

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

Åseda 21 July, 2010

Continued positive result development

Second Quarter

- * **Turnover MSEK 244.4 (192.9), up 27 percent from previous year.**
- * **Operating profit/loss MSEK 10.6 (-4.2).**
- * **Cash flow from current operations MSEK 2.3 (23.7).**
- * **Earnings per share SEK 1.29 (-0.99)**

First six months

- * **Turnover MSEK 467.4 (398.2), up 17 percent from previous year.**
- * **Operating profit/loss MSEK 17.9 (-14.6).**
- * **Net income MSEK 10.5 (-13.5).**
- * **Cash flow from current operations MSEK -10.3 (-0.9).**
- * **Earnings per share SEK 2.13 (-2.74)**

Nils Arthur, President and CEO of ProfilGruppen, says:

“The demand has also during the second quarter exceeded our expectations. The increased delivery volume, in combination with earlier rationalisations, has lead to a continued positive result development.”

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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 market for aluminium extrusions in Europe has also during the second quarter of the year, showed a clear upturn, especially in northern and central Europe. The upturn covers all industries with the exception of the construction industry that still is burdened by a downturn within the late cyclical subsegments such as building systems. The automotive segment is still the segment with the highest growth.

The lead times within the industry are presently relatively long due to a stronger demand than the market expected.

The price of aluminium raw material on London Metal Exchange (LME) has decreased during the second quarter and at the end of the quarter it amounted to approximately USD 2 000 per ton, 18 percent higher than at the corresponding time last year. The global LME inventory level has decreased somewhat and amounted to 4.4 million tonnes at the end of the second quarter.

Turnover

The turnover of the Group during the first six months amounted to MSEK 467.4 (398.2), an increase by 17 percent compared to the previous year. The delivery volume was 10,950 tonnes (8,700) 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 and different product mix. 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 in 2008 at very high raw material prices.

The share of exports amounted to 50 percent (44) of volume, and 48 percent (44) of turnover.

Turnover per country, MSEK	Q 2 2010	Q 2 2009	Q 1-2 2010	Q 1-2 2009	12 months ongoing	Q 1-4 2009
Sweden	126.9	107.8	241.0	222.4	438.1	419.5
Germany	33.4	27.5	63.3	47.9	106.3	90.9
Norway	18.7	11.3	35.8	25.6	65.0	54.8
Poland	6.6	9.2	18.6	23.1	36.9	41.4
Denmark	26.7	14.8	47.5	30.5	74.1	57.1
United Kingdom	14.3	7.5	27.2	14.9	47.0	34.7
Other countries	17.8	14.8	34.0	33.8	66.1	65.9
TOTAL	244.4	192.9	467.4	398.2	833.5	764.3

Deliveries to the Swedish market during the first six months have increased by 8 percent compared to the corresponding period previous year. The turnover for the Swedish market increased in all segments, with the exception of the construction segment. During the second quarter the Swedish market grew by 18 percent compared to 2009.

The deliveries to the German market during the first six months have increased by more than 30 percent, compared to the corresponding period last year, due to higher demand from customers in the segments general engineering and automotive. For the Norwegian, UK and Polish markets the increase in turnover is still mainly related to the automotive industry.

Turnover per sector, MSEK	Q 2 2010	Q 2 2009	Q 1-2 2010	Q 1-2 2009	12 months ongoing	Q 1-4 2009
Electrical engineering	51.9	45.3	100.1	105.9	190.3	196.1
Transportation	82.8	44.2	153.4	86.3	251.1	184.0
Building and construction	34.1	38.4	62.6	74.4	122.2	134.0
Domestic and office equipment	22.1	19.0	45.5	40.7	84.3	79.5
General engineering	33.8	28.4	67.4	50.8	108.7	92.1
Other industries	19.7	17.6	38.4	40.1	76.9	78.6
TOTAL	244.4	192.9	467.4	398.2	833.5	764.3

During the first six months the deliveries to the automotive and general engineering segments have increased by approximately 78 and 33 percent respectively. The deliveries to heavy vehicles have recovered substantially and shows the same percentage increase as the automotive industry as a whole. The deliveries to customers in the electrical engineering and construction segments have, on the contrary, decreased by approximately 5 and 16 percent respectively compared to the first six months 2009. However, for the second quarter the electrical engineering segment showed growth again.

