

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

Åseda, October 25, 2007

Continued profit improvement

- * Net Sales MSEK 886.3 (794.7), up 12 per cent year-to-year
- * Operating income MSEK 47.2 (40.0), up 18 per cent
- * Net income MSEK 29.5 (25.8), up 14 per cent
- * Cash flow from operating activities MSEK 37.0 (18.5), up 100 per cent
- * Earnings per share SEK 5.99 (4.41), up 36 per cent
- * Return on capital employed 22.7 per cent (16.1)

Nils Arthur, President and CEO of ProfilGruppen, says:

“We show the best profit ever for the period. I am particularly satisfied with the change in the product mix towards an increased share of processed extrusions and the improved operating margin.”

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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 October 25, 2007 at 08:30.

For the income statement and balance sheet, 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

Demand on the Western European market for aluminium profiles has remained at a high level during the third quarter, but there are signs of slight weakening in demand from the construction industry. The industry's assessment is that growth for 2007 as a whole will amount to approximately three per cent and that the market will reach the highest level ever.

Deliveries and production

The turnover amounted to MSEK 886.3 (794.7), an increase of 12 per cent. This increase is a result of higher volumes, a higher degree of processing and increased raw material prices. The delivery volume increased by three per cent to 19,245 tons (18,770) of aluminium extrusions. The export share amounted to 53 per cent (50) of the volume, and 48 per cent (46) of the turnover.

Turnover per country, MSEK	Q 3 2007	Q 3 2006	Q 1-3 2007	Q 1-3 2006	12 months ongoing	Q 1-4 2006
Sweden	132.1	133.7	459.0	425.4	618.5	584.9
Germany	40.4	33.7	139.9	105.3	175.0	140.4
Norway	20.8	25.5	78.8	87.1	107.5	115.7
Denmark	16.4	11.1	49.3	41.9	70.6	63.2
United Kingdom	12.4	13.9	43.1	46.8	55.3	59.0
Other countries	35.1	23.2	116.1	88.2	151.6	123.7
TOTAL	257.1	241.0	886.3	794.7	1 178.5	1 086.9

Deliveries to other countries are increasing because of certain customers setting up production facilities in low-cost countries. Deliveries have increased mainly to Poland.

Turnover per industry, MSEK	Q 3 2007	Q 3 2006	Q 1-3 2007	Q 1-3 2006	12 months ongoing	Q 1-4 2006
Automotive	70.7	53.5	250.3	189.4	325.9	265.0
Construction	58.0	64.5	205.1	211.4	275.2	281.5
Electronics	55.8	60.2	189.4	174.7	248.8	234.1
Interior	25.2	27.3	88.1	83.6	121.8	117.3
Miscellaneous	47.4	35.5	153.4	135.6	206.8	189.0
TOTAL	257.1	241.0	886.3	794.7	1 178.5	1 086.9

The change in mix towards an increased share of deliveries to the automotive segment has continued during the third quarter. The consequently higher degree of processing in the product mix has been somewhat reduced due to the slightly lower delivery volumes to the electronics and interiors segments.

The reduced level of deliveries to the construction industry is the result of an ambition to reduce sales to construction wholesalers during the year.

During the period, the Group manufactured 19,305 tons (18,950) of aluminium extrusions.

Comments on profit

The operating profit for the first nine months of the year amounted to MSEK 47.2 (40.0), which is equivalent to an operating margin of 5.3 per cent (5.0). This improved profit has been achieved through increased volumes and improved sales margins.

The profit after financial items amounted to MSEK 41.5 (36.5), while the profit after tax amounted to MSEK 29.5 (25.8). Earnings per share totalled SEK 5.99 (4.41). The increased earnings per share have, besides the improved profit, also been affected by a reduction in the number of shares as part of the redemption scheme implemented during 2006. On average, the number of shares amounts to 4,933,000 (5,857,000).

The return on capital employed amounted to 22.7 per cent (16.1).

