnover per industry, MSEK</b>	<b>Q 4 2009</b>	<b>Q 4 2008</b>	<b>Q 1-4 2009</b>	<b>Q 1-4 2008</b>
Automotive	55.5	48.2	197.9	272.4
Construction	37.8	42.3	161.0	210.1
Electronics	53.6	70.4	212.1	305.5
Interior	20.5	27.5	81.4	115.4
Other segments	24.8	32.2	111.9	182.7
<b>TOTAL</b>	<b>192.2</b>	<b>220.6</b>	<b>764.3</b>	<b>1 086.1</b>

Seen over the full year the group's deliveries to the construction industry has had the lowest decrease, approximately 23 percent, partly explained by stimuli packages such as the Swedish so called ROT-work (tax reduction scheme for residential repairs, rebuilding and additions). The delivery quantities to other segments are showing the heaviest decline, slightly above 40 percent, primarily due to decreased deliveries to customers within the general engineering sector.

Deliveries to the automotive industry were substantially higher in the fourth quarter than in the corresponding period 2008, with a turnover increase of approximately 15 percent. The upturn is mainly related to cars, but now even the heavy vehicles segment is showing stabilisation of the volumes. All other industries are still showing decreasing turnover compared to the corresponding period 2008, but the pace of decline was starkly reduced in the fourth quarter in comparison to preceding quarters.

During the period, the Group manufactured 17,075 tonnes (22,600) of aluminium extrusions.

### **Comments on profit**

The operating profit/loss amounted to MSEK -10.5 (16.5). The fall in profit compared to the previous year is primarily caused by lower delivery volumes. The result for the year has been charged with one-off costs in the first quarter amounting to MSEK 3.5 related to staff reductions. The 2008 financial year was charged with one-off costs totalling MSEK 16.0 consisting of inventory write down and redundancy cost.

The profit/loss after financial items amounted to MSEK -17.8 (10.0), while the profit/loss after tax amounted to MSEK -13.7 (9.3).

Earnings per share totalled SEK -2.77 (1.88). The average number of shares in thousands was 4,933 (4,933).

The return on capital employed amounted to -3.6 percent (6.1).

### **The fourth quarter**

Turnover amounted to MSEK 192.2 (220.6). The delivery volume in the quarter was 4,516 tonnes (4,300) of aluminium extrusions, and production was 4,492 tonnes (4,300). The share of exports amounted to 46 percent (46) of volume, and 45 percent (43) of turnover.

The operating profit/loss for the fourth quarter amounted to MSEK 2.1 (-23.4), which means that the group is showing a positive operating profit for the second consecutive quarter. The last quarter of 2008 was charged with one-off cost amounting to MSEK 14.2.

The profit/loss after financial items amounted to MSEK 0.2 (-25.0). Earnings per share totalled SEK -0.08 (-3.15).

## **Investments**

Investments amounted to MSEK 20.4 (56.5). Of the total investment, around MSEK 7.8 were related to the investment programme at the main factory in Åseda which was mainly carried out during 2008. 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, efficiency and quality.

## **Financing and liquidity**

Cash flow from current operations amounted to MSEK 28.4 (-4.6) and cash flow after investments was MSEK 7.9 (-51.1). The working capital reduction that was achieved during the year through an inventory reduction by MSEK 44.1 and reduction of accounts receivable by MSEK 6.0 has partly been offset by lower accounts payable.

The cash flow from current operations for the fourth quarter amounted to MSEK 18.5 (-0.3) mainly due to reduced working capital and positive operational cash flow.

The balance sheet total as of 31 December 2009 was MSEK 499.3, compared to MSEK 563.6 on 31 December 2008

Net debt amounted to MSEK 140.0 (135.8) as of 31 December 2009. The net debt/equity ratio was 0.98 (0.95).

In the fourth quarter, the prevailing long-term financing solution with extended payment terms, at a premium, for the lion's share of the raw material purchases was abandoned. Starting 2010 this financing solution amounting to approximately MSEK 45 will be replaced by normal bank financing. Interest-bearing liabilities will increase by the same amount. The cost will be treated as a financial cost. The profit before tax will not be affected.

## **Personnel**

The average number of Group employees during the year was 376 (460), which included 55 (68) people employed by the processing companies.

The number of Group employees as of 31 December 2009 totalled 353 (436).

## **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 2010**

There are signs of recovery on the European market for aluminium profiles, but the development is still difficult to assess.

## **Dividend**

Due to the Group's result, the Board is proposing that no dividend payout shall be made for the 2009 financial year.

