

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

Åseda, 21 October, 2010

Continued result improvement

Third Quarter

- * **Turnover MSEK 203.5 (173.9), up 17 percent compared to previous year.**
- * **Operating profit/loss MSEK 7.2 (2.0).**
- * **Cash flow from current operations MSEK 9.7 (10.8).**
- * **Earnings per share SEK 0.83 (0.04)**

First nine months

- * **Turnover MSEK 670.9 (572.1), up 17 percent compared to previous year.**
- * **Operating profit/loss MSEK 25.1 (-12.6 including negative one-off items of MSEK 3.5).**
- * **Net income MSEK 14.6 (-13.3).**
- * **Cash flow from current operations MSEK -0.6 (9.9).**
- * **Earnings per share SEK 2.96 (-2.70)**

Changes to the Board of Directors

- * **As he resigns from the role as President and CEO on 31 December 2010, Nils Arthur will also leave the Board of Directors of the company.**

Nils Arthur, President and CEO of ProfilGruppen, says:

“The volume growth and the previously implemented rationalisations have contributed to a continued result improvement compared to previous year.”

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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 during the third quarter of the year showed a continued general upturn, primarily in northern and central Europe. The upturn is driven by the transportation segment, where now not only cars, but also heavy vehicles show a strong recovery. The construction industry is still an exception from the general upturn.

The price of aluminium raw material on London Metal Exchange (LME) has increased by approximately 20 percent during the third quarter and amounted to just over USD 2 300 per ton at the end of the quarter, approximately 24 percent higher than at the corresponding time last year. The global LME inventory level amounted to slightly less than 4.4 million tonnes at the end of the third quarter, which is marginally lower than at the beginning of the quarter.

Turnover

The turnover of the Group during the first nine months amounted to MSEK 670.9 (572.1), an increase by 17 percent compared to the previous year. The delivery volume was 15,600 tonnes (12,900) of aluminium extrusions, an increase by 21 percent compared to the previous year.

The share of exports amounted to 51 percent (44) of volume, and 49 percent (45) of turnover.

Turnover per country, MSEK	Q 3 2010	Q 3 2009	Q 1-3 2010	Q 1-3 2009	12 months ongoing	Q 1-4 2009
Sweden	98.9	92.1	339.9	314.5	444.9	419.5
Germany	32.8	21.8	96.1	69.7	117.3	90.9
Norway	12.8	12.3	48.6	37.9	65.5	54.8
Poland	9.7	8.4	28.3	31.5	38.2	41.4
Denmark	14.1	15.1	61.6	45.6	73.1	57.1
United Kingdom	12.3	8.7	39.5	23.6	50.6	34.7
Other countries	22.9	15.5	56.9	49.3	73.5	65.9
TOTAL	203.5	173.9	670.9	572.1	863.1	764.3

Deliveries to the Swedish market during the first nine months have increased by 8 percent compared to the corresponding period previous year. With the exception of the construction segment the upturn comprises all segments.

The deliveries to the export market have increased by 28 percent during the first nine months compared to the corresponding period last year. The deliveries to the German market have increased by close to 38 percent, mainly due to higher demand from customers in the general engineering segment. For the Norwegian, UK and Polish markets the increase in turnover is still mainly driven by the growth in the automotive industry.

Turnover per sector, MSEK	Q 3 2010	Q 3 2009	Q 1-3 2010	Q 1-3 2009	12 months ongoing	Q 1-4 2009
Electrical engineering	43.9	41.4	144.0	147.3	192.8	196.1
Transportation	65.8	45.2	219.2	131.5	271.7	184.0
Building and construction	23.5	28.4	86.1	102.8	117.3	134.0
Domestic and office equipment	20.2	18.2	65.7	58.9	86.3	79.5
General engineering	34.5	23.3	101.9	74.1	119.9	92.1
Other industries	15.6	17.4	54.0	57.5	75.1	78.6
TOTAL	203.5	173.9	670.9	572.1	863.1	764.3

During the first nine months the deliveries to the automotive and general engineering segments have increased by approximately 67 and 38 percent respectively. The deliveries to heavy vehicles have increased more than the transportation segment in total. The deliveries to customers in the electrical engineering and construction segments have decreased by two and 16 percent respectively compared to the corresponding period 2009. However, since the second quarter the electrical engineering segment is again showing growth.

