

Interim report from ProfilGruppen AB (publ),  
January – March 2010

Åseda 22 April, 2010

## Continued result improvement

- \* **Turnover MSEK 223.0 (205.3), up 9 percent from previous year.**
- \* **Operating profit/loss MSEK 7.3 (-10.4 including negative one-off items of MSEK 3.5).**
- \* **Net income MSEK 4.2 (-8.6).**
- \* **Cash flow from current operations MSEK -12.6 (-24.6).**
- \* **Earnings per share SEK 0.84 (-1.75)**

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

*“Higher delivery volumes and a reduced cost level have contributed to the continued result improvement. So far this year the demand has exceeded my expectations, but the short order books in this industry and the general business climate still makes the strength of the market development difficult to assess.”*

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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 22 April 2010.

For income, financial position, key figures and other facts about the Group, refer to pages 5-13.  
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 a clear recovery under the first quarter of the year, especially in northern and central Europe. In the automotive industry the upturn for cars has continued also after the temporary augmented scrapping premiums were discontinued. The market for heavy vehicles has stabilised but is still on a low level. In the construction industry, which was negatively affected by the unusually cold winter, late cyclical subsegments such as building systems are still showing negative development. However, the market for renovation and new construction of residential buildings has turned around in a number of countries, particularly in northern Europe.

According to the latest assessment from the European Aluminium Association the market in Europe has grown by slightly more than 10 percent in the first quarter compared to the corresponding period 2009.

The price of aluminium raw material on London Metal Exchange (LME) has continued to increase. At the end of the first quarter it amounted to approximately USD 2 300 per ton, 65 percent higher than at the corresponding time last year. The global LME inventory level has stabilised at a high level, around 4.6 million tonnes.

## Turnover

The turnover of the Group amounted to MSEK 223.0 (205.3), an increase by 9 percent compared to the previous year. The delivery volume was 5,250 tonnes (4,200) of aluminium extrusions, an increase by 26 percent compared to the previous year. The reasons to why the higher delivery volumes have not had a larger impact on the turnover are lower raw material cost, different product mix and exchange rate effects. Unlike the prices on LME, the raw material prices in ProfilGruppen's deliveries have been lower this year than during the previous year. This is due to the fact that a large proportion of the deliveries last year were based on customer agreements entered already in 2008 at very high raw material prices.

The share of exports amounted to 50 percent (43) of volume, and 48 percent (44) of turnover. The share of export is now at the same level as before the financial crisis.

Turnover per country, MSEK	Q 1 2010	Q 1 2009	12 months ongoing	Q 1-4 2009
Sweden	114.1	114.6	419.0	419.5
Germany	29.9	20.4	100.4	90.9
Norway	17.1	14.3	57.6	54.8
Poland	12.0	13.9	39.5	41.4
Denmark	20.8	15.7	21.8	16.7
United Kingdom	12.9	7.4	40.2	34.7
Other countries	16.2	19.0	103.5	106.3
<b>TOTAL</b>	<b>223.0</b>	<b>205.3</b>	<b>782.0</b>	<b>764.3</b>

The turnover for the Swedish market is unchanged compared to the corresponding period previous year. The higher demand from customers in the automotive and domestic and office equipment segments has been offset by lower deliveries to the electrical engineering and building and construction segments. The deliveries to the German market have increased substantially thanks to higher demand from customers in the general engineering segment. The increased turnover on the

Norwegian, UK and Polish markets is mainly related to large customers in the automotive segment.

Turnover per industry, MSEK	Q 1 2010	Q 1 2009	12 months ongoing	Q 1-4 2009
Electrical engineering	48.2	60.6	183.7	196.1
Transportation	70.6	42.1	212.5	184.0
Building and construction	28.5	36.0	126.5	134.0
Domestic and office equipment	23.4	21.7	81.2	79.5
General engineering	33.6	22.4	103.3	92.1
Other industries	18.7	22.5	74.8	78.6
<b>TOTAL</b>	<b>223.0</b>	<b>205.3</b>	<b>782.0</b>	<b>764.3</b>

During the first quarter the deliveries to the automotive and general engineering segments have increased by approximately 68 and 50 percent respectively. The increase in the automotive segment is mainly related to cars, but also the deliveries for heavy vehicles have increase. The deliveries to customers in the electrical engineering and building and construction segments have, on the contrary, decreased by approximately 20 percent compared to the first quarter 2009.

