

Åseda, July 19, 2007

Interim report from ProfilGruppen AB (publ.),
January – June 2007

Continued strong growth

- * **Net Sales MSEK 629.2 (553.7), up 14 per cent year-to-year**
- * **Operating income MSEK 33.3 (30.2), up 10 per cent**
- * **Operating margin 5.3 per cent (5.5)**
- * **Net income MSEK 20.9 (19.9), up 5 per cent**
- * **Cash flow from operating activities MSEK 50.6 (41.6), up 22 per cent**
- * **Earnings per share SEK 4.23 (3.33), up 27 per cent**
- * **Return on capital employed 23.2 per cent (18.2)**

Nils Arthur, President and CEO of ProfilGruppen, says:

“The market has continued to be strong with high delivery volumes and an increased share of processed extrusions, which is in line with our strategic approach. Our core business is showing stable development and the new major contract with REC ScanModule strengthens ProfilGruppen’s market position.”

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This information is published in accordance with applicable laws, listing agreements and directives. The information was released to the media on July 19, 2007 at 11:45.

For the income statement and balance sheet, key figures and other facts about the Group, refer to pages 5-12. Current information and photographs for free publication are available at www.profilgruppen.se.

Interim report from ProfilGruppen AB (publ.),
January – June 2007

Market and incoming orders

Demand on the Western European market for aluminium profiles has remained high. The market has benefited from the strong development within the construction sector. The increased portion of aluminium within telecom, automotive and energy related sectors has also contributed. The forecast is that the high demand from the market will continue for the rest of the year.

ProfilGruppen's incoming orders amounted to MSEK 718.8 (594.6), which is an increase of 21 per cent on last year. Calculated as volume, incoming orders totalled 15,341 tons (14,016), an increase of 9 per cent on last year. The volume increase from the export markets amounted to 13 per cent. Incoming orders from the Swedish market fell by 4 per cent, which is due to reduced sales of standard extrusions within the wholesale sector. The single biggest volume change happened on the German market, where incoming orders increased by 20 per cent.

Incoming orders from customers within the automotive sector increased by approximately 18 per cent, which contributed to an increase in the share of processing in the product mix compared to last year.

Deliveries and production

The Net sales amounted to MSEK 629.2 (553.7), an increase of 14 per cent. This increase is explained primarily by a higher delivery volume and increased prices for raw materials. The delivery of aluminium profiles increased by 3 per cent to 13,860 tons (13,425). ProfilGruppen's share of exports amounted to 53 per cent (50) of the volume, and 48 per cent (47) of the turnover. During the period, the Group manufactured 13,810 tons (13,650) of aluminium extrusions.

The raw aluminium

During the first half of the year, the average price of aluminium has been approximately 8 per cent higher than during the corresponding period in the previous year. As ProfilGruppen has raw material clauses in all its customer contracts, the company has been able to compensate for the increased prices of raw materials.

The German company PWG

As reported back in February, the German company PWG, in which ProfilGruppen owns an 18-per cent share, is experiencing financial difficulties.

The PWG Group continues to maintain a high level of activity. All suppliers deliver against advance payment.

Negotiations between PWG's financial advisors and potential investors are ongoing. A finalised plan is expected to be ready during the autumn.

Since February, ProfilGruppen has only made deliveries to PWG against advance payments. ProfilGruppen has delivered extrusions to the PWG Group worth approx. MSEK 29 during the first half of the year, compared with MSEK 25 in the corresponding period last year.

ProfilGruppen's result for 2006 was burdened by a significant write-down as a result of its commitments to PWG. The assessment is that no further write-downs will be required. Earlier exposure regarding 2007's deliveries has now been eliminated.

Comments on result

The operating income for the first half of the year amounted to MSEK 33.3 (30.2), which is equivalent to an operating margin of 5.3 per cent (5.5). The improved operating income has been achieved through increased volumes and improved sales margins.

The income after financial items amounted to MSEK 29.3 (27.9), while the net income amounted to MSEK 20.9 (19.9). Earnings per share increased to SEK 4.23 (3.33). The sharp increase in earnings per share has been affected by a reduction in the number of shares as part of a redemption scheme implemented during 2006. On average, the number of shares amounts to 4,933,000 (5,971,000).

The return on capital employed amounted to 23.2 per cent (18.2).

The second quarter

Incoming orders increased 22 per cent to MSEK 365.6 (300.1). Calculated as volume, incoming orders increased by 11 per cent and totalled 7,450 tons (6,700) of extrusions.