During the period, the Group manufactured 15,800 tonnes (12,600) of aluminium extrusions.

Comments on profit

The operating profit/loss amounted to MSEK 25.1 (-12.6) during the first nine months, which is equivalent to an operating margin of 3.7 percent (-2.2). The profit improvement compared to the corresponding period previous year is primarily explained by higher delivery volumes and previously implemented rationalisations. The result 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 19.8 (-18.0), while the profit/loss after tax amounted to MSEK 14.6 (-13.3).

Earnings per share totalled SEK 2.96 (-2.70). The average number of shares in thousands was 4,933 (4,933).

The return on capital employed amounted to 11.0 percent (-5.6).

The third quarter

Turnover amounted to MSEK 203.5 (173.9). The delivery volume in the quarter was 4,650 tonnes (4,200) of aluminium extrusions, and production was 4,700 tonnes (4,050). The share of exports amounted to 52 percent (46) of volume, and 51 percent (47) of turnover.

The operating profit/loss for the third quarter amounted to MSEK 7.2 (2.0). 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 5.6 (0.3). Earnings per share totalled SEK 0.83 (0.04).

Investments

Investments during the first nine months amounted to MSEK 4.6 (17.8).

Financing and liquidity

Cash flow from current operations amounted to MSEK -0.6 (9.9) and cash flow after investments was MSEK -4.4 (-9.7). 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 cash flow from current operations for the third quarter amounted to MSEK 9.7 (10.8). The deviation is mainly explained by increased working capital due to the higher delivery volumes.

The balance sheet total as of 30 September 2010 was MSEK 557.5 (522.3).

Net debt amounted to MSEK 145.0 (156.8) as of 30 September 2010 and the net debt/equity ratio was 0.87 (1.10).

Personnel

The average number of Group employees during the year was 376 (382), which included 57 (56) people employed by the processing companies. The number of Group employees as of 30 September 2010 totalled 395 (349).

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 growth of demand on the European market for aluminium extrusions has had a strong upturn during the first six months of the year and the assessment is that the European market for the full year of 2010 will grow 15 to 20 percent.

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

Changes to the Board of Directors and management team

In accordance with the press release dated 31 March 2010, Nils Arthur, President and CEO, will resign from his role on 31 December 2010. At the same time he will also leave the Board of Directors of the company. Since no deputies have been appointed the number of Board members appointed at the AGM will amount to five until the next AGM where the future number of Board members and the composition of the Board will be subject to decision.

As communicated in the press release dated 18 August 2010, Claes Anselmsson will take over as President and CEO at the year end.

Year-end report and Annual General Meeting

The Year-end report for 2010 will be published 16 February 2011.

The AGM 2011 will take place 31 March 2011 at 15.00 CET. All shareholders will then be welcome at Folkets Hus in Åseda.

The nomination committee for the AGM 2011 consists of Lars Johansson (chairman), Gunnel Smedstad, Torgny Prior and Eva Färnstrand. Shareholders who want to hand in proposals to the nomination committee may either contact one of the delegates of nomination committee or send an e-mail to valberedningen@profilgruppen.se or regular mail to Nomination committee, ProfilGruppen AB, Box 36, SE-360 70 Åseda, Sweden.

Åseda, October 21, 2010

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, 2010 to September 30, 2010. 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 21, 2010
Ernst & Young AB