During the period, the Group manufactured 5,400 tonnes (3,900) of aluminium extrusions.

## Comments on profit

The operating profit/loss amounted to MSEK 7.3 (-10.4), which is equivalent to an operating margin of 3.3 percent (-5.0). The profit improvement compared to the corresponding period previous year is primarily explained by higher delivery volumes and an adapted cost level. The loss in the first quarter previous year was also affected by staff reduction related one-off costs amounting to MSEK 3.5

The profit/loss after financial items amounted to MSEK 5.6 (-11.7), while the profit/loss after tax amounted to MSEK 4.2 (-8.6).

Earnings per share totalled SEK 0.84 (1.75). The average number of shares in thousands was 4,933 (4,933).

The return on capital employed amounted to 10.0 percent (-13.7).

## Investments

Investments amounted to MSEK 1.0 (5.6).

## Financing and liquidity

Cash flow from current operations amounted to MSEK -12.6 (-24.6) and cash flow after investments was MSEK -13.8 (-36.7). The previously used financing solution for the lion's share of the Group's raw material purchases has, during the quarter, been replaced by normal bank financing which has increased the interest-bearing liabilities by MSEK 18 and given a negative impact on the cash flow by the same amount.

The balance sheet total as of 31 March 2010 was MSEK 554.3 (536.6).

Net debt amounted to MSEK 155.1 (172.7) as of 31 March 2010 and the net debt/equity ratio was 1.04 (1.29).

**Personnel**

The average number of Group employees during the year was 364 (413), which included 56 (61) people employed by the processing companies.

The number of Group employees as of 31 March 2010 totalled 374 (389).

**Significant risks and uncertain factors**

The company's risks and risk management have not changed significantly since the publishing of the 2009 annual report.

**Outlook for 2010**

The beginning of 2010 has shown clear signs of recovery on the European market for aluminium profiles, but the development is still difficult to assess.

**Earlier assessment of the outlook for 2010 (presented in the Year-end report for 2009)**

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

**Dates for financial information**

ProfilGruppen reports financial information quarterly as follows:

Interim report, 6 months	21 July 2010
Interim report, 9 months	21 October 2010
Year-end report 2010	16 February 2011

Åseda, 22 April 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 1 2010	Q 1 2009	12 months ongoing	Q 1-4 2009
Net turnover	223.0	205.3	782.0	764.3
Cost of goods sold	-192.2	-192.4	-688.1	-688.3
<b>Gross margin</b>	<b>30.8</b>	<b>12.9</b>	<b>93.9</b>	<b>76.0</b>
Other operating revenues	0.0	0.0	0.2	0.2
Selling expenses	-12.3	-11.9	-46.5	-46.1
Administrative expenses	-11.2	-11.4	-40.4	-40.6
<b>Operating profit/loss</b>	<b>7.3</b>	<b>-10.4</b>	<b>7.2</b>	<b>-10.5</b>
Financial income	0.3	0.2	0.4	0.3
Financial expenses	-2.0	-1.5	-8.1	-7.6
<b>Net financial income/expense</b>	<b>-1.7</b>	<b>-1.3</b>	<b>-7.7</b>	<b>-7.3</b>
<b>Income after financial items</b>	<b>5.6</b>	<b>-11.7</b>	<b>-0.5</b>	<b>-17.8</b>
Tax	-1.4	3.1	-0.4	4.1
<b>Net income for the period</b>	<b>4.2</b>	<b>-8.6</b>	<b>-0.9</b>	<b>-13.7</b>
<b>Other comprehensive income</b>				
Changes in hedging reserve	3.0	-0.5	21.7	18.2
Translation differences	-0.3	0.3	-0.6	0.0
Other, reported directly against equity	0.0	0.5	0.0	0.5
<b>Comprehensive income for the period</b>	<b>6.9</b>	<b>-8.3</b>	<b>20.2</b>	<b>5.0</b>
Earnings per share (before and after dilution), SEK	0.84	-1.75	-0.19	-2.77
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	1.0	3.7	3.7
Machinery and equipment	7.4	7.6	28.3	28.5
<b>Total</b>	<b>8.4</b>	<b>8.6</b>	<b>32.0</b>	<b>32.2</b>
of which write-down	0.0	0.0	0.0	0.0