During the period, the Group manufactured 11,100 tonnes (8,550) of aluminium extrusions.

Comments on profit

The operating profit/loss amounted to MSEK 17.9 (-14.6), which is equivalent to an operating margin of 3.8 percent (-3.7). The profit improvement compared to the corresponding period previous year is primarily explained by higher delivery volumes and previously implemented rationalisations. The loss in the first quarter previous year was affected by staff reduction related one-off costs amounting to MSEK 3.5

The profit/loss after financial items amounted to MSEK 14.2 (-18.3), while the profit/loss after tax amounted to MSEK 10.5 (-13.5).

Earnings per share totalled SEK 2.13 (2.74). The average number of shares in thousands was 4,933 (4,933).

The return on capital employed amounted to 11.9 percent (-9.7).

The second quarter

Turnover amounted to MSEK 244.4 (192.9). The delivery volume in the quarter was 5,700 tonnes (4,500) of aluminium extrusions, and production was 5,700 tonnes (4,650). The share of exports amounted to 50 percent (44) of volume, and 48 percent (44) of turnover.

The operating profit/loss for the second quarter amounted to MSEK 10.6 (-4.2). The profit improvement compared to the corresponding period previous year is primarily explained by higher delivery volumes and previously implemented rationalisations.

The profit/loss after financial items amounted to MSEK 8.6 (-6.6). Earnings per share totalled SEK 1.29 (-0.99).

Investments

Investments amounted to MSEK 2.3 (12.5).

Financing and liquidity

Cash flow from current operations amounted to MSEK -10.3 (-0.9) and cash flow after investments was MSEK -11.9 (-17.9). The previously used financing solution for the lion's share of the Group's raw material purchases has, during the first quarter of the year, 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 cashflow from current operations for the second quarter amounted to MSEK 2.3 (23.7). The deviation is mainly explained by increased working capital due to the higher delivery volumes.

The balance sheet total as of 30 June 2010 was MSEK 553.9 (547.7).

Net debt amounted to MSEK 152.8 (161.7) as of 30 June 2010 and the net debt/equity ratio was 0.97 (1.23).

Personnel

The average number of Group employees during the year was 370 (392), which included 56 (58) people employed by the processing companies.

The number of Group employees as of 30 June 2010 totalled 382 (352).

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

Demand on the European market for aluminium extrusions has increased substantially during the first six months of the year, and there is much to support the fact that the demand will remain on the same level during the second half year.

Earlier assessment of the outlook for 2010 (presented in the report for the first quarter 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.

Dates for financial information

ProfilGruppen reports financial information quarterly as follows:

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

The Board of Directors and CEO assert that the half-yearly report gives a true overview of the activities, results and financial position of the company and Group and also describes the significant risks and uncertain factors to which the company and the other companies in the Group are exposed.

