

Year-end Report from ProfilGruppen AB (publ.),
January – December 2007

Åseda, 7 February 2008

Best result in ProfilGruppen's history.

- * **Turnover MSEK 1,179.4 (1,086.9), up 9 per cent compared with previous year.**
- * **Operating profit MSEK 63.3 (44.2). ***
- * **Net income MSEK 40.2 (8.6). ***
- * **Cash flow from current operations MSEK 78.4 (72.5), up 8 per cent.**
- * **Earnings per share SEK 8.15 (1.53). ***
- * **Return on capital employed 22.8 per cent (9.3). ***
- * **The Board is proposing a dividend of SEK 3.60 per share (2.80).**
- * **Decision regarding investment programme of MSEK 80 for significant rationalization and conditions for increased volumes.**

Nils Arthur, President and CEO of ProfilGruppen says,

“The good profit and cash flow for 2007 result in a very strong financial position for the Group.

An increased interest from the market in energy saving and climate related environmental efforts, benefit the usage of light, strong and recyclable extrusions in aluminium. My assessment is that this trend will continue.”

*For year 2006 the result after financial items was negatively affected by one-off costs in the amount of MSEK 31.8 related to the, at that time, partly owned German company PWG, of which MSEK 12.4 affected operating profit.

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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

Variation of demand over the season in the Western European extrusion market has been significant during 2007. The level of demand during the first half of the year resulted in long lead times in the industry, which presumably resulted in an increase in customers' safety stock. During the second half of the year demand levelled out as customers reduced their stocks, at the same time as the market became weaker, especially the construction industry in Germany.

Volumes on the extrusion market in Western Europe for the whole of 2007 are assessed to have reached the same level as previous year.

Deliveries and production

Turnover amounted to MSEK 1,179.4 (1,086.9), an increase of 9 per cent. This increase can be explained primarily by a higher degree of processing in the product mix and increased raw material prices.

Delivery volumes for the whole of 2007 totalled 25,500 tons (25,400) of aluminium extrusions. ProfilGruppen's share of exports amounted to 53 per cent (50) of the volume, and 48 per cent (46) of the turnover.

Turnover per country, MSEK	Q 4 2007	Q 4 2006	Q 1-4 2007	Q 1-4 2006
Sweden	154.2	159.5	613.2	584.9
Germany	39.9	35.1	179.8	140.4
Norway	24.3	28.6	103.2	115.7
Denmark	19.0	21.3	68.3	63.2
United Kingdom	13.3	12.2	56.5	59.0
Other countries	42.3	35.5	158.4	123.7
TOTAL	293.1	292.2	1 179.4	1 086.9

In other countries, deliveries have predominantly increased to Poland.

Turnover per industry, MSEK	Q 4 2007	Q 4 2006	Q 1-4 2007	Q 1-4 2006
Automotive	81.3	75.5	331.5	264.9
Construction	67.8	70.2	273.0	281.6
Electronics	58.0	59.5	247.4	234.2
Interior	32.6	33.6	120.7	117.2
Miscellaneous	53.4	53.4	206.8	189.0
TOTAL	293.1	292.2	1 179.4	1 086.9

The change, moving towards an increased proportion of deliveries to the automotive sector, has continued in the fourth quarter.

The reduced level of deliveries to the construction industry is the result of reduced exposure to construction wholesalers.

During the period, the Group manufactured 25,800 tons (25,625) of aluminium extrusions.

One-off items relating to the German company PWG

In the accounting for 2006 ProfilGruppen made significant write-downs connected to problems in the, at that time, partly owned German company PWG. During the fourth quarter of 2007, some recovery of earlier write-downs was recognised. This had a positive impact on profit after financial items by MSEK 3.2, of which MSEK 1.9 affected the operating profit. The positive impact on the quarter was MSEK 4.9, of which MSEK 3.6 affected the operating profit. During the year an agreement for three years was made with PWG's new owners, regarding current deliveries of processed extrusions.

Comments on profit

The operating profit for the year, the best in the company's history, amounted to MSEK 63.3 (44.2), which is equivalent to an operating margin of 5.4 per cent (4.1). The operating profit for 2006, excluding the effects of write-downs related to German PWG, amounted to MSEK 55.4. The improved profit has primarily been achieved through increased volumes and improved sales margins.

The profit after financial items amounted to MSEK 57.0 (19.3), while the profit after tax amounted to MSEK 40.2 (8.6). Excluding effects of write-downs relating to German PWG, the profit after financial items for year 2006 amounted to MSEK 49.2 and profit after tax to MSEK 35.2.

Earnings per share totalled SEK 8.15 (1.53). On average, the number of shares in thousands amounted to 4,933 (5,624). The reduction in number of shares is explained by the redemption scheme implemented during 2006.

The return on capital employed amounted to 22.8 per cent (9.3).

The fourth quarter

Turnover amounted to MSEK 293.1 (292.2). During the quarter, the Group supplied 6,255 tons (6,625) of aluminium extrusions and production amounted to 6,500 tons (6,675). ProfilGruppen's share of exports amounted to 51 per cent (50) of the volume, and 47 per cent (45) of the turnover.

The operating profit amounted to MSEK 16.1 (4.2), which is equivalent to an operating margin of 5.5 per cent (1.4).

The profit after financial items amounted to MSEK 15.5 (-17.2). The earnings per share totalled SEK 2.17 (-3.50). Excluding the one-off effects from German PWG, the operating profit for the year 2006 amounted to MSEK 15.4 and result after financial items to MSEK 13.3.

Events after the fourth quarter

The Board decided today to approve an extensive investment programme to streamline production at the main factory in Åseda. In addition to a significant rationalization, ProfilGruppen is creating conditions for considerable increase in volume.