Turnover amounted to MSEK 311.1 (283.5). During the quarter, the company delivered 6,750 tons (6,650) of aluminium extrusions and production amounted to 6,800 tons (6,675). ProfilGruppen's share of exports amounted to 54 per cent (49) of the volume, and 49 per cent (47) of the turnover.

The operating income amounted to MSEK 14.2 (13.1), which is equivalent to an operating margin of 4.6 per cent (4.6).

The income after financial items amounted to MSEK 12.7 (11.9). Earnings per share amounted to SEK 1.81 (1.41).

Events after the second quarter

In July, ProfilGruppen signed an agreement for deliveries to REC ScanModule AB, a fast growing company and one of Europe's leading manufacturers of solar panels. The agreement, which makes ProfilGruppen the main supplier, runs for three years starting in 2008. The total order value is estimated to approximately MSEK 130. In light of this agreement, ProfilGruppen is making a targeted investment worth approximately MSEK 8 in an automated machining cell.

See separate press release the 13th of July

Investments

Investments amounted to MSEK 14.2 (10.6), of which MSEK 6.7 (7.7) is attributable to the second quarter and concerned investments in current operations.

Financing and liquidity

The cash flow from operating activities amounted to MSEK 50.6 (41.6) and after investment activities to MSEK 36.1 (32.6). The strong cash flow is due primarily to a positive change in the working capital.

The balance sheet total as of June 30, 2007 amounted to MSEK 678.2, compared with MSEK 690.7 as of June 30, 2006.

Net debt amounted to MSEK 88.4 (40.1) as of June 30, 2007. The net debt/equity ratio was 0.58 (0.16). The increase in net debt is explained by the redemption scheme implemented during 2006. The Group's liquid assets at the same time amounted to MSEK 52.9 (49.7).

Personnel

The average number of employees in the Group was 473 (474), which includes 70 (80) people employed by the processing companies. The number of employees in the Group as of June 30 amounted to 487 (476).

Significant risks and uncertain factors

In addition to previous information on reduced exposure as regards the part-owned German company PWG, risks and uncertain factors for the Group have not changed significantly since the Annual Report 2006 was drawn up.

Outlook for 2007

The earlier assessment remains. The Western European extrusion market is likely to experience stable development during 2007. ProfilGruppen's growth will continue to be influenced by the development of its key customers. The Group's delivery volume for 2007 is judged at least to match the previous year's level.

Dates for financial information

ProfilGruppen reports financial information quarterly as follows:

Interim report, 9 months	October 25, 2007
Interim year-end report 2007	February 4, 2008

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 19, 2007

Staffan Håkanson
Chairman

Lars Johansson
Deputy Chairman

Nils Arthur
President & CEO

Kurt Nilsson
*Member of the Board
Employee representative*

Ulf Näslund
*Member of the Board
Employee representative*

Lars Renström
Member of the Board

Gunnel Smedstad
Member of the Board

Kjell Svensson
Member of the Board

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

Income Statement

The Group, MSEK	Q 2 2007	Q 2 2006	Q 1-2 2007	Q 1-2 2006	12 months on-going ¹⁾	Q 1-4 2006
Net turnover	311.1	283.5	629.2	553.7	1 162.4	1 086.9
Cost of goods sold	-270.9	-245.6	-544.3	-474.3	-1 005.0	-935.0
Gross margin	40.2	37.9	84.9	79.4	157.4	151.9
Other operating revenues	0.5	0.1	0.7	0.1	1.8	1.2
Selling expenses	-14.4	-15.0	-27.6	-29.7	-67.9	-70.0
<i>of which write-down of current receivables</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-13.1</i>	<i>-13.1</i>
Administrative expenses	-12.1	-9.9	-24.7	-19.6	-44.0	-38.9
Operating income	14.2	13.1	33.3	30.2	47.3	44.2
Interest income	0.2	0.1	0.4	0.4	1.2	1.2
Write-down of financial assets	0.0	0.0	0.0	0.0	-16.4	-16.4
Interest expenses	-1.7	-1.3	-4.4	-2.7	-11.4	-9.7
Net financial income/expense	-1.5	-1.2	-4.0	-2.3	-26.6	-24.9
Income after financial items	12.7	11.9	29.3	27.9	20.7	19.3
Tax	-3.7	-3.4	-8.4	-8.0	-11.1	-10.7
Net income for the period	9.0	8.5	20.9	19.9	9.6	8.6
Depreciation and write-down						
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Land and buildings	1.0	1.0	2.0	1.9	3.7	3.6
Machinery and equipment	7.5	7.7	14.9	15.4	28.3	28.8
Total	8.5	8.7	16.9	17.3	32.0	32.4
Write-down of machinery	0.0	0.0	0.0	0.0	0.7	0.7
Earnings per share, SEK	1.81	1.41	4.23	3.33	1.87	1.53
Average number of shares, thousands (Recalculated due to redemption of shares made 2006. No dilution.)	4 933	5 971	4 933	5 971	5 109	5 624
Net turnover per geographical market						
Sweden	157.7	151.3	326.9	291.7	620.1	584.9
Other Nordic countries	53.7	47.1	103.8	99.2	196.4	191.8
Rest of Europe	97.6	77.8	193.1	150.5	335.4	292.8
Other	2.1	7.3	5.4	12.3	10.5	17.4
Total	311.1	283.5	629.2	553.7	1 162.4	1 086.9