Åseda, July 21, 2010

Eva Färnstrand
Chairman

Nils Arthur
President & CEO

Ulf Granstrand
Member of the Board

Susanna Hilleskog
Member of the Board

Mats Egeholm
Member of the Board

Kurt Nilsson
Member of the Board
Employee representative

Ulf Näslund
Member of the Board
Employee representative

Kjell Svensson
Member of the Board

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

Statement of comprehensive income

The Group, MSEK	Q 2 2010	Q 2 2009	Q 1-2 2010	Q 1-2 2009	12 months ongoing	Q 1-4 2009
Net turnover	244.4	192.9	467.4	398.2	833.5	764.3
Cost of goods sold	-208.9	-173.9	-401.1	-366.3	-723.1	-688.3
Gross margin	35.5	19.0	66.3	31.9	110.4	76.0
Other operating revenues	0.1	0.2	0.1	0.2	0.1	0.2
Selling expenses	-11.6	-12.8	-23.9	-24.7	-45.3	-46.1
Administrative expenses	-13.4	-10.6	-24.6	-22.0	-43.2	-40.6
Operating profit/loss	10.6	-4.2	17.9	-14.6	22.0	-10.5
Financial income	0.1	0.0	0.1	0.2	0.2	0.3
Financial expenses	-2.1	-2.4	-3.8	-3.9	-7.5	-7.6
Net financial income/expense	-2.0	-2.4	-3.7	-3.7	-7.3	-7.3
Income after financial items	8.6	-6.6	14.2	-18.3	14.7	-17.8
Tax	-2.3	1.7	-3.7	4.8	-4.4	4.1
Net income for the period	6.3	-4.9	10.5	-13.5	10.3	-13.7
Other comprehensive income						
Changes in hedging reserve	2.4	6.8	5.4	6.3	17.3	18.2
Translation differences	0.1	0.0	-0.2	0.3	-0.5	0.0
Other, reported directly against equity	0.0	0.0	0.0	0.5	0.0	0.5
Comprehensive income for the period	8.8	1.9	15.7	-6.4	27.1	5.0
Earnings per share (before and after dilution), SEK	1.29	-0.99	2.13	-2.74	2.09	-2.77
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	1.0	0.9	2.0	1.9	3.8	3.7
Machinery and equipment	7.4	7.9	14.8	15.5	27.8	28.5
Total	8.4	8.8	16.8	17.4	31.6	32.2
of which write-down	0.0	0.0	0.0	0.0	0.0	0.0

Statement of financial position

The Group, MSEK	30 June 2010	30 June 2009	31 December 2009
Assets			
Fixed assets			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	255.8	278.7	271.3
Financial fixed assets	0.2	0.2	0.2
Total fixed assets	266.0	288.9	281.5
Current assets			
Inventories	100.8	104.6	84.0
Current receivables	177.3	139.9	129.6
Liquid assets	9.8	14.0	4.2
Total current assets	287.9	258.5	217.8
Total assets	553.9	547.4	499.3
Shareholders' equity and liabilities			
Shareholders' equity	158.0	131.0	142.4
Long-term liabilities			
Interest-bearing liabilities	86.4	93.5	92.1
Interest-free liabilities	49.3	38.6	43.7
Total long-term liabilities	135.7	132.1	135.8
Short-term liabilities			
Interest-bearing liabilities	76.2	82.3	52.0
Interest-free liabilities	184.0	202.0	169.1
Total short-term liabilities	260.2	284.3	221.1
Total shareholders' equity and liabilities	553.9	547.4	499.3

Statement of changes in equity

The Group, MSEK	Q 2 2010	Q 2 2009	Q 1-2 2010	Q 1-2 2009	Q 1-4 2009
Opening balance	149.3	134.0	142.4	142.3	142.3
Dividend	0.0	-4.9	0.0	-4.9	-4.9
Comprehensive income for the period	8.7	1.9	15.7	-6.4	5.0
Closing balance	158.0	131.0	158.0	131.0	142.4

Statement of cash flows

The Group, MSEK	Q 2 2010	Q 2 2009	Q 1-2 2010	Q 1-2 2009	12 months ongoing	Q 1-4 2009
Operating cash flow ¹⁾	13.4	2.9	27.0	9.0	36.3	18.3
Working capital changes	-11.1	20.8	-37.3	-9.9	-17.3	10.1
Cash flow from operating activities	2.3	23.7	-10.3	-0.9	19.0	28.4
Cash flow from investing activities	-0.4	-4.9	-1.6	-17.0	-5.1	-20.5
Cash flow from financing activities	-12.8	-10.5	18.3	25.1	-17.4	-10.6
Cash flow for the period	-10.9	8.3	6.4	7.2	-3.5	-2.7
Liquid assets, opening balance	20.5	5.8	4.2	6.6	14.0	6.6
Translation differences in liquid assets	0.2	-0.1	-0.8	0.2	-0.7	0.3
Liquid assets, closing balance	9.8	14.0	9.8	14.0	9.8	4.2