The third quarter

Turnover amounted to MSEK 257.1 (241.0). During the quarter, the group delivered 5,380 tons (5,325) of aluminium extrusions and production amounted to 5,495 tons (5,325). The export share amounted to 53 per cent (48) of the volume, and 49 per cent (45) of the turnover.

The operating profit amounted to MSEK 13.9 (9.8), which is equivalent to an operating margin of 5.4 per cent (4.1).

The profit after financial items amounted to MSEK 12.2 (8.6). The profit per share amounted to SEK 1.76 (1.06).

Events after the third quarter

As previously communicated in a separate press release on 5 October 2007 ProfilGruppen has transferred its 18 percent share of the German company PWG to Neuman Aluminium and also signed a three-year delivery contract with PWG.

In connection with the restructuring of PWG, the operations of PWG subsidiary Realpro have been taken over by the Dutch company Aluwa.

ProfilGruppen will within short sign a long-term delivery contract with Aluwa, for its business with Inalfa Roof Systems; one of three leading global manufacturers of sunroofs for the automotive industry.

The new contracts will secure deliveries within one of ProfilGruppen's most important customer segments and also result in recovery of a portion of the receivables previously written down.

Investments

Investments in current operations amounted to MSEK 22.2 (14.1), of which MSEK 8.0 (3.5) is attributable to the third quarter.

Financing and liquidity

The cash flow from current operations amounted to MSEK 37.0 (18.5) and after investment activities to MSEK 17.9 (5.6).

The balance sheet total as of 30 September 2007 amounted to MSEK 621.8, compared with MSEK 657.3 at 30 September 2006.

Net debt amounted to MSEK 107.1 (153.5) as of 30 September 2007 and the net debt/equity ratio was 0.66 (0.94). At that time, the Group's liquid assets amounted to MSEK 4.6 (22.5).

Personnel

The average number of employees in the Group was 476 (480), which includes 70 (81) people employed by the processing companies. The number of employees in the Group as of September 30 amounted to 486 (497).

Significant risks and uncertain factors

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

Outlook for 2007 – previous 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 will publish its year-end report for 2007 on 7 February 2008.

Annual General Meeting 2008

Annual General Meeting for ProfilGruppen AB will be held in Åseda on Saturday 5 April 2008 at 10:30.

Åseda, October 25, 2007

Board of Directors, 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, 2007 to September 30, 2007. 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 an 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 25, 2007

Ernst & Young AB

Kerstin Mouchard
Certified Public Accountant

Åke Andersson
Certified Public Accountant

Income Statement

The Group, MSEK	Q 3 2007	Q 3 2006	Q 1-3 2007	Q 1-3 2006	12 months on-going ¹⁾	Q 1-4 2006
Net turnover	257.1	241.0	886.3	794.7	1 178.5	1 086.9
Cost of goods sold	-222.5	-209.1	-766.8	-683.4	-1 018.4	-935.0
Gross margin	34.6	31.9	119.5	111.3	160.1	151.9
Other operating revenues	0.1	0.1	0.8	0.2	1.8	1.2
Selling expenses	-10.4	-13.2	-38.0	-42.9	-65.1	-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	-10.4	-9.0	-35.1	-28.6	-45.4	-38.9
Operating income	13.9	9.8	47.2	40.0	51.4	44.2
Interest income	0.1	0.4	0.5	0.8	0.9	1.2
Write-down of financial assets	0.0	0.0	0.0	0.0	-16.4	-16.4
Interest expenses	-1.8	-1.6	-6.2	-4.3	-11.6	-9.7
Net financial income/expense	-1.7	-1.2	-5.7	-3.5	-27.1	-24.9
Income after financial items	12.2	8.6	41.5	36.5	24.3	19.3
Tax	-3.6	-2.7	-12.0	-10.7	-12.0	-10.7
Net income for the period	8.6	5.9	29.5	25.8	12.3	8.6
Depreciation and write-down of tangible and intangible fixed assets						
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Land and buildings	0.8	0.7	2.8	2.6	3.8	3.6
Machinery and equipment	5.2	5.3	20.1	20.7	28.2	28.8
Total	6.0	6.0	22.9	23.3	32.0	32.4
of which write-down	0.0	0.0	0.0	0.0	0.7	0.7
Earnings per share, SEK	1.76	1.06	5.99	4.41	2.49	1.53
Average number of shares, thousands (Recalculated due to redemption of shares made 2006. No dilution.)	4 933	5 633	4 933	5 857	4 933	5 624
Net turnover per geographical market						
Sweden	132.1	133.7	459.0	425.4	618.5	584.9
Other Nordic countries	47.5	37.9	151.3	137.1	206.0	191.8
Rest of Europe	76.4	65.9	269.5	216.4	345.9	292.8
Other	1.1	3.5	6.5	15.8	8.1	17.4
Total	257.1	241.0	886.3	794.7	1 178.5	1 086.9

