

Year-end report from ProfilGruppen AB (publ),
January – December 2010

Åseda, 16 February, 2011

The Board is proposing a dividend of SEK 1.50 per share

Fourth Quarter

- * **Turnover MSEK 230.5 (192.2), up 20 percent compared to previous year.**
- * **Operating profit/loss MSEK 4.1 (2.1), charged with MSEK 1.9 for arbitration costs.**
- * **Cash flow from current operations MSEK 19.0 (18.5).**
- * **Earnings per share SEK 0.21 (-0.08)**

Full year

- * **Turnover MSEK 901.4 (764.3), up 18 percent compared to previous year.**
- * **Operating profit/loss MSEK 29.2 (-10.5), charged with MSEK 3.7 for arbitration costs.**
- * **Net income MSEK 15.6 (-13.7).**
- * **Cash flow from current operations MSEK 18.4 (28.4).**
- * **Earnings per share SEK 3.17 (-2.77)**
- * **The Board is proposing a dividend of SEK 1.50 per share (0.00).**

Claes Seldeby, President and CEO of ProfilGruppen, says:

“The recovery in 2010 has given us the foundations for increased market presence and strengthened competitiveness in 2011.”

Contacts for information:

Claes Seldeby, President and CEO, mobile: +46 (0)73 230 05 70
e-mail: claes.seldeby@profilgruppen.se

Peter Schön, CFO, mobile: +46 (0)70 339 89 99
e-mail: peter.schon@profilgruppen.se

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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 last quarter of the year showed a general upturn. Like previously, the upturn is primarily driven by the transportation segment, where now not only cars, but also other sub-segments show a strong recovery. Also the construction industry, previously an exception from the general upturn, has started to show signs of recovery.

In the latest forecast from the European Aluminium Association (EAA), the market for aluminium extrusions was assessed to have grown by 16 percent in the full year of 2010, and by 5 percent in the fourth quarter isolated, compared to the corresponding periods 2009.

The price of aluminium raw material on London Metal Exchange (LME) has increased by approximately five percent during the fourth quarter and amounted to approximately USD 2 500 per ton at the end of the year, approximately ten percent higher than at the previous year end. The global LME inventory level amounted to slightly less than 4.3 million tonnes at the end of the year, which is slightly lower than at the beginning of the fourth quarter.

Turnover

The turnover of the Group amounted to MSEK 901.4 (764.3), an increase by 18 percent compared to the previous year. The delivery volume was 20,800 tonnes (17,400) of aluminium extrusions, an increase by 20 percent compared to the previous year.

The share of exports amounted to 50 percent (45) of volume, and 49 percent (45) of turnover.

Turnover per country, MSEK	Q 4 2010	Q 4 2009	Q 1-4 2010	Q 1-4 2009
Sweden	122.3	105.0	462.2	419.5
Germany	26.4	21.2	122.5	90.9
Norway	17.0	16.9	65.6	54.8
Poland	12.6	9.9	40.9	41.4
Denmark	13.6	11.5	75.2	57.1
United Kingdom	13.4	11.1	52.9	34.7
Other countries	25.2	16.6	82.1	65.9
TOTAL	230.5	192.2	901.4	764.3

Deliveries to the Swedish market increased by ten percent for the full year compared to previous year. All segments show higher turnover for the year, with the exception of the construction segment, which after an initial decline recovered during the fourth quarter and overall shows unchanged turnover compared to 2009.

The deliveries to the export markets have increased by 27 percent for the full year compared to previous year. For the German market, the increase was nearly 35 percent, to a large extent related to substantially increased demand from customers in the general engineering segment. For the Norwegian, UK and Polish markets the increase in turnover for the company has mainly been driven by the growth in the automotive industry.

Turnover per sector, MSEK	Q 4 2010	Q 4 2009	Q 1-4 2010	Q 1-4 2009
Electrical engineering	51.0	48.8	195.0	196.1
Transportation	76.6	52.5	295.8	184.0
Building and construction	39.4	31.2	125.5	134.0
Domestic and office equipment	15.1	20.6	80.8	79.5
General engineering	33.0	18.0	134.9	92.1
Other industries	15.4	21.1	69.4	78.6
TOTAL	230.5	192.2	901.4	764.3

For the full year 2010 the deliveries to the transportation and general engineering segments have increased by approximately 61 and 46 percent respectively. Relatively, the deliveries to heavy commercial vehicles have increased more than the transportation segment in total. The deliveries to customers in the electrical engineering and construction segments have decreased by one and six percent respectively compared to the full year 2009. Since the second quarter the electrical engineering segment is again showing growth and during the fourth quarter also the construction segment showed a clear upturn.