¹⁾ Refers to period July 2006 – June 2007.

Balance sheet

The Group, MSEK	30 June 2007	30 June 2006	31 December 2006
Assets			
Fixed assets			
Intangible fixed assets	10.0	12.3	10.0
Tangible fixed assets	272.6	286.8	275.9
Financial fixed assets	0.2	0.2	0.2
Total fixed assets	282.8	299.3	286.1
Current assets			
Inventories	118.4	116.2	101.6
Current receivables	224.1	225.5	189.8
Liquid assets	52.9	49.7	28.8
Total current assets	395.4	391.4	320.2
Total assets	678.2	690.7	606.3
Shareholders' equity and liabilities			
Shareholders' equity	153.6	246.6	148.4
Long-term liabilities			
Interest-bearing liabilities	141.4	87.5	137.9
Interest-free liabilities	49.3	53.5	52.1
Total long-term liabilities	190.7	141.0	190.0
Short-term liabilities			
Interest-bearing liabilities	0.0	2.4	0.3
Interest-free liabilities	333.9	300.7	267.6
Total short-term liabilities	333.9	303.1	267.9
Total shareholders' equity and liabilities	678.2	690.7	606.3

Changes in shareholders' equity

The Group, MSEK	Q 2 2007	Q 2 2007	Q 1-2 2007	Q 1-2 2006	Q 1-4 2006
Opening balance	156.9	249.4	148.4	237.8	237.8
Changes in reserves	1.5	1.9	-1.9	2.1	3.1
Dividend	-13.8	-13.2	-13.8	-13.2	-13.2
Redemption	-	-	-	-	-87.9
Net income for the period	9.0	8.5	20.9	19.9	8.6
Closing balance	153.6	246.6	153.6	246.6	148.4

Cash flow statement

The Group, MSEK	Q 2 2007	Q 2 2007	Q 1-2 2007	Q 1-2 2006	12 months on-going ¹⁾	Q 1-4 2006
Operating cash flow ²⁾	17.3	21.6	39.1	43.4	66.6	70.9
Working capital changes	14.3	11.2	11.5	-1.8	14.9	1.6
Cash flow from operating activities	31.6	32.8	50.6	41.6	81.5	72.5
Cash flow from investing activities	-7.3	-5.0	-14.5	-9.0	-35.1	-29.6
Cash flow from financing activities	-14.2	-15.0	-12.5	-26.0	-43.2	-56.7
Cash flow for the period	10.1	12.8	23.6	6.6	3.2	-13.8
Liquid assets, opening balance	42.9	37.2	28.8	43.4	49.7	43.4
Translation differences in liquid assets	-0.1	-0.3	0.5	-0.3	0.0	-0.8
Liquid assets, closing balance	52.9	49.7	52.9	49.7	52.9	28.8

¹⁾ Refers to period July 2006 – June 2007.

²⁾ Cash flow from operating activities before working capital changes.

Accounting Principles

This quarterly report has been prepared in accordance with the IAS 34 Interim financial reporting and the RR 31 Quarterly reporting for groups. The Group apply IFRS and interpretation statements from IFRIC as they have been approved by the EU commission for application within the European Union. The same accounting principles and calculating methods have been used as in the latest annual report. The new or modified IFRS standards and IFRIC interpretations that were taken in action as of 1 January 2007 have not affected the Group's result or position.