¹⁾ Refers to period October 2006 – September 2007.

Balance sheet

The Group, MSEK	30 September 2007	30 September 2006	31 December 2006
Assets			
Fixed assets			
Intangible fixed assets	10.0	12.3	10.0
Tangible fixed assets	273.8	283.2	275.9
Financial fixed assets	0.2	0.2	0.2
Total fixed assets	284.0	295.7	286.1
Current assets			
Inventories	127.0	121.1	101.6
Current receivables	206.2	218.0	189.8
Liquid assets	4.6	22.5	28.8
Total current assets	337.8	361.6	320.2
Total assets	621.8	657.3	606.3
Shareholders' equity and liabilities			
Shareholders' equity	163.4	163.8	148.4
Long-term liabilities			
Interest-bearing liabilities	108.7	132.2	137.9
Interest-free liabilities	48.8	52.5	52.1
Total long-term liabilities	157.5	184.7	190.0
Short-term liabilities			
Interest-bearing liabilities	2.9	43.8	0.3
Interest-free liabilities	298.0	265.0	267.6
Total short-term liabilities	300.9	308.8	267.9
Total shareholders' equity and liabilities	621.8	657.3	606.3

Changes in shareholders' equity

The Group, MSEK	Q 3 2007	Q 3 2006	Q 1-3 2007	Q 1-3 2006	Q 1-4 2006
Opening balance	153.6	246.6	148.4	237.8	237.8
Changes in reserves	1.2	-0.9	-0.7	1.2	3.1
Dividend	0.0	0.0	-13.8	-13.2	-13.2
Redemption	-	-87.8	-	-87.8	-87.9
Net income for the period	8.6	5.9	29.5	25.8	8.6
Closing balance	163.4	163.8	163.4	163.8	148.4

Cash flow statement

The Group, MSEK	Q 3 2007	Q 3 2006	Q 1-3 2007	Q 1-3 2006	12 months on-going ¹⁾	Q 1-4 2006
Operating cash flow ²⁾	15.8	10.0	54.9	53.4	72.4	70.9
Working capital changes	-29.4	-33.1	-17.9	-34.9	18.6	1.6
Cash flow from operating activities	-13.6	-23.1	37.0	18.5	91.0	72.5
Cash flow from investing activities	-4.6	-3.9	-19.1	-12.9	-35.8	-29.6
Cash flow from financing activities	-29.7	0.0	-42.2	-26.0	-72.9	-56.7
Cash flow for the period	-47.9	-27.0	-24.3	-20.4	-17.7	-13.8
Liquid assets, opening balance	52.9	49.7	28.8	43.4	22.5	43.4
Translation differences in liquid assets	-0.4	-0.2	0.1	-0.5	-0.2	-0.8
Liquid assets, closing balance	4.6	22.5	4.6	22.5	4.6	28.8