During the period, the Group manufactured 20,900 tonnes (17,100) of aluminium extrusions.

Comments on profit

The operating profit/loss for the year amounted to MSEK 29.2 (-10.5), which is equivalent to an operating margin of 3.2 percent (-1.4). Costs for arbitration amounted to MSEK 3.7 for the year. The profit improvement compared to the previous year is primarily explained by higher delivery volumes. 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 21.9 (-17.8). The profit/loss after tax amounted to MSEK 15.6 (-13.7).

Earnings per share totalled SEK 3.17 (-2.77). The average number of shares in thousands was 4,933 (4,933).

The return on capital employed amounted to 9.4 percent (-3.6).

The fourth quarter

Turnover amounted to MSEK 230.5 (192.2), an increase by 20 percent compared to the corresponding period previous year. The delivery volume in the quarter was 5,200 tonnes (4,500) of aluminium extrusions, and production was 5,100 tonnes (4,500). The share of exports amounted to 48 percent (46) of volume, and 49 percent (45) of turnover.

The operating profit/loss for the fourth quarter amounted to MSEK 4.1 (2.1). Costs for arbitration amounted to MSEK 1.9 for the fourth quarter.

The profit/loss after financial items amounted to MSEK 2.1 (0.2).

Earnings per share totalled SEK 0.21 (-0.08).

Investments

Investments during the year amounted to MSEK 7.8 (20.4).

Financing and liquidity

Cash flow from current operations amounted to MSEK 18.4 (28.4) and cash flow after investments was MSEK 12.3 (7.9). A 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 main cause of the increase of working capital is higher delivery volumes.

The cash flow from current operations for the fourth quarter amounted to MSEK 19.0 (18.5).

The balance sheet total as of 31 December 2010 was MSEK 545.2 (499.3). The higher balance sheet total is mainly explained by increased trade receivables and somewhat higher stock level.

Net debt amounted to MSEK 128.2 (140.0) as of 31 December 2010 and the net debt/equity ratio was 0.77 (0.98).

Personnel

The average number of Group employees during the year was 378 (376), which included 58 (55) people employed by the processing companies. The number of Group employees as of 31 December 2010 totalled 386 (353).

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 2011

The positive volume development on the European market for extrusions is expected to continue in 2011, however at a moderate growth rate compared to 2010.

Dividend

For the 2010 financial year, the Board is proposing to the annual general meeting of shareholders a dividend of SEK 1.50 per share (0.00), which means that the total dividend will amount to MSEK 7.4 (0.0). The Board is also proposing that the cut-off date for the dividend will be 4 April 2011 and that the dividend payment date will be 8 April 2011.

Annual General Meeting 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.

Dates for financial information

Financial information for 2011 will be provided on a quarterly basis.

Interim report, 3 months	26 April 2011
Interim report, 6 months	19 July 2011
Interim report, 9 months	24 October 2011
Year-end report 2011	16 February 2012

Annual report

The annual report for 2010 will be distributed by post to all shareholders during March 2011 and will be available in the company's reception and on the company's website from 10 March 2011.

Åseda, February 16, 2011

The Board of Directors, ProfilGruppen AB (publ)

Org no 556277-8943

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

Statement of comprehensive income

The Group, MSEK	Q 4 2010	Q 4 2009	Q 1-4 2010	Q 1-4 2009
Net turnover	230.5	192.2	901.4	764.3
Cost of goods sold	-197.9	-168.2	-771.3	-688.3
Gross margin	32.6	24.0	130.1	76.0
Other operating revenues	0.2	0.0	0.3	0.2
Selling expenses	-15.6	-11.7	-50.8	-46.1
Administrative expenses	-13.1	-10.2	-50.4	-40.6
Operating profit/loss	4.1	2.1	29.2	-10.5
Financial income	0.1	0.0	0.3	0.3
Financial expenses	-2.1	-1.9	-7.6	-7.6
Net financial income/expense	-2.0	-1.9	-7.3	-7.3
Income after financial items	2.1	0.2	21.9	-17.8
Tax	-1.1	-0.6	-6.3	4.1
Net income for the period	1.0	-0.4	15.6	-13.7
Other comprehensive income				
Changes in hedging reserve	0.2	0.6	9.8	18.2
Translation differences	0.3	0.1	-0.2	0.0
Other, reported directly against equity	-0.3	0.0	-0.3	0.5
Comprehensive income for the period	1.2	0.3	24.9	5.0
Earnings per share (before and after dilution), SEK	0.21	-0.08	3.17	-2.77
Average number of shares, thousands	4 933	4 933	4 933	4 933
Depreciation and write- down of fixed assets				
Land and buildings	2.4	1.0	5.2	3.7
Machinery and equipment	7.8	7.7	27.8	28.5
Total	10.2	8.7	33.0	32.2
of which write-down	1.4	0.0	1.4	0.0