### **Annual report**

The annual report will be distributed by post to all shareholders during March 2010 and will be available from the company's reception and on the company's website as of 10 March 2010.

### **Dates for financial information**

ProfilGruppen reports financial information quarterly as follows:

Interim report, 3 months	22 April 2010
Interim report, 6 months	21 July 2010
Interim report, 9 months	21 October 2010
Year-end report 2010	3 February 2011

### **Annual general meeting**

The annual general meeting will take place at 15.00 CET on 25 March 2010 at Folkets Hus, Åseda. Shareholders who want to give proposals to the nomination committee are requested to do so at latest 6 February 2010.

Åseda, 2 February 2010

Board of ProfilGruppen AB (publ.)

Org.no. 556277-8943

*This report has not been submitted for checking by ProfilGruppen AB's auditors.*

## Statement of comprehensive income

The Group, MSEK	Q 4 2009	Q 4 2008	Q 1-4 2009	Q 1-4 2008
Net turnover	192.2	220.6	764.3	1 086.1
Cost of goods sold	-168.2	-216.2	-688.3	-965.3
<b>Gross margin</b>	<b>24.0</b>	<b>4.4</b>	<b>76.0</b>	<b>120.8</b>
Other operating revenues	0.0	0.1	0.2	0.6
Selling expenses	-11.7	-15.1	-46.1	-55.1
Administrative expenses	-10.2	-12.8	-40.6	-49.8
<b>Operating profit/loss</b>	<b>2.1</b>	<b>-23.4</b>	<b>-10.5</b>	<b>16.5</b>
Financial income	0.0	0.2	0.3	0.6
Financial expenses	-1.9	-1.8	-7.6	-7.1
<b>Net financial income/expense</b>	<b>-1.9</b>	<b>-1.6</b>	<b>-7.3</b>	<b>-6.5</b>
<b>Income after financial items</b>	<b>0.2</b>	<b>-25.0</b>	<b>-17.8</b>	<b>10.0</b>
Tax	-0.6	9.5	4.1	-0.7
<b>Net income for the period</b>	<b>-0.4</b>	<b>-15.5</b>	<b>-13.7</b>	<b>9.3</b>
<b>Other comprehensive income</b>				
Changes in hedging reserve	0.6	-16.0	18.2	-22.0
Translation differences	0.1	0.0	0.0	0.0
Other, reported directly against equity	0.0	0.1	0.5	0.5
<b>Comprehensive income for the period</b>	<b>0.3</b>	<b>-31.4</b>	<b>5.0</b>	<b>-12.2</b>
Earnings per share (before and after dilution), SEK	-0.08	-3.15	-2.77	1.88
Average number of shares, thousands	4 933	4 933	4 933	4 933
<b>Depreciation and write-down of fixed assets</b>				
Land and buildings	1.0	0.8	3.7	3.2
Machinery and equipment	7.7	7.9	28.5	28.6
<b>Total</b>	<b>8.7</b>	<b>8.7</b>	<b>32.2</b>	<b>31.8</b>
of which write-down	0.0	0.0	0.0	0.6

## Statement of financial position

The Group, MSEK	31 December 2009	31 December 2008
<b>Assets</b>		
<b>Fixed assets</b>		
Intangible fixed assets	10.0	10.0
Tangible fixed assets	271.3	284.2
Financial fixed assets	0.2	0.2
<b>Total fixed assets</b>	<b>281.5</b>	<b>294.4</b>
<b>Current assets</b>		
Inventories	84.0	128.2
Current receivables	129.6	134.4
Liquid assets	4.2	6.6
<b>Total current assets</b>	<b>217.8</b>	<b>269.2</b>
<b>Total assets</b>	<b>499.3</b>	<b>563.6</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>	<b>142.4</b>	<b>142.3</b>
<b>Long-term liabilities</b>		
Interest-bearing liabilities	92.1	91.1
Interest-free liabilities	43.7	41.0
<b>Total long-term liabilities</b>	<b>135.8</b>	<b>132.1</b>
<b>Short-term liabilities</b>		
Interest-bearing liabilities	52.0	51.3
Interest-free liabilities	169.1	237.9
<b>Total short-term liabilities</b>	<b>221.1</b>	<b>289.2</b>
<b>Total shareholders' equity and liabilities</b>	<b>499.3</b>	<b>563.6</b>