Key ratios

The Group	Q 2 2007	Q 2 2007	Q 1-2 2007	Q 1-2 2006	12 months on-going ¹⁾	Q 1-4 2006
Net turnover, MSEK	311.1	283.5	629.2	553.7	1 162.4	1 086.9
Income before depreciation, MSEK	22.7	21.8	50.2	47.5	79.3	76.6
Operating income/loss, MSEK	14.2	13.1	33.3	30.2	47.3	44.2
Operating margin, %	4.6	4.6	5.3	5.5	4.1	4.1
Income after financial items, MSEK	12.7	11.9	29.3	27.9	20.7	19.3
Operating margin, %	4.1	4.2	4.7	5.0	1.8	1.8
Return on equity, %	23.0	13.6	27.6	16.4	4.8	4.4
Return on capital employed, %	19.4	15.7	23.2	18.2	10.1	9.3
Cash flow from operating activities, MSEK	31.6	32.8	50.6	41.6	81.5	72.5
Investments, MSEK	6.7	7.7	14.2	10.6	41.9	38.3
Liquidity reserve, MSEK	-	-	180.9	248.4	-	163.6
Net debt, MSEK	-	-	88.4	40.1	-	109.4
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	141.4	89.9	-	138.2
Net debt/equity ratio	-	-	0.58	0.16	-	0.74
Total assets, MSEK	-	-	678.2	690.7	-	606.3
Equity ratio, %	-	-	22.6	35.7	-	24.5
Capital turnover	4.2	3.4	4.3	3.3	3.7	3.5
Proportion of risk-bearing capital, %	-	-	29.9	43.5	-	33.1
Interest coverage ratio	8.6	9.9	7.7	11.4	2.8	3.0
Average number of employees	476	475	473	474	479	477
Net turnover per employee (average), TSEK	654	596	1 330	1 168	2 427	2 277
Income after fin. per employee (average), TSEK	27	25	62	59	43	40
Number of shares, thousands (Recalculated due to redemption of shares made 2006. No dilution.)	4 933	5 971	4 933	5 971	5 109	5 624
Earnings per share, SEK	1.81	1.41	4.23	3.33	1.87	1.53
Equity per share, SEK	-	-	31.14	42.95	-	30.09

¹⁾ Refers to period July 2006 – June 2007.

Definitions are given in ProfilGruppen's Annual Report 2006. Rounding differences may occur.

The parent company

The net sales of the parent company amounted to MSEK 9.3 (9.1) and comprised rents from companies in the Group. No purchases were made from companies within the Group. Income after financial items amounted to MSEK 2.9 (4.7). Investments in the parent company amounted to MSEK 1.8 (0.3) and comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 83.1 (21.7) as of June 30, 2007. The difference is explained by increased borrowing in connection with the redemption of shares during 2006.

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 from those described in the Annual Report 2006.

No significant transactions have been concluded with related parties, except where rent was charged to subsidiaries during the period.