Statement of financial position

The Group, MSEK	31 December 2010	31 December 2009
Assets		
Fixed assets		
Intangible fixed assets	10.0	10.0
Tangible fixed assets	244.5	271.3
Financial fixed assets	0.2	0.2
Total fixed assets	254.7	281.5
Current assets		
Inventories	100.6	84.0
Current receivables	146.7	129.6
Liquid assets	43.2	4.2
Total current assets	290.5	217.8
Total assets	545.2	499.3
Shareholders' equity and liabilities		
Shareholders' equity	167.3	142.4
Long-term liabilities		
Interest-bearing liabilities	80.4	92.1
Interest-free liabilities	46.3	43.7
Total long-term liabilities	126.7	135.8
Short-term liabilities		
Interest-bearing liabilities	90.9	52.0
Interest-free liabilities	160.3	169.1
Total short-term liabilities	251.2	221.1
Total shareholders' equity and liabilities	545.2	499.3
Pledged assets and contingent liabilities		
Property mortgages	84.8	84.8
Floating charges	174.0	174.0
Shares in subsidiaries	202.8	194.1
Trade receivables pledged as collateral	108.4	-
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 4 2010	Q 4 2009	Q 1-4 2010	Q 1-4 2009
Opening balance	166.1	142.1	142.4	142.3
Dividend	0.0	0.0	0.0	-4.9
Comprehensive income for the period	1.2	0.3	24.9	5.0
Closing balance	167.3	142.4	167.3	142.4

Statement of cash flows

The Group, MSEK	Q 4 2010	Q 4 2009	Q 1-4 2010	Q 1-4 2009
Operating cash flow ¹⁾	15.5	6.8	51.8	18.3
Working capital changes	3.5	11.7	-33.4	10.1
Cash flow from operating activities	19.0	18.5	18.4	28.4
Cash flow from investing activities	-2.3	-0.9	-6.1	-20.5
Cash flow from financing activities	11.0	-16.3	28.4	-10.6
Cash flow for the period	27.7	1.3	40.7	-2.7
Liquid assets, opening balance	15.6	2.8	4.2	6.6
Translation differences in liquid assets	-0.1	0.1	-1.7	0.3
Liquid assets, closing balance	43.2	4.2	43.2	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 4 2010	Q 4 2009	Q 1-4 2010	Q 1-4 2009
Net turnover, MSEK	230.5	192.2	901.4	764.3
Income before depreciation, MSEK	14.3	10.8	62.2	21.7
Operating income/loss, MSEK	4.1	2.1	29.2	-10.5
Operating margin, %	1.8	1.1	3.2	-1.4
Income after financial items, MSEK	2.1	0.2	21.9	-17.8
Profit margin, %	0.9	0.1	2.4	-2.3
Return on equity, %	2.5	-1.1	10.1	-9.6
Return on capital employed, %	5.1	2.9	9.4	-3.6
Cash flow from operating activities, MSEK	19.0	18.5	18.4	28.4
Investments, MSEK	3.2	2.6	7.8	20.4
Liquidity reserve, MSEK	-	-	105.2	99.2
Net debt, MSEK	-	-	128.2	140.0
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	171.3	144.1
Net debt/equity ratio	-	-	0.77	0.98
Total assets, MSEK	-	-	545.2	499.3
Equity ratio, %	-	-	30.7	28.5
Capital turnover	2.8	2.6	2.9	2.7
Proportion of risk-bearing capital, %	-	-	39.2	37.2
Interest coverage ratio	2.0	1.1	3.9	-1.4
Average number of employees	391	351	378	376
Net turnover per employee (average), TSEK	590	548	2 385	2 034
Income after fin, per employee (average), TSEK	5	1	58	-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	0.21	-0.08	3.17	-2.77
Equity per share, SEK	-	-	33.92	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 28.3 (24.7) and comprised payments for rents and services from companies in the Group. Profit/loss after financial items amounted to MSEK 7.8 (11.8).

Investments in the parent company amounted to MSEK 0.4 (3.9). 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 52.6 (62.3) as of 31 December 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.