¹⁾ Refers to period October 2006 – September 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 3 2007	Q 3 2006	Q 1-3 2007	Q 1-3 2006	12 months on-going ¹⁾	Q 1-4 2006
Net turnover, MSEK	257.1	241.0	886.3	794.7	1 178.5	1 086.9
Income before depreciation, MSEK	19.9	15.8	70.1	63.3	83.4	76.6
Operating income/loss, MSEK	13.9	9.8	47.2	40.0	51.4	44.2
Operating margin, %	5.4	4.1	5.3	5.0	4.4	4.1
Income after financial items, MSEK	12.2	8.6	41.5	36.5	24.3	19.3
Operating margin, %	4.7	3.6	4.7	4.6	2.1	1.8
Return on equity, %	21.9	11.6	25.2	17.2	7.5	4.4
Return on capital employed, %	19.7	12.0	22.7	16.1	11.7	9.3
Cash flow from operating activities, MSEK	-13.6	-23.1	37.0	18.5	91.0	72.5
Investments, MSEK	8.0	3.5	22.2	14.1	46.4	38.3
Liquidity reserve, MSEK	-	-	163.2	130.5	-	163.6
Net debt, MSEK	-	-	107.1	153.5	-	109.4
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	111.6	176.0	-	138.2
Net debt/equity ratio	-	-	0.66	0.94	-	0.74
Total assets, MSEK	-	-	621.8	657.3	-	606.3
Equity ratio, %	-	-	26.3	24.9	-	24.5
Capital turnover	3.6	2.9	4.2	3.1	3.8	3.5
Proportion of risk-bearing capital, %	-	-	34.1	32.9	-	33.1
Interest coverage ratio	7.5	6.3	7.6	9.5	3.1	3.0
Average number of employees	486	487	476	480	481	477
Net turnover per employee (average), TSEK	529	495	1 861	1 657	2 450	2 277
Income after fin. per employee (average), TSEK	25	18	87	76	51	40
Number of shares, thousands (Recalculated due to redemption of shares made 2006. No dilution.)	4 933	5 633	4 933	5 857	4 933	5 624
Earnings per share, SEK	1.76	1.06	5.99	4.41	2.49	1.53
Equity per share, SEK	-	-	33.13	33.21	-	30.09

¹⁾ Refers to period October 2006 – September 2007.

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

When not specified the information regards the total Group.

The parent company

The net sales of the parent company amounted to MSEK 13.9 (13.7) and comprised rents from companies in the Group. No purchases were made from companies within the Group. Income after financial items amounted to MSEK 4.6 (7.1). Investments in the parent company amounted to MSEK 1.8 (0.9) and comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 67.1 (66.9) as of September 30, 2007. 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.