## Statement of financial position

The Group, MSEK	31 March 2010	31 March 2009	31 December 2009
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	263.7	281.2	271.3
Financial fixed assets	0.2	0.2	0.2
<b>Total fixed assets</b>	<b>273.9</b>	<b>291.4</b>	<b>281.5</b>
<b>Current assets</b>			
Inventories	92.4	102.3	84.0
Current receivables	167.5	137.1	129.6
Liquid assets	20.5	5.8	4.2
<b>Total current assets</b>	<b>280.4</b>	<b>245.2</b>	<b>217.8</b>
<b>Total assets</b>	<b>554.3</b>	<b>536.6</b>	<b>499.3</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>149.3</b>	<b>134.0</b>	<b>142.4</b>
<b>Long-term liabilities</b>			
Interest-bearing liabilities	89.3	91.0	92.1
Interest-free liabilities	46.3	37.9	43.7
<b>Total long-term liabilities</b>	<b>135.6</b>	<b>128.9</b>	<b>135.8</b>
<b>Short-term liabilities</b>			
Interest-bearing liabilities	86.3	87.5	52.0
Interest-free liabilities	183.1	186.2	169.1
<b>Total short-term liabilities</b>	<b>269.4</b>	<b>273.7</b>	<b>221.1</b>
<b>Total shareholders' equity and liabilities</b>	<b>554.3</b>	<b>536.6</b>	<b>499.3</b>

## Statement of changes in equity

The Group, MSEK	Q 1 2010	Q 1 2009	Q 1-4 2009
Opening balance	142.4	142.3	142.3
Dividend	0.0	0.0	-4.9
Comprehensive income for the period	6.9	-8.3	5.0
<b>Closing balance</b>	<b>149.3</b>	<b>134.0</b>	<b>142.4</b>

## Statement of cash flows

The Group, MSEK	Q 1 2010	Q 1 2009	12 months ongoing	Q 1-4 2009
Operating cash flow <sup>1)</sup>	13.6	6.1	25.8	18.3
Working capital changes	-26.2	-30.7	14.6	10.1
Cash flow from operating activities	-12.6	-24.6	40.4	28.4
Cash flow from investing activities	-1.2	-12.1	-9.6	-20.5
Cash flow from financing activities	31.1	35.6	-15.1	-10.6
<b>Cash flow for the period</b>	<b>17.3</b>	<b>-1.1</b>	<b>15.7</b>	<b>-2.7</b>
Liquid assets, opening balance	<b>4.2</b>	<b>6.6</b>	<b>5.8</b>	<b>6.6</b>
Translation differences in liquid assets	-1.0	0.3	-1.0	0.3
<b>Liquid assets, closing balance</b>	<b>20.5</b>	<b>5.8</b>	<b>20.5</b>	<b>4.2</b>

<sup>1)</sup> Cash flow from operating activities before working capital changes.

## Accounting Principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Standards Council's RFR 2.3 Accounting for Legal Entities. The accounting principles applied are identical to the ones used for the latest annual report with the exception for the new standards, updates and alterations that came into effect as of 1 January 2010. The new standards, updates and alterations approved by the EU, which came into effect as of 1 January 2010 are IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements, IFRIC 12 Service Concession Arrangements, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 16 Hedge of a Net Investment in a Foreign Operation, IFRIC 17 Distributions of Non-cash Assets to Owners and IFRIC 18 Transfers of Assets from Customers. Currently, these changes have had no impact on the financial reporting.