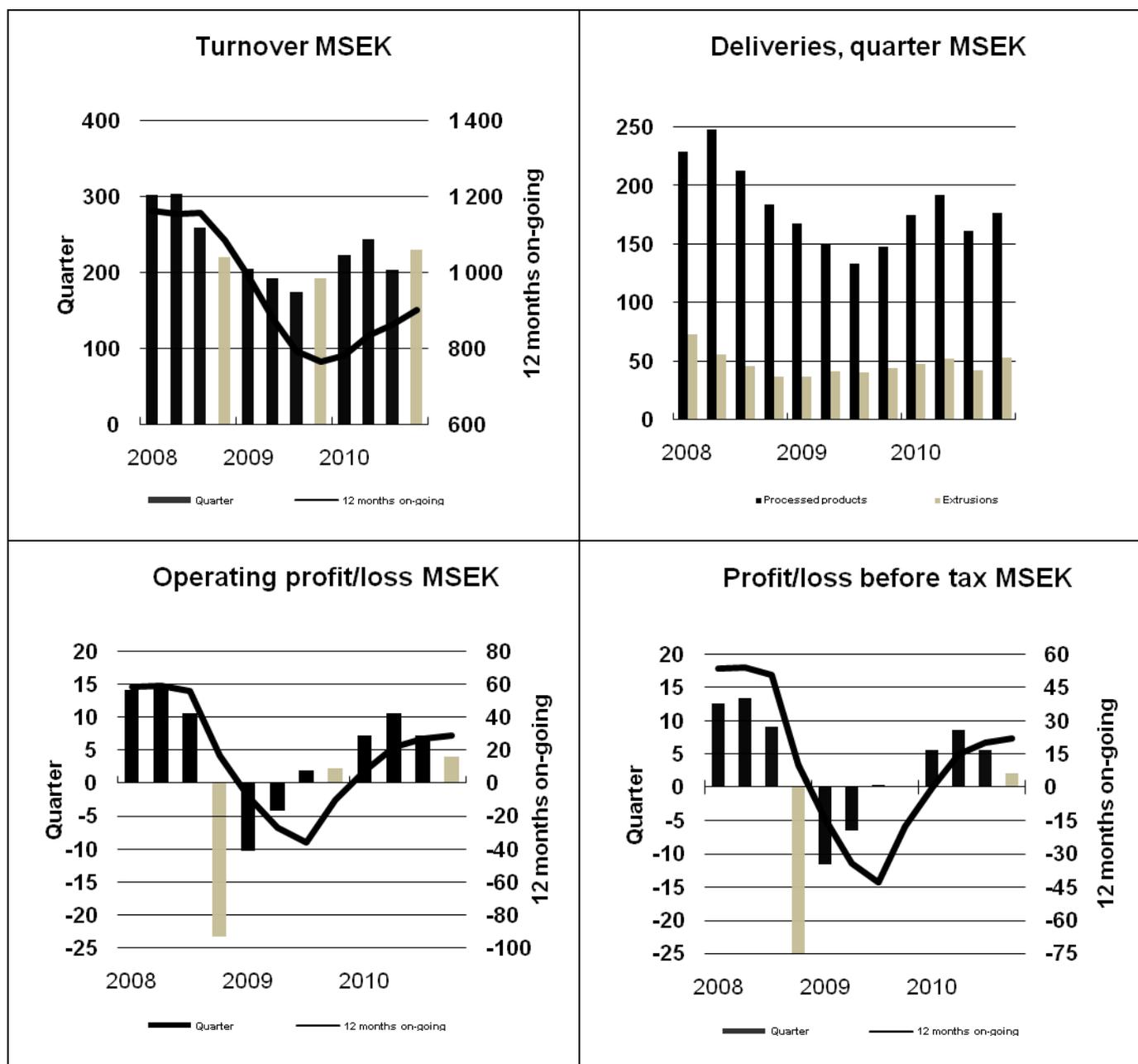
Income Statement – the parent company

Parent company, MSEK	Q 4 2010	Q 4 2009	Q 1-4 2010	Q 1-4 2009
Turnover	9.8	6.2	28.3	24.7
Cost of goods sold	-2.4	-1.0	-4.9	-3.4
Gross margin	7.4	5.2	23.4	21.3
Other operating revenues	0.0	0.0	0.0	0.0
Administrative expenses	-6.3	-1.4	-16.8	-6.6
Operating income	1.1	3.8	6.6	14.7
Interest income	5.0	0.2	6.0	1.2
Interest expenses	-2.6	-1.8	-4.8	-4.1
Income after financial items	3.5	2.2	7.8	11.8
Appropriations	-1.4	-0.2	-1.4	-0.2
Income before tax	2.1	2.0	6.4	11.6
Tax	-0.6	-0.4	-1.8	-3.1
Result of the year	1.5	1.6	4.6	8.5