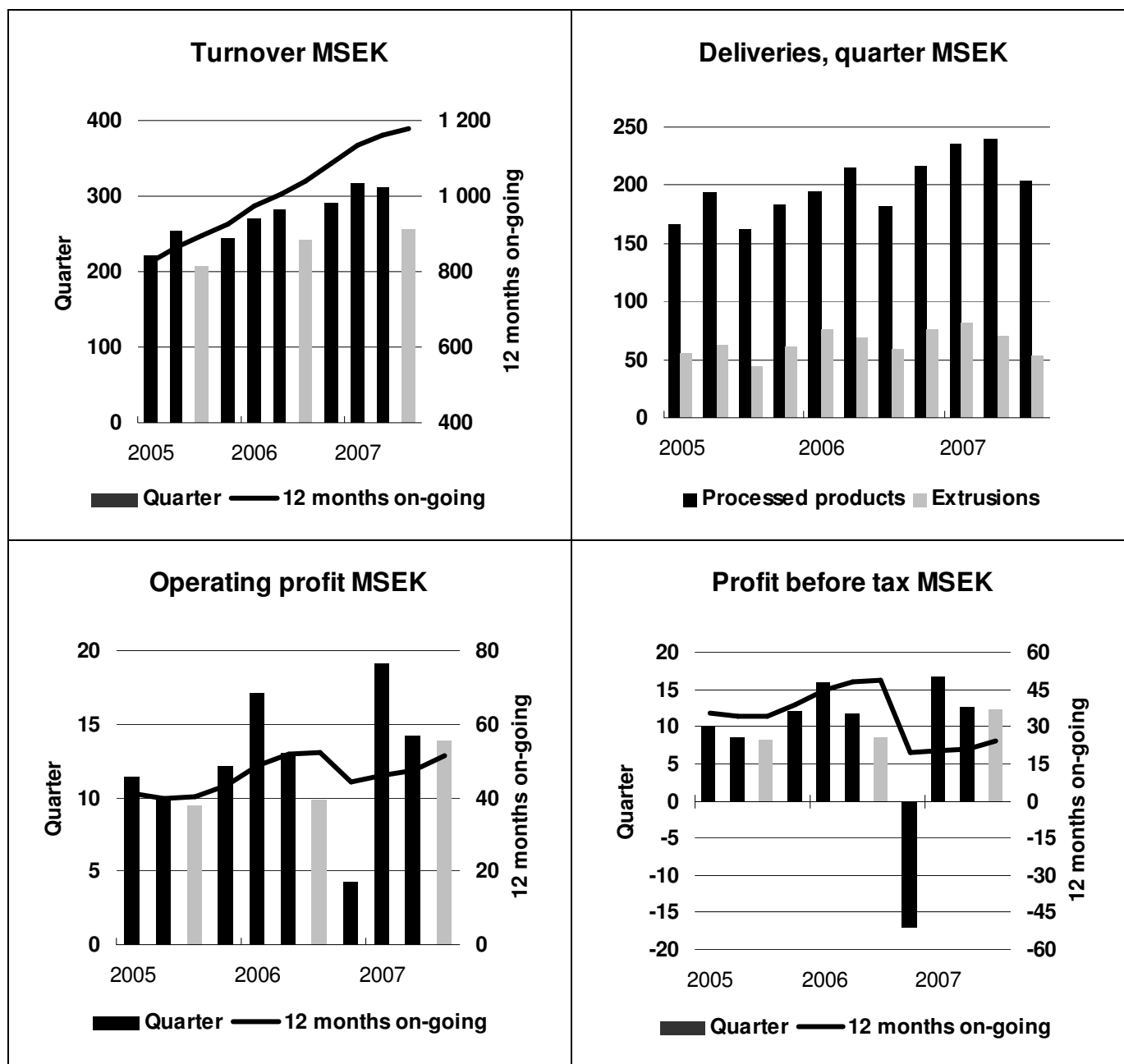
Income Statement– the parent company

Parent company, MSEK	Q 3 2007	Q 3 2006	Q 1-3 2007	Q 1-3 2006	Q 1-4 2006
Net turnover	4.6	4.6	13.9	13.7	18.3
Cost of goods sold	-0.6	-0.5	-2.1	-1.9	-2.6
Gross margin	4.0	4.1	11.8	11.8	15.7
Administrative expenses	-1.3	-1.3	-4.2	-4.1	-5.7
Operating income	2.7	2.8	7.6	7.7	10.0
Interest income	0.0	0.0	0.0	0.1	0.6
Write-down of financial assets	0.0	0.0	0.0	0.0	-16.4
Interest expenses	-1.0	-0.4	-3.0	-0.7	-1.9
Income after financial items	1.7	2.4	4.6	7.1	-7.7
Appropriations	0.0	0.0	0.0	0.0	-4.9
Income before tax	1.7	2.4	4.6	7.1	-12.6
Tax	-0.5	-0.7	-1.4	-2.1	-1.1
Result of the year	1.2	1.7	3.2	5.0	-13.7