## Statement of changes in equity

The Group, MSEK	Q 4 2009	Q 4 2008	Q 1-4 2009	Q 1-4 2008
Opening balance	142.1	173.7	142.3	172.3
Dividend	0.0	0.0	-4.9	-17.8
Comprehensive income for the period	0.3	-31.4	5.0	-12.2
<b>Closing balance</b>	<b>142.4</b>	<b>142.3</b>	<b>142.4</b>	<b>142.3</b>

## Statement of cash flows

<b>The Group, MSEK</b>	<b>Q 4 2009</b>	<b>Q 4 2008</b>	<b>Q 1-4 2009</b>	<b>Q 1-4 2008</b>
Operating cash flow <sup>1)</sup>	6.8	-19.2	18.3	22.8
Working capital changes	11.7	18.9	10.1	-27.4
Cash flow from operating activities	18.5	-0.3	28.4	-4.6
Cash flow from investing activities	-0.9	-24.7	-20.5	-46.5
Cash flow from financing activities	-16.3	20.2	-10.6	18.9
<b>Cash flow for the period</b>	<b>1.3</b>	<b>-4.8</b>	<b>-2.7</b>	<b>-32.2</b>
Liquid assets, opening balance	2.8	11.5	6.6	38.7
Translation differences in liquid assets	0.1	-0.1	0.3	0.1
<b>Liquid assets, closing balance</b>	<b>4.2</b>	<b>6.6</b>	<b>4.2</b>	<b>6.6</b>

<sup>1)</sup> 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 4 2009	Q 4 2008	Q 1-4 2009	Q 1-4 2008
Net turnover, MSEK	192.2	220.6	764.3	1 086.1
Income before depreciation, MSEK	10.8	-14.7	21.7	48.3
Operating income/loss, MSEK	2.1	-23.4	-10.5	16.5
Operating margin, %	1.1	-10.6	-1.4	1.5
Income after financial items, MSEK	0.2	-25.0	-17.8	10.0
Profit margin, %	0.1	-11.3	-2.3	0.9
Return on equity, %	-1.1	-39.3	-9.6	5.9
Return on capital employed, %	2.9	-32.1	-3.6	6.1
Cash flow from operating activities, MSEK	18.5	-0.3	28.4	-4.6
Investments, MSEK	2.6	24.4	20.4	56.5
Liquidity reserve, MSEK	-	-	157.9	133.7
Net debt, MSEK	-	-	140.0	135.8
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	144.1	142.4
Net debt/equity ratio	-	-	0.98	0.95
Total assets, MSEK	-	-	499.3	563.6
Equity ratio, %	-	-	28.5	25.2
Capital turnover	2.6	3.0	2.7	3.9
Proportion of risk-bearing capital, %	-	-	37.2	32.5
Interest coverage ratio	1.1	-12.8	-1.4	2.4
Average number of employees	351	450	376	460
Net turnover per employee (average), TSEK	548	490	2 034	2 359
Income after fin, per employee (average), TSEK	1	-56	-47	22
Average number of shares, thousands (No dilution,)	4 933	4 933	4 933	4 933
Number of shares, end of period, thousands	4 933	4 933	4 933	4 933
Earnings per share, SEK	-0.08	-3.15	-2.77	1.88
Equity per share, SEK	-	-	28.86	28.85

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

### The parent company

The turnover of the parent company amounted to MSEK 24.7 (18.6) 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 11.8 (5.8). Investments in the parent company amounted to MSEK 3.9 (18.7) and comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 62.3 (64.6) as of 31 December 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.