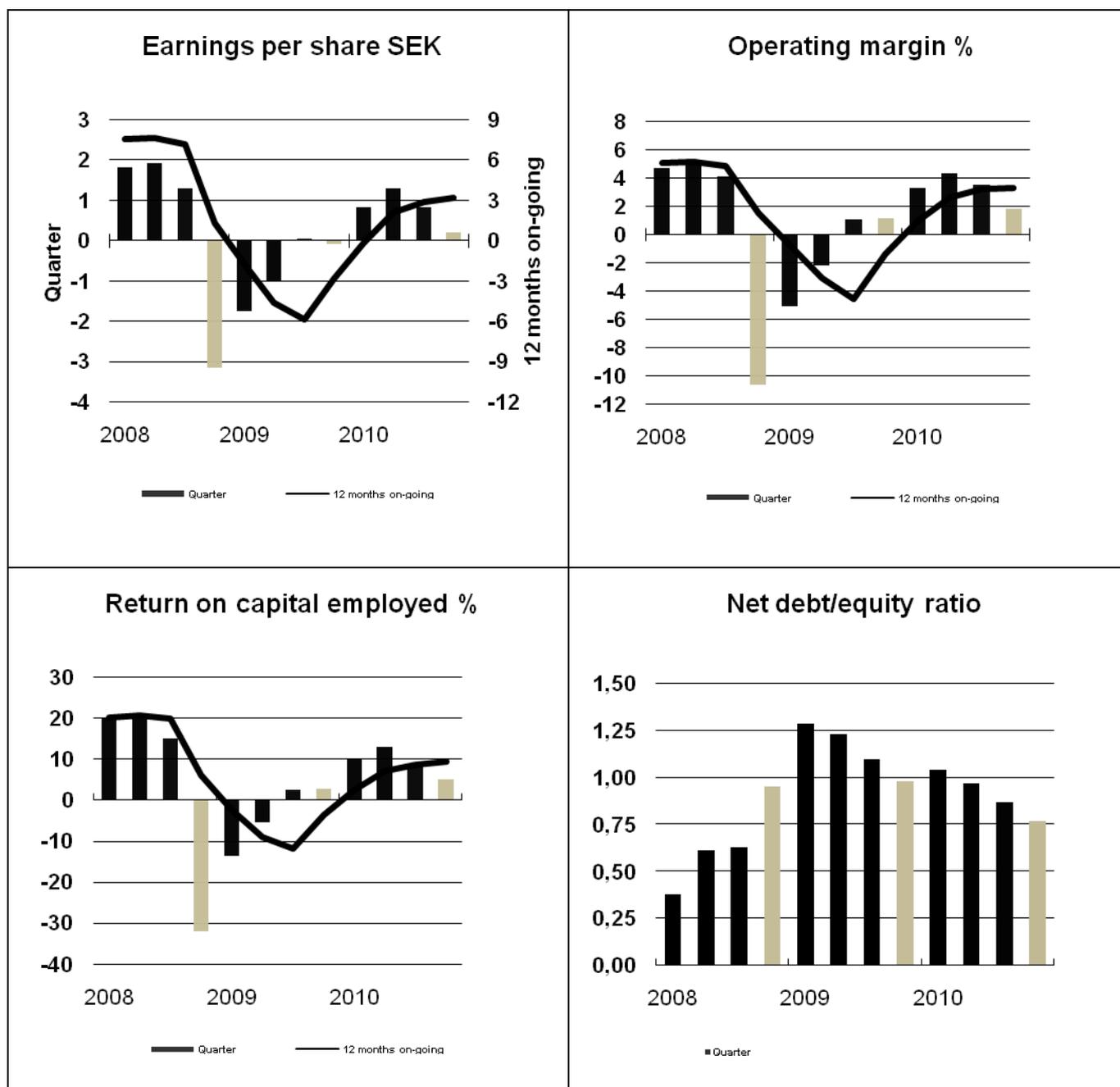
Balance sheet – the parent company

Parent company, MSEK	31 December 2010	31 December 2009
Assets		
Tangible assets		
Tangible fixed assets	94.5	98.8
Financial assets	108.9	108.9
Total fixed assets	203.4	207.7
Current assets		
Current receivables	3.0	4.2
Cash and bank balances	0.4	0.4
Total current assets	3.4	4.6
Total assets	206.8	212.3
Equity and liabilities		
Equity	36.9	32.4
Untaxed reserves	24.8	23.3
Provisions for taxes	2.8	3.2
Long-term liabilities	35.3	44.7
Current liabilities	107.0	108.7
Total equity and liabilities	206.8	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 2010 50 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 386 employees at the end of 2010.
- 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.