Kerstin Mouchard
Certified Public Accountant

Åke Andersson
Certified Public Accountant

Statement of comprehensive income

The Group, MSEK	Q 3 2010	Q 3 2009	Q 1-3 2010	Q 1-3 2009	12 months ongoing	Q 1-4 2009
Net turnover	203.5	173.9	670.9	572.1	863.1	764.3
Cost of goods sold	-172.3	-153.8	-573.4	-520.1	-741.6	-688.3
Gross margin	31.2	20.1	97.5	52.0	121.5	76.0
Other operating revenues	0.0	0.0	0.1	0.2	0.1	0.2
Selling expenses	-11.3	-9.7	-35.2	-34.4	-46.9	-46.1
Administrative expenses	-12.7	-8.4	-37.3	-30.4	-47.5	-40.6
Operating profit/loss	7.2	2.0	25.1	-12.6	27.2	-10.5
Financial income	0.1	0.1	0.2	0.3	0.2	0.3
Financial expenses	-1.7	-1.8	-5.5	-5.7	-7.4	-7.6
Net financial income/expense	-1.6	-1.7	-5.3	-5.4	-7.2	-7.3
Income after financial items	5.6	0.3	19.8	-18.0	20.0	-17.8
Tax	-1.5	-0.1	-5.2	4.7	-5.8	4.1
Net income for the period	4.1	0.2	14.6	-13.3	14.2	-13.7
Other comprehensive income						
Changes in hedging reserve	4.2	11.3	9.6	17.6	10.2	18.2
Translation differences	-0.3	-0.4	-0.5	-0.1	-0.4	0.0
Other, reported directly against equity	0.0	0.0	0.0	0.5	0.0	0.5
Comprehensive income for the period	8.0	11.1	23.7	4.7	24.0	5.0
Earnings per share (before and after dilution), SEK	0.83	0.04	2.96	-2.70	2.88	-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	0.8	0.8	2.8	2.7	3.8	3.7
Machinery and equipment	5.2	5.3	20.0	20.8	27.7	28.5
Total	6.0	6.1	22.8	23.5	31.5	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 September 2010	30 September 2009	31 December 2009
Assets			
Fixed assets			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	251.9	277.7	271.3
Financial fixed assets	0.2	0.2	0.2
Total fixed assets	262.1	287.9	281.5
Current assets			
Inventories	106.5	88.0	84.0
Current receivables	173.3	143.6	129.6
Liquid assets	15.6	2.8	4.2
Total current assets	295.4	234.4	217.8
Total assets	557.5	522.3	499.3
Shareholders' equity and liabilities			
Shareholders' equity	166.1	142.1	142.4
Long-term liabilities			
Interest-bearing liabilities	83.1	93.5	92.1
Interest-free liabilities	52.3	42.7	43.7
Total long-term liabilities	135.4	136.2	135.8
Short-term liabilities			
Interest-bearing liabilities	77.5	66.1	52.0
Interest-free liabilities	178.5	177.9	169.1
Total short-term liabilities	256.0	244.0	221.1
Total shareholders' equity and liabilities	557.5	522.3	499.3
Pledged assets and contingent liabilities			
Property mortgages	84.8		84.8
Floating charges	174.0		174.0
Shares in subsidiaries	206.7		194.1
Trade receivables pledged as collateral	58.8		-
Guarantees for other companies	1.0		1.0
Guarantee commitments FPG/PRI	0.2		0.2

Statement of changes in equity

The Group, MSEK	Q 3 2010	Q 3 2009	Q 1-3 2010	Q 1-3 2009	Q 1-4 2009
Opening balance	158.1	131.0	142.4	142.3	142.3
Dividend	0.0	0.0	0.0	-4.9	-4.9
Comprehensive income for the period	8.0	11.1	23.7	4.7	5.0
Closing balance	166.1	142.1	166.1	142.1	142.4