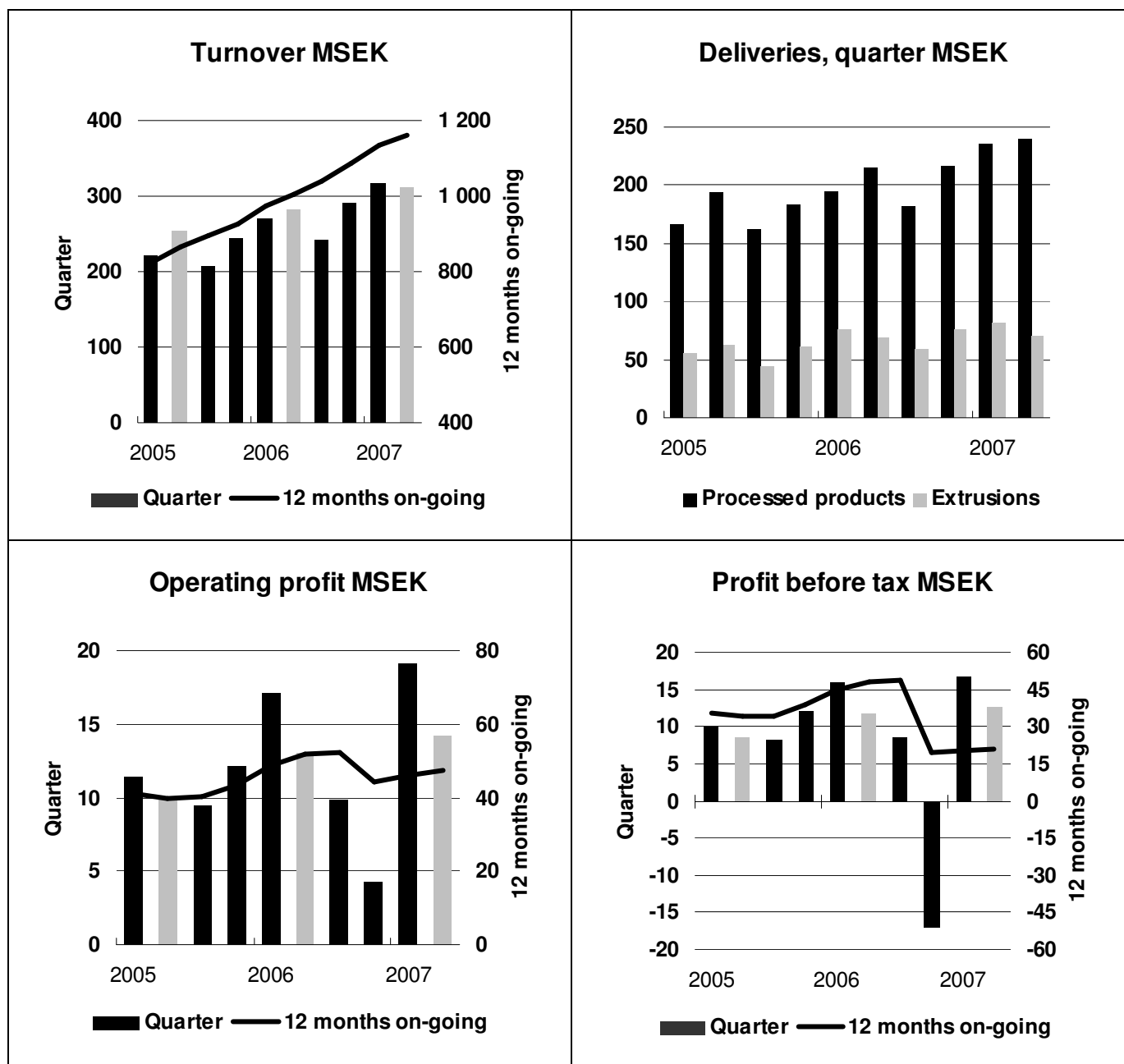
Income Statement– the parent company

Parent company, MSEK	Q 2 2007	Q 2 2007	Q 1-2 2007	Q 1-2 2006	Q 1-4 2006
Net turnover	4.7	4.5	9.3	9.1	18.3
Cost of goods sold	-0.8	-0.7	-1.5	-1.4	-2.6
Gross margin	3.9	3.8	7.8	7.7	15.7
Administrative expenses	-1.2	-1.5	-2.9	-2.8	-5.7
Operating income	2.7	2.3	4.9	4.9	10.0
Interest income	0.0	0.1	0.0	0.1	0.6
Write-down of financial assets	0.0	0.0	0.0	0.0	-16.4
Interest expenses	-0.6	-0.1	-2.0	-0.3	-1.9
Income after financial items	2.1	2.3	2.9	4.7	-7.7
Appropriations	0.0	0.0	0.0	0.0	-4.9
Income before tax	2.1	2.3	2.9	4.7	-12.6
Tax	-0.1	0.0	-0.1	-0.1	-1.1
Result of the year	2.0	2.3	2.8	4.6	-13.7