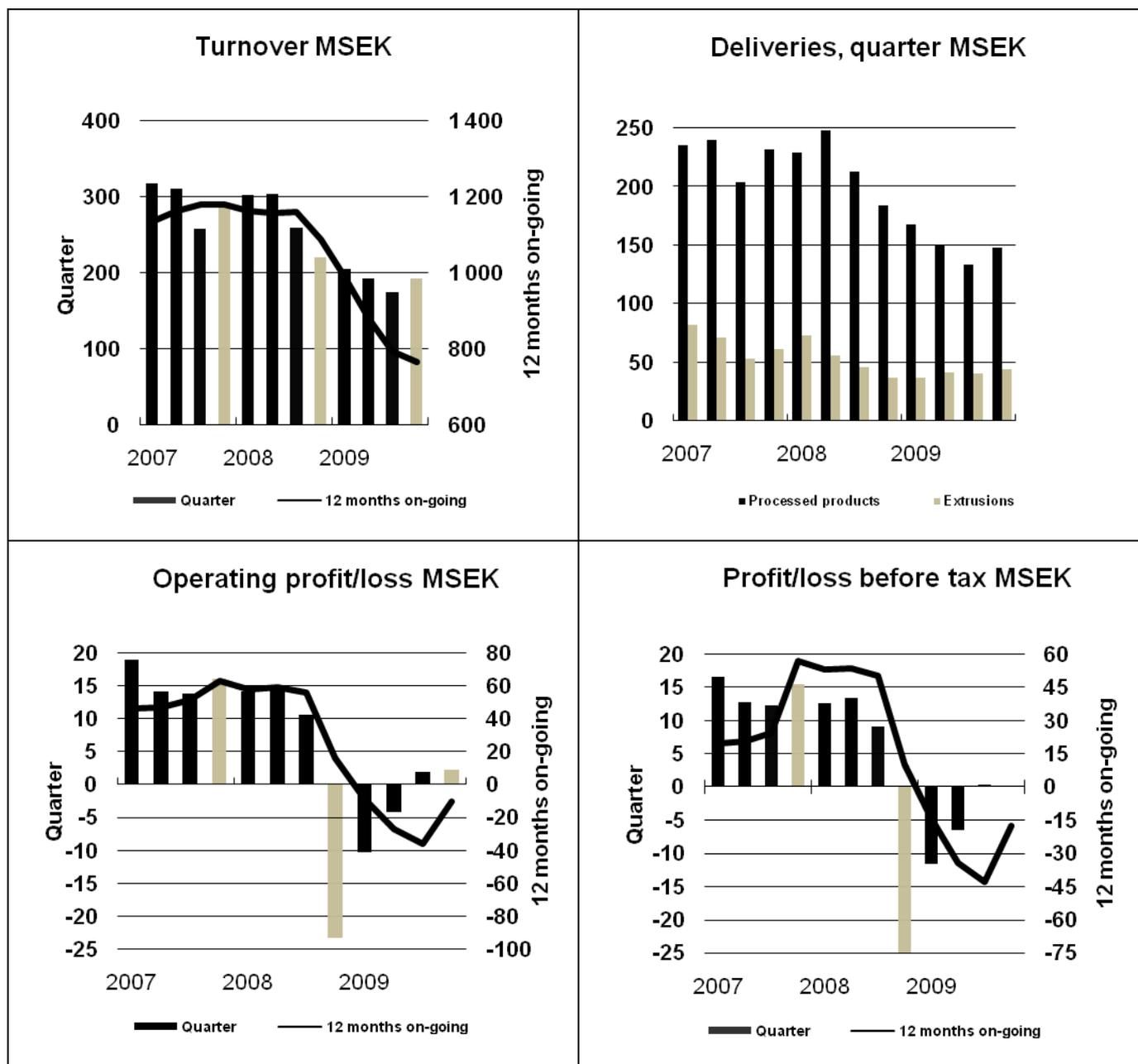
### Income Statement – the parent company

Parent company, MSEK	Q 4 2009	Q 4 2008	Q 1-4 2009	Q 1-4 2008
Turnover	6.2	4.7	24.7	18.6
Cost of goods sold	-1.0	-0.8	-3.4	-2.9
<b>Gross margin</b>	<b>5.2</b>	<b>3.9</b>	<b>21.3</b>	<b>15.7</b>
Administrative expenses	-1.4	-1.7	-6.6	-6.7
<b>Operating income</b>	<b>3.8</b>	<b>2.2</b>	<b>14.7</b>	<b>9.0</b>
Interest income	0.2	0.0	1.2	0.0
Interest expenses	-1.8	-0.8	-4.1	-3.2
<b>Income after financial items</b>	<b>2.2</b>	<b>1.4</b>	<b>11.8</b>	<b>5.8</b>
Appropriations	-0.2	-3.9	-0.2	-3.9
<b>Income before tax</b>	<b>2.0</b>	<b>-2.5</b>	<b>11.6</b>	<b>1.9</b>
Tax	-0.4	0.8	-3.1	-0.5
<b>Result of the year</b>	<b>1.6</b>	<b>-1.7</b>	<b>8.5</b>	<b>1.4</b>