Statement of cash flows

The Group, MSEK	Q 3 2010	Q 3 2009	Q 1-3 2010	Q 1-3 2009	12 months ongoing	Q 1-4 2009
Operating cash flow ¹⁾	9.3	2.5	36.3	11.5	43.1	18.3
Working capital changes	0.4	8.3	-36.9	-1.6	-25.2	10.1
Cash flow from operating activities	9.7	10.8	-0.6	9.9	17.9	28.4
Cash flow from investing activities	-2.2	-2.6	-3.8	-19.6	-4.7	-20.5
Cash flow from financing activities	-0.9	-19.4	17.4	5.7	1.1	-10.6
Cash flow for the period	6.6	-11.2	13.0	-4.0	14.3	-2.7
Liquid assets, opening balance	9.8	14.0	4.2	6.6	2.8	6.6
Translation differences in liquid assets	-0.8	0.0	-1.6	0.2	-1.5	0.3
Liquid assets, closing balance	15.6	2.8	15.6	2.8	15.6	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 3 2010	Q 3 2009	Q 1-3 2010	Q 1-3 2009	12 months ongoing	Q 1-4 2009
Net turnover, MSEK	203.5	173.9	670.9	572.1	863.1	764.3
Income before depreciation, MSEK	13.2	8.0	47.9	10.9	58.7	21.7
Operating income/loss, MSEK	7.2	2.0	25.1	-12.6	27.2	-10.5
Operating margin, %	3.5	1.1	3.7	-2.2	3.2	-1.4
Income after financial items, MSEK	5.6	0.3	19.8	-18.0	20.0	-17.8
Profit margin, %	2.8	0.2	3.0	-3.1	2.3	-2.3
Return on equity, %	10.2	0.6	12.6	-12.5	9.2	-9.6
Return on capital employed, %	9.0	2.6	11.0	-5.6	8.7	-3.6
Cash flow from operating activities, MSEK	9.7	10.8	-0.6	9.9	17.9	28.4
Investments, MSEK	2.3	5.3	4.6	17.8	7.2	20.4
Liquidity reserve, MSEK	-	-	88.2	82.2	-	99.2
Net debt, MSEK	-	-	145.0	156.8	-	140.0
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	160.6	159.6	-	144.1
Net debt/equity ratio	-	-	0.87	1.10	-	0.98
Total assets, MSEK	-	-	557.5	522.3	-	499.3
Equity ratio, %	-	-	29.8	27.2	-	28.5
Capital turnover	2.5	2.3	2.9	2.6	2.7	2.7
Proportion of risk-bearing capital, %	-	-	39.2	35.4	-	37.2
Interest coverage ratio	4.4	1.2	4.6	-2.2	3.7	-1.4
Average number of employees	389	351	376	382	371	376
Net turnover per employee (average), TSEK	524	496	1 784	1 499	2 326	2 034
Income after fin, per employee (average), TSEK	14	1	53	-47	54	-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	0.83	0.04	2.96	-2.70	2.88	-2.77
Equity per share, SEK	-	-	33.66	28.81	-	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 18.5 (18.5) 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 4.3 (9.6). Investments in the parent company amounted to MSEK 0.2 (3.3). This year's as well as previous year's investments comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 55.0 (64.3) as of 30 September 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.