## Key ratios

The Group	Q 1 2010	Q 1 2009	12 months ongoing	Q 1-4 2009
Net turnover, MSEK	223.0	205.3	782.0	764.3
Income before depreciation, MSEK	15.7	-1.8	39.2	21.7
Operating income/loss, MSEK	7.3	-10.4	7.2	-10.5
Operating margin, %	3.3	-5.0	0.9	-1.4
Income after financial items, MSEK	5.6	-11.7	-0.5	-17.8
Profit margin, %	2.5	-5.7	-0.1	-2.3
Return on equity, %	11.4	-24.9	-0.6	-9.6
Return on capital employed, %	10.0	-13.7	2.4	-3.6
Cash flow from operating activities, MSEK	-12.6	-24.6	40.4	28.4
Investments, MSEK	1.0	5.6	15.8	20.4
Liquidity reserve, MSEK	77.7	47.0	-	99.2
Net debt, MSEK	155.1	172.7	-	140.0
Interest-bearing liabilities and interest-bearing provisions, MSEK	175.7	178.5	-	144.1
Net debt/equity ratio	1.04	1.29	-	0.98
Total assets, MSEK	554.3	536.6	-	499.3
Equity ratio, %	27.0	25.0	-	28.5
Capital turnover	2.9	2.7	2.5	2.7
Proportion of risk-bearing capital, %	35.3	32.0	-	37.2
Interest coverage ratio	3.8	-6.8	0.9	-1.4
Average number of employees	364	413	363	376
Net turnover per employee (average), TSEK	613	498	2 154	2 034
Income after fin, per employee (average), TSEK	16	-28	-1	-47
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	0.84	-1.75	-0.19	-2.77
Equity per share, SEK	30.27	27.17	-	28.86

Definitions are given in ProfilGruppen's Annual Report 2009. 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 6.1 (5.5) 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 2.9 (2.7). Investments in the parent company amounted to MSEK 0.0 (1.5). Last year's investments comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 59.6 (67.0) as of 31 March 2010. 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 2009 annual report.

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

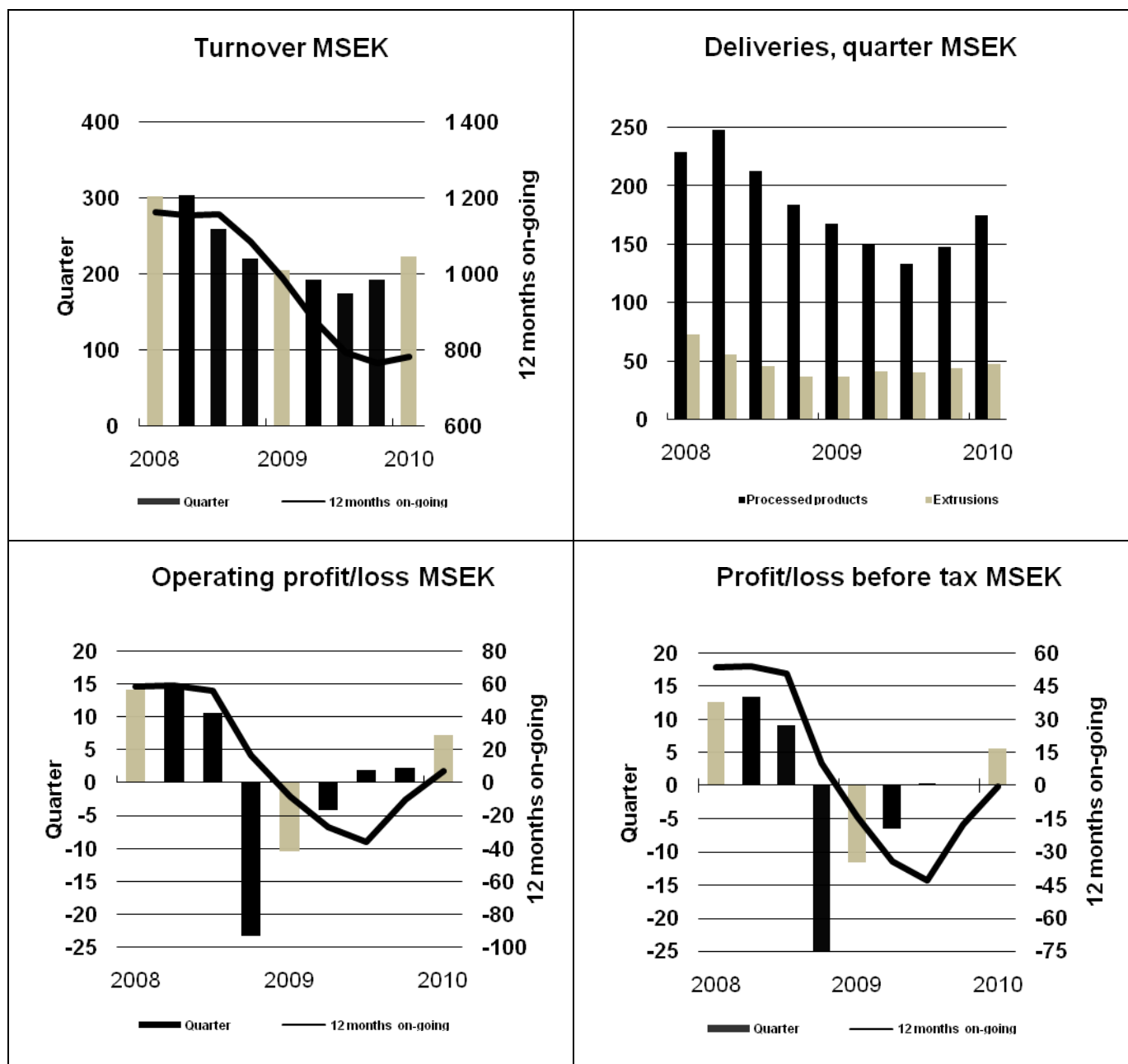
### Income Statement – the parent company