¹⁾ 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 2 2010	Q 2 2009	Q 1-2 2010	Q 1-2 2009	12 months ongoing	Q 1-4 2009
Net turnover, MSEK	244.4	192.9	467.4	398.2	833.5	764.3
Income before depreciation, MSEK	19.0	4.6	34.7	2.8	53.6	21.7
Operating income/loss, MSEK	10.6	-4.2	17.9	-14.6	22.0	-10.5
Operating margin, %	4.3	-2.2	3.8	-3.7	2.6	-1.4
Income after financial items, MSEK	8.6	-6.6	14.2	-18.3	14.7	-17.8
Profit margin, %	3.5	-3.4	3.0	-4.6	1.8	-2.3
Return on equity, %	16.5	-14.8	14.0	-19.8	7.2	-9.6
Return on capital employed, %	12.9	-5.4	11.9	-9.7	7.1	-3.6
Cash flow from operating activities, MSEK	2.3	23.7	-10.3	-0.9	19.0	28.4
Investments, MSEK	1.3	6.9	2.3	12.5	10.2	20.4
Liquidity reserve, MSEK	-	-	80.4	76.9	-	99.2
Net debt, MSEK	-	-	152.8	161.7	-	140.0
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	162.6	175.8	-	144.1
Net debt/equity ratio	-	-	0.97	1.23	-	0.98
Total assets, MSEK	-	-	553.9	547.4	-	499.3
Equity ratio, %	-	-	28.5	23.9	-	28.5
Capital turnover	3.0	2.5	3.1	2.7	2.7	2.7
Proportion of risk-bearing capital, %	-	-	37.4	31.0	-	37.2
Interest coverage ratio	5.8	-1.7	4.7	-3.6	3.0	-1.4
Average number of employees	378	371	370	392	362	376
Net turnover per employee (average), TSEK	647	520	1 264	1 014	2 302	2 034
Income after fin, per employee (average), TSEK	23	-18	39	-47	41	-47
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	1.29	-0.99	2.13	-2.74	2.09	-2.77
Equity per share, SEK	-	-	32.03	26.56	-	28.86

Definitions are given in ProfilGruppen's Annual Report 2009. 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 12.3 (12.4) 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 3.4 (6.1). Investments in the parent company amounted to MSEK 0.0 (2.9). Last year's investments comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 56.8 (67.0) as of 30 June 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.