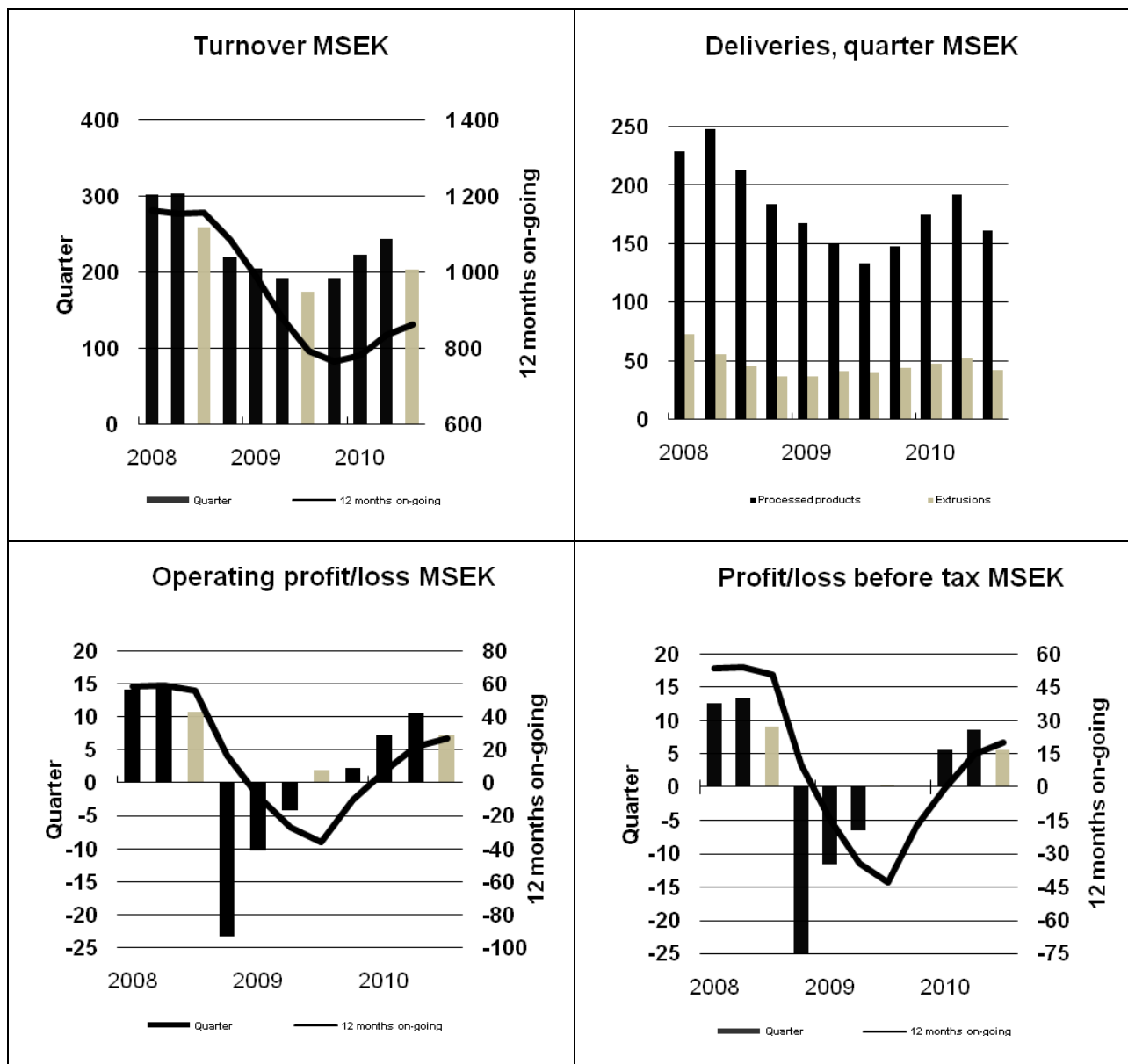
Income Statement – the parent company

Parent company, MSEK	Q 3 2010	Q 3 2009	Q 1-3 2010	Q 1-3 2009	Q 1-4 2009
Turnover	6.2	6.1	18.5	18.5	24.7
Cost of goods sold	-0.6	-0.6	-2.5	-2.4	-3.4
Gross margin	5.6	5.5	16.0	16.1	21.3
Administrative expenses	-4.3	-1.7	-10.5	-5.2	-6.6
Operating income	1.3	3.8	5.5	10.9	14.7
Interest income	0.3	0.5	1.0	1.0	1.2
Interest expenses	-0.7	-0.8	-2.2	-2.3	-4.1
Income after financial items	0.9	3.5	4.3	9.6	11.8
Appropriations	0.0	0.0	0.0	0.0	-0.2
Income before tax	0.9	3.5	4.3	9.6	11.6
Tax	-0.2	-1.1	-1.2	-2.7	-3.1
Result of the year	0.7	2.4	3.1	6.9	8.5