Parent company, MSEK	Q 1 2010	Q 1 2009	Q 1-4 2009
Turnover	6.1	5.5	24.7
Cost of goods sold	-0.9	-0.8	-3.4
<b>Gross margin</b>	<b>5.2</b>	<b>4.7</b>	<b>21.3</b>
Administrative expenses	-2.0	-1.6	-6.6
<b>Operating income</b>	<b>3.2</b>	<b>3.1</b>	<b>14.7</b>
Interest income	0.3	0.2	1.2
Interest expenses	-0.6	-0.6	-4.1
<b>Income after financial items</b>	<b>2.9</b>	<b>2.7</b>	<b>11.8</b>
Appropriations	0.0	0.0	-0.2
<b>Income before tax</b>	<b>2.9</b>	<b>2.7</b>	<b>11.6</b>
Tax	-0.8	-0.7	-3.1
<b>Result of the year</b>	<b>2.1</b>	<b>2.0</b>	<b>8.5</b>

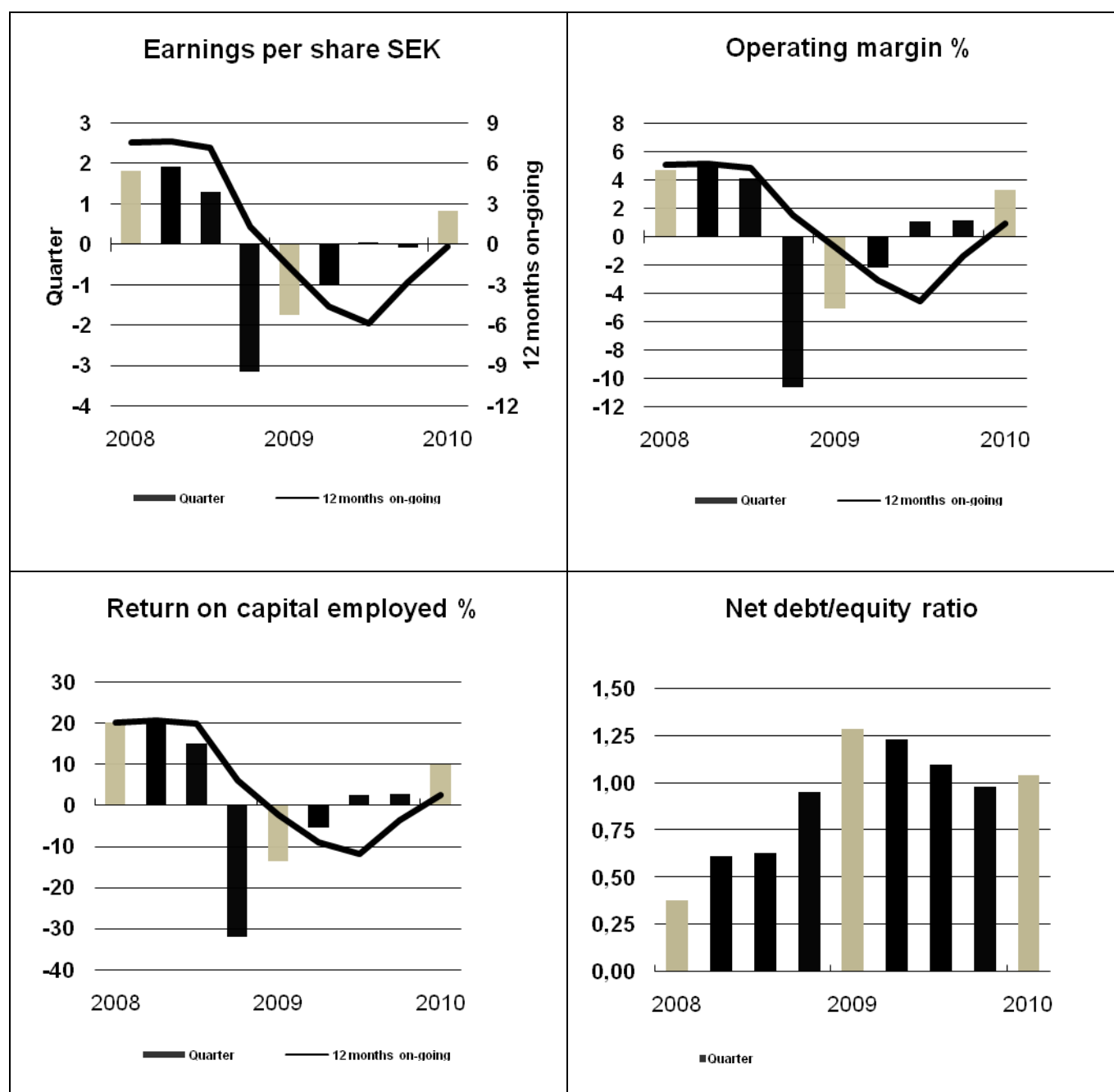
## Balance sheet – the parent company

Parent company, MSEK	31 March 2010	31 March 2009	31 December 2009
<b>Assets</b>			
<b>Tangible assets</b>			
Tangible fixed assets	97.9	98.8	98.8
Financial assets	108.9	108.9	108.9
<b>Total fixed assets</b>	<b>206.8</b>	<b>207.7</b>	<b>207.7</b>
<b>Current assets</b>			
Current receivables	5.3	1.5	4.2
Cash and bank balances	0.4	0.4	0.4
<b>Total current assets</b>	<b>5.7</b>	<b>1.9</b>	<b>4.6</b>
<b>Total assets</b>	<b>212.5</b>	<b>209.6</b>	<b>212.3</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>34.5</b>	<b>39.7</b>	<b>32.4</b>
Untaxed reserves	23.4	23.2	23.3
Provisions for taxes	3.2	3.0	3.2
<b>Long-term liabilities</b>	<b>42.2</b>	<b>49.5</b>	<b>44.7</b>
<b>Current liabilities</b>	<b>109.2</b>	<b>94.2</b>	<b>108.7</b>
<b>Total equity and liabilities</b>	<b>212.5</b>	<b>209.6</b>	<b>212.3</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.