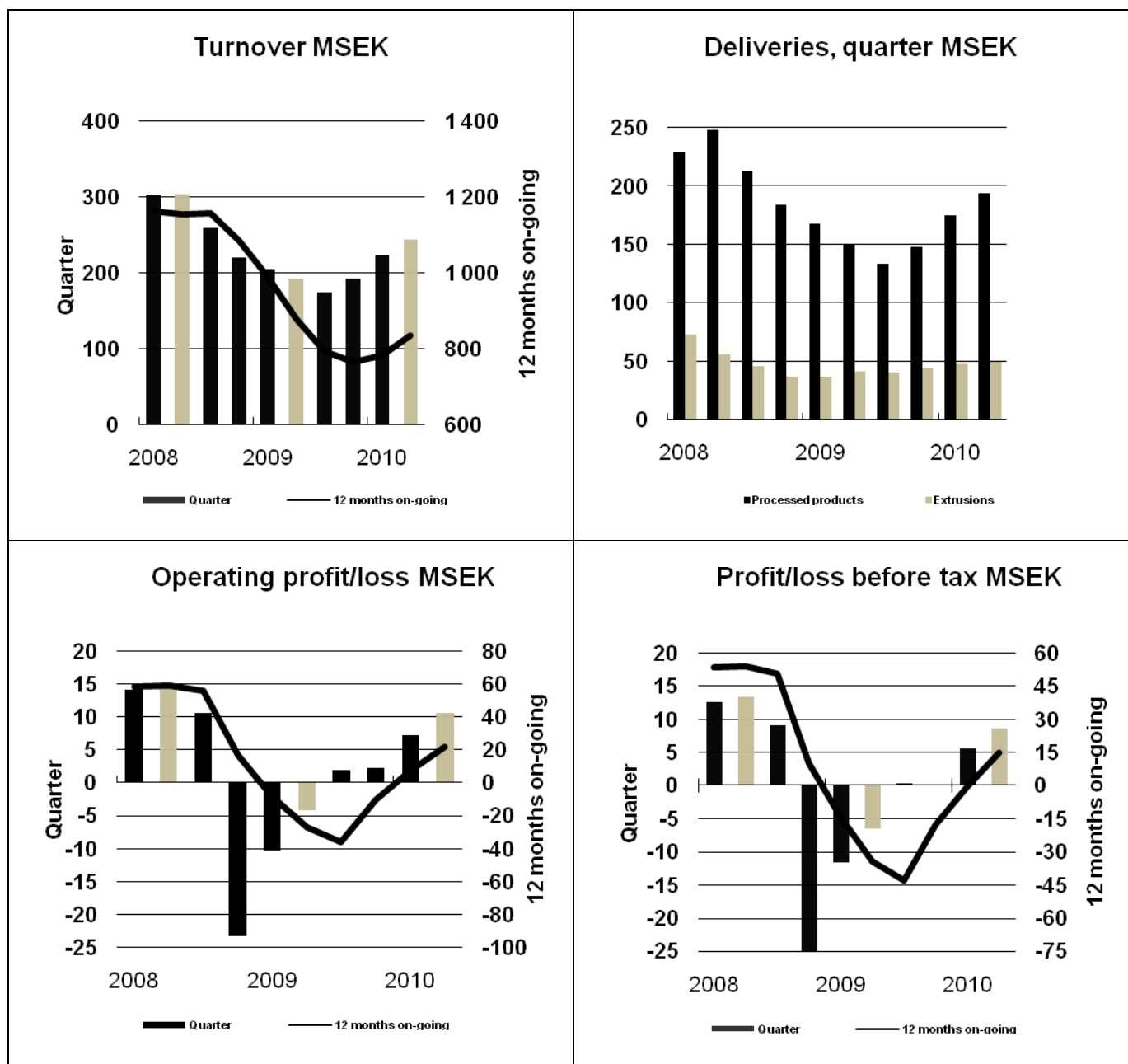
Income Statement – the parent company

Parent company, MSEK	Q 2 2010	Q 2 2009	Q 1-2 2010	Q 1-2 2009	Q 1-4 2009
Turnover	6.2	6.9	12.3	12.4	24.7
Cost of goods sold	-1.0	-1.0	-1.9	-1.8	-3.4
Gross margin	5.2	5.9	10.4	10.6	21.3
Administrative expenses	-4.2	-1.9	-6.2	-3.5	-6.6
Operating income	1.0	4.0	4.2	7.1	14.7
Interest income	0.4	0.3	0.7	0.5	1.2
Interest expenses	-0.9	-0.9	-1.5	-1.5	-4.1
Income after financial items	0.5	3.4	3.4	6.1	11.8
Appropriations	0.0	0.0	0.0	0.0	-0.2
Income before tax	0.5	3.4	3.4	6.1	11.6
Tax	-0.2	-0.9	-1.0	-1.6	-3.1
Result of the year	0.3	2.5	2.4	4.5	8.5