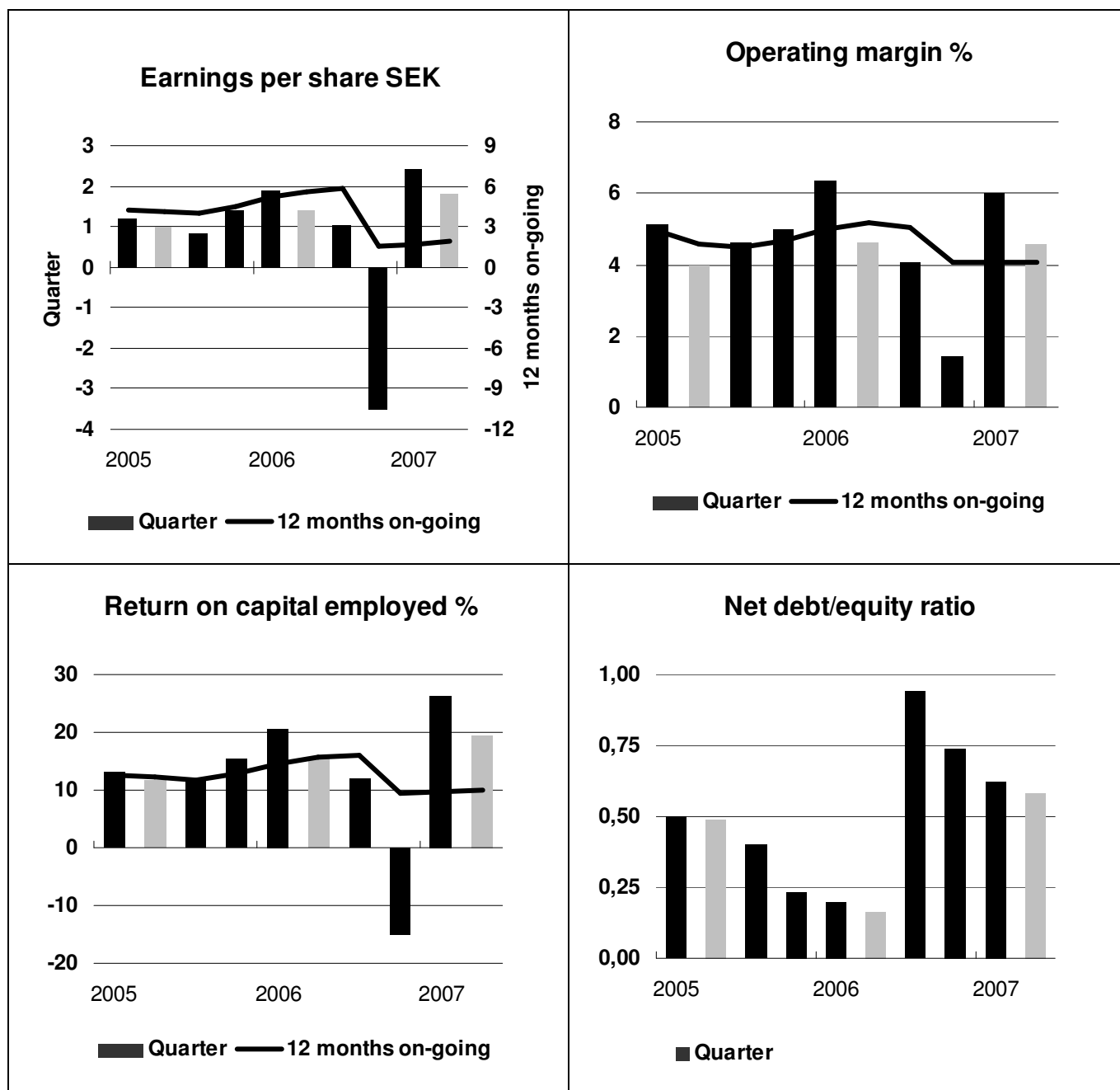
Balance sheet – the parent company

Parent company, MSEK	30 June 2007	30 June 2006	31 December 2006
Assets			
Tangible assets			
Tangible fixed assets	83.1	77.9	82.7
Financial assets	108.9	114.3	108.9
Total fixed assets	192.0	192.2	191.6
Current assets			
Current receivables	2.8	3.2	2.0
Cash and bank balances	0.4	0.4	0.4
Total current assets	3.2	3.6	2.4
Total assets	195.2	195.8	194.0
Equity and liabilities			
Equity	34.0	143.9	45.0
Untaxed reserves	14.4	9.5	14.4
Provisions for taxes	2.8	2.7	2.7
Long-term liabilities	66.2	6.0	66.2
Current liabilities	77.8	33.7	65.7
Total equity and liabilities	195.2	195.8	194.0

The Group



The Group



Brief facts about the Group

- ProfilGruppen AB in Åseda, Småland, in Sweden markets, develops and manufactures customised extrusions and components in aluminium.
- The company has customers in several European countries and during 2006 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.
- ProfilGruppen owns 18 per cent of the German company PWG (Profilrollen-Werkzeugbau GmbH&Co.KG), the leading supplier in Europe of aluminium guides for sunroof systems to the automotive industry.
- 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 company is quality-certified in accordance with ISO TS 16949:2002, ISO 9001 and ISO 14000.
- ProfilGruppen AB was listed on the Stockholm Stock Exchange in June 1997.