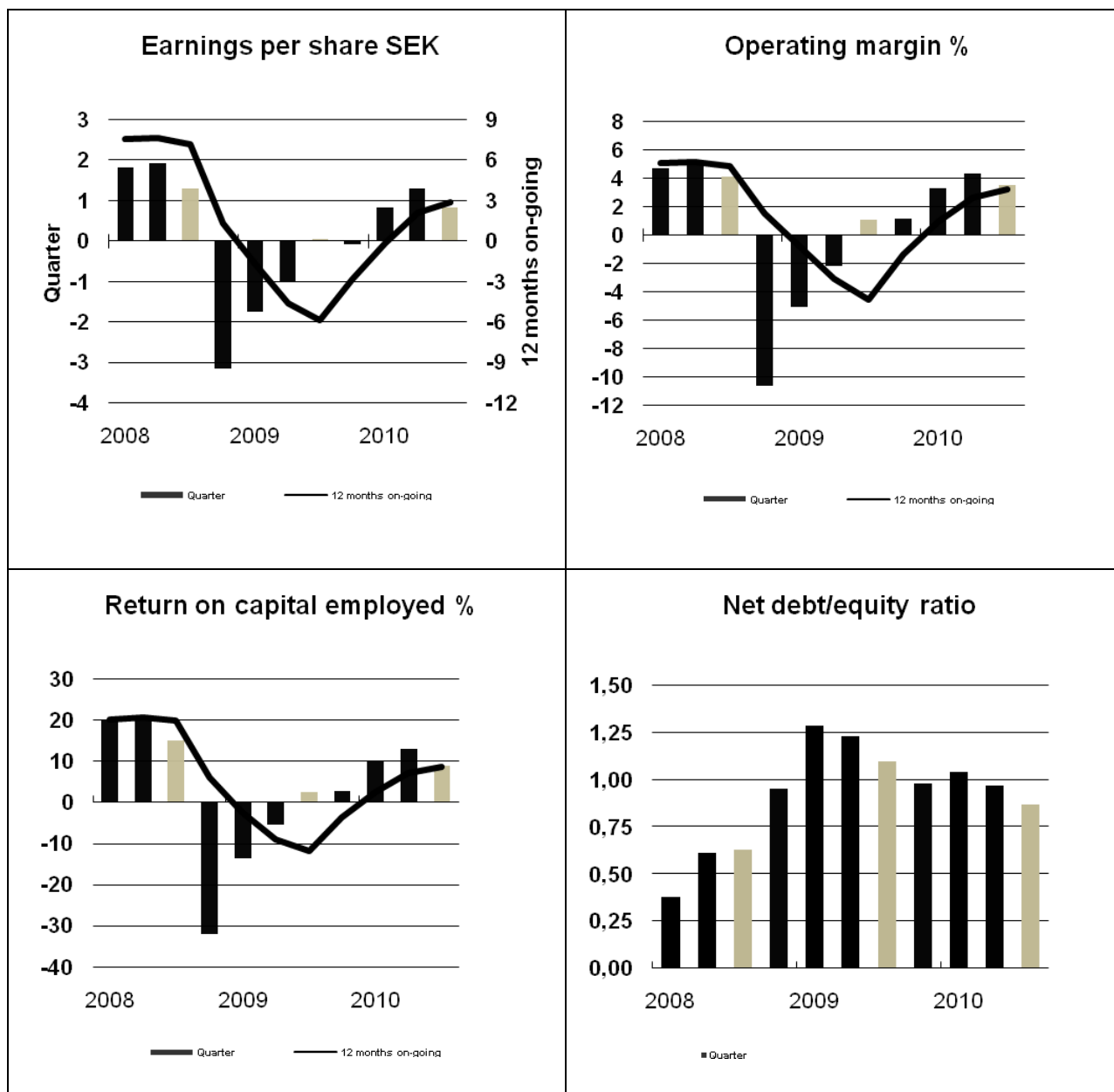
Balance sheet – the parent company

Parent company, MSEK	30 September 2010	30 September 2009	31 December 2009
Assets			
Tangible assets			
Tangible fixed assets	96.6	99.1	98.8
Financial assets	108.9	108.9	108.9
Total fixed assets	205.5	208.0	207.7
Current assets			
Current receivables	7.4	3.3	4.2
Cash and bank balances	0.4	0.4	0.4
Total current assets	7.8	3.7	4.6
Total assets	213.3	211.7	212.3
Equity and liabilities			
Equity	35.5	38.7	32.4
Untaxed reserves	23.3	23.2	23.3
Provisions for taxes	3.2	3.0	3.2
Long-term liabilities	37.5	47.0	44.7
Current liabilities	113.7	99.8	108.7
Total equity and liabilities	213.3	211.7	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.