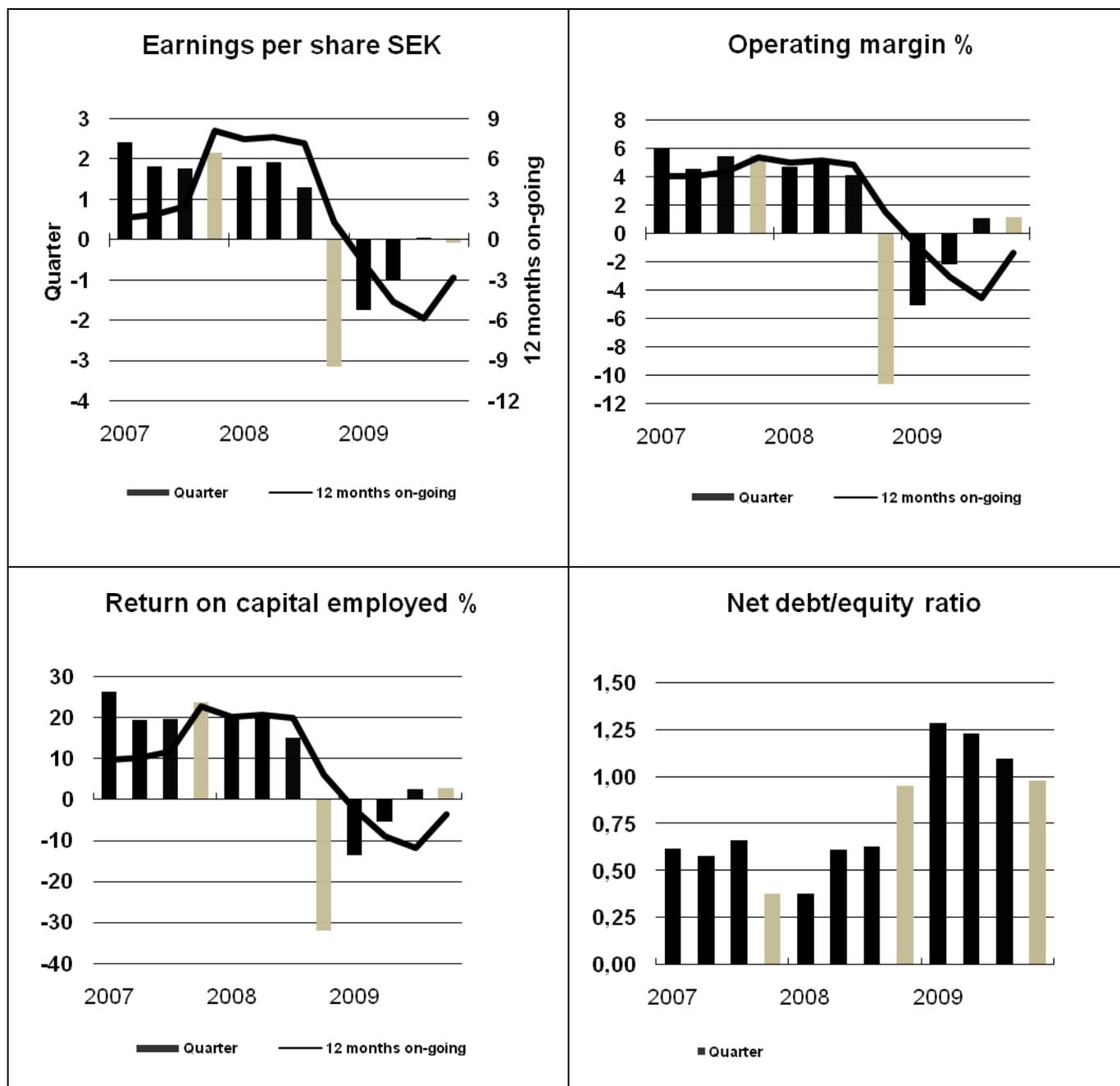
**Balance sheet – the parent company**

<b>Parent company, MSEK</b>	<b>31 December 2009</b>	<b>31 December 2008</b>
<b>Assets</b>		
<b>Tangible assets</b>		
Tangible fixed assets	98.8	98.0
Financial assets	108.9	108.9
<b>Total fixed assets</b>	<b>207.7</b>	<b>206.9</b>
<b>Current assets</b>		
Current receivables	4.2	7.1
Cash and bank balances	0.4	0.4
<b>Total current assets</b>	<b>4.6</b>	<b>7.5</b>
<b>Total assets</b>	<b>212.3</b>	<b>214.4</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>32.4</b>	<b>37.0</b>
Untaxed reserves	23.3	23.2
Provisions for taxes	3.2	2.9
Long-term liabilities	44.7	49.7
<b>Current liabilities</b>	<b>108.7</b>	<b>101.6</b>
<b>Total equity and liabilities</b>	<b>212.3</b>	<b>214.4</b>

## 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 2009 45 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 353 employees at the end of 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.