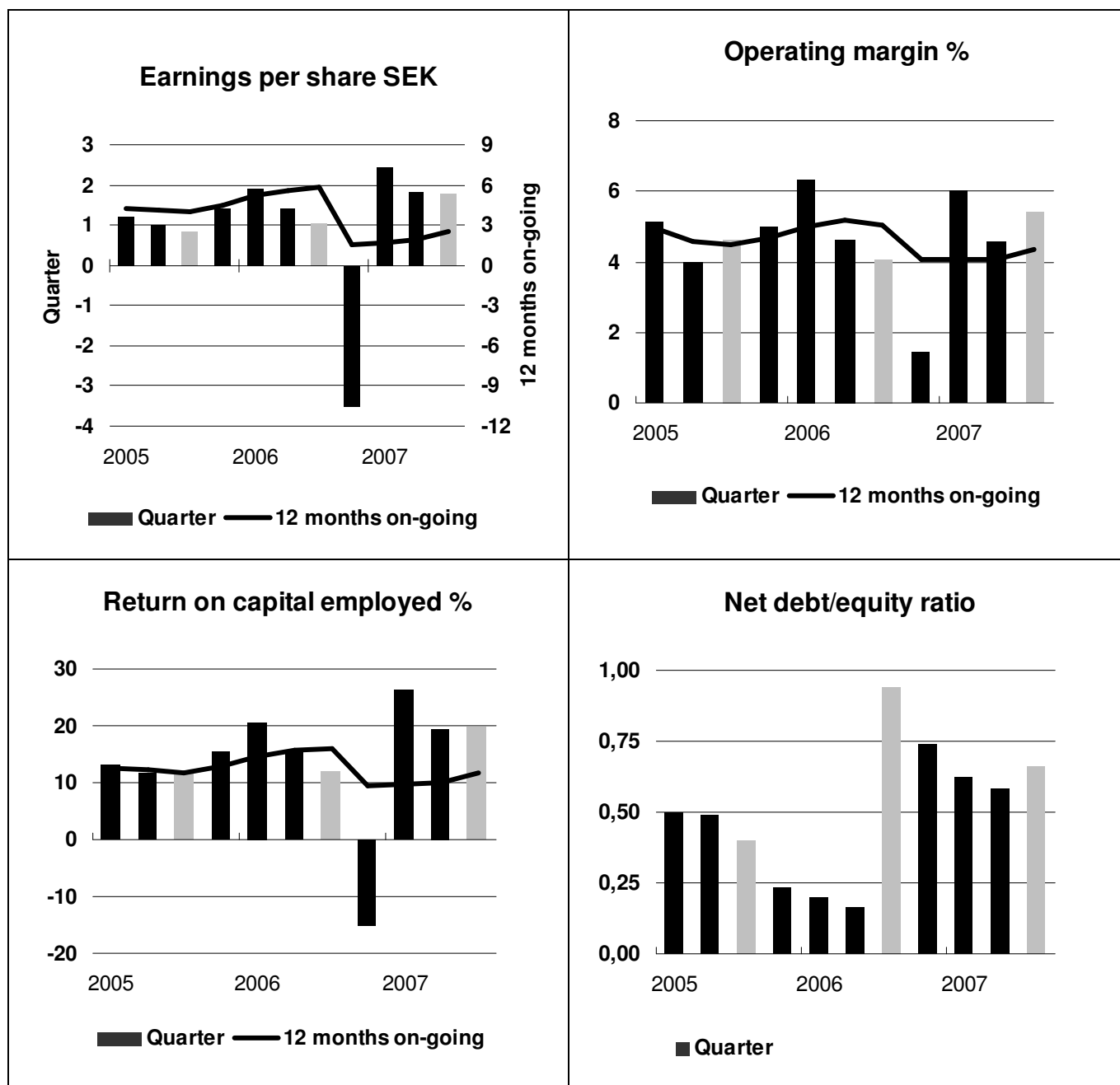
Balance sheet – the parent company

Parent company, MSEK	30 September 2007	30 September 2006	31 December 2006
Assets			
Tangible assets			
Tangible fixed assets	82.5	78.1	82.7
Financial assets	108.9	114.3	108.9
Total fixed assets	191.4	192.4	191.6
Current assets			
Current receivables	4.1	3.4	2.0
Cash and bank balances	0.4	0.4	0.4
Total current assets	4.5	3.8	2.4
Total assets	195.9	196.2	194.0
Equity and liabilities			
Equity	34.4	56.5	45.0
Untaxed reserves	14.4	9.5	14.4
Provisions for taxes	2.8	2.8	2.7
Long-term liabilities	50.2	50.7	66.2
Current liabilities	94.1	76.7	65.7
Total equity and liabilities	195.9	196.2	194.0

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 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.
- 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 468 employees at the closing of 2006.
- 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.