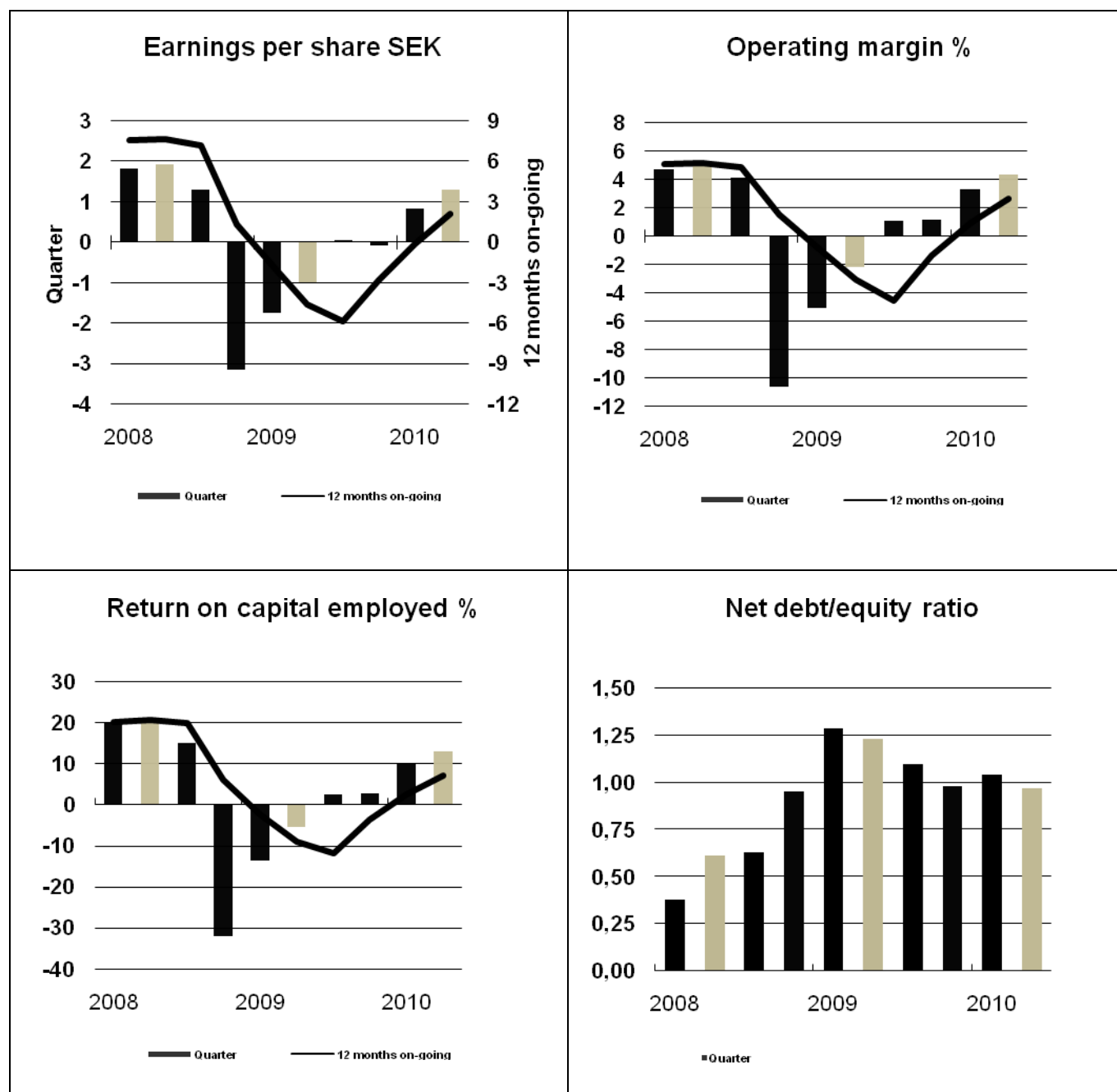
Balance sheet – the parent company

Parent company, MSEK	30 June 2010	30 June 2009	31 December 2009
Assets			
Tangible assets			
Tangible fixed assets	97.1	99.2	98.8
Financial assets	108.9	108.9	108.9
Total fixed assets	206.0	208.1	207.7
Current assets			
Current receivables	6.3	2.5	4.2
Cash and bank balances	0.4	0.4	0.4
Total current assets	6.7	2.9	4.6
Total assets	212.7	211.0	212.3
Equity and liabilities			
Equity	34.8	36.5	32.4
Untaxed reserves	23.4	23.2	23.3
Provisions for taxes	3.2	3.0	3.2
Long-term liabilities	40.0	49.5	44.7
Current liabilities	111.3	98.8	108.7
Total equity and liabilities	212.7	211.0	212.3

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.