A first step of the investment amounting to MSEK 45.6 will be implemented during 2008 and consists primarily of an automated warehouse and automation of material flows, expansion and alteration of surface treatment plus expansion of premises. The two steps of the investment are estimated to amount to approximately MSEK 80.

The investment programme will run over two years with significant effects on the result successively from 2009. The investment is expected to result in a reduction in staffing (45 jobs) at the main factory, of which the main part is attributable to the second half of 2009.

Investments

The investments in current operations amounted to MSEK 24.7 (38.3), of which MSEK 2.5 (24.2) is attributable to the fourth quarter. Approximately MSEK 5 of the total investments was customer related.

Financing and liquidity

The cash flow from current operations amounted to MSEK 78.4 (72.5) and, after investment activities, to MSEK 60.2 (42.9).

The balance sheet total as of 31 December 2007 amounted to MSEK 615.9, compared with MSEK 606.3 as of 31 December 2006.

Net debt amounted to MSEK 65.0 (109.4) as of 31 December 2007. The net debt/equity ratio was 0.38 (0.74). At that time, the Group's liquid assets amounted to MSEK 38.7 (28.8).

Personnel

The average number of employees in the Group was 475 (477), which included 71 (79) people employed by the processing companies. The number of employees in the Group as of 31 December totalled 472 (468).

Significant risks and uncertain factors

Apart from the 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 made.

Outlook for 2008

ProfilGruppen's growth will continue to depend on the development of the key customers.

Dividend

For the 2007 financial year, the Board is proposing to the annual general meeting of shareholders a dividend of SEK 3.60 per share (2.80), which means that the total dividend will amount to MSEK 17.8. The Board is also proposing that the cut-off date for the dividend be 9 April 2008 and that the dividend payment date be 18 April 2008.

Annual report

The annual report will be distributed by post to all shareholders during mid March, and will be available from the company's reception from 12 March 2008. The entire report will also be published on ProfilGruppen's website, www.profilgruppen.se, from the same date.

Dates for financial information

ProfilGruppen reports financial information quarterly as follows:

Interim report, 3 months	24 April 2008
Interim report, 6 months	22 July 2008
Interim report, 9 months	22 October 2008
Year-end report 2008	February 2009

Annual general meeting

The annual general meeting of shareholders of ProfilGruppen AB (publ.) will take place on Saturday, 5 April 2008 at Folkets Hus in Åseda.

Åseda, February 7, 2008

The Board of Directors, ProfilGruppen AB (publ)
Org no 556277-8943

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

Income Statement

The Group, MSEK	Q 4 2007	Q 4 2006	Q 1-4 2007	Q 1-4 2006
Net turnover	293.1	292.2	1 179.4	1 086.9
Cost of goods sold	-249.3	-251.6	-1 016.1	-935.0
Gross margin	43.8	40.6	163.3	151.9
Other operating revenues	0.6	1.0	1.4	1.2
Selling expenses	-13.8	-27.1	-51.8	-70.0
<i>of which write-down of current receivables</i>	<i>0.0</i>	<i>-13.1</i>	<i>0.0</i>	<i>-13.1</i>
Administrative expenses	-14.5	-10.3	-49.6	-38.9
Operating income	16.1	4.2	63.3	44.2
Interest income	0.3	0.4	0.8	1.2
Write-down of financial assets	0.0	-16.4	0.0	-16.4
Interest expenses	-0.9	-5.4	-7.1	-9.7
Net financial income/expense	-0.6	-21.4	-6.3	-24.9
Income after financial items	15.5	-17.2	57.0	19.3
Tax	-4.8	0.0	-16.8	-10.7
Net income for the period	10.7	-17.2	40.2	8.6
Depreciation and write-down of tangible and intangible fixed assets				
Goodwill	0.0	0.0	0.0	0.0
Land and buildings	1.0	1.0	3.8	3.6
Machinery and equipment	8.4	8.1	28.5	28.8
Total	9.4	9.1	32.3	32.4
of which write-down	0.8	0.7	0.8	0.7
Earnings per share, SEK	2.17	-3.50	8.15	1.53
Average number of shares, thousands (Recalculated due to redemption of shares made 2006. No dilution.)	4 933	4 933	4 933	5 624
Net turnover per geographical market				
Sweden	154.2	159.5	613.2	584.9
Other Nordic countries	56.9	54.7	208.2	191.8
Rest of Europe	81.8	76.4	351.3	292.8
Other	0.2	1.6	6.7	17.4
Total	293.1	292.2	1 179.4	1 086.9

Balance sheet

The Group, MSEK	31 December 2007	31 December 2006
Assets		
Fixed assets		
Intangible fixed assets	10.0	10.0
Tangible fixed assets	260.9	275.9
Financial fixed assets	0.2	0.2
Total fixed assets	271.1	286.1
Current assets		
Inventories	133.4	101.6
Current receivables	172.7	189.8
Liquid assets	38.7	28.8
Total current assets	344.8	320.2
Total assets	615.9	606.3
Shareholders' equity and liabilities		
Shareholders' equity	172.3	148.4
Long-term liabilities		
Interest-bearing liabilities	102.9	137.9
Interest-free liabilities	55.1	52.1
Total long-term liabilities	158.0	190.0
Short-term liabilities		
Interest-bearing liabilities	0.7	0.3
Interest-free liabilities	284.9	267.6
Total short-term liabilities	285.6	267.9
Total shareholders' equity and liabilities	615.9	606.3

Changes in shareholders' equity

The Group, MSEK	Q 4 2007	Q 4 2006	Q 1-4 2007	Q 1-4 2006
Opening balance	163.4	163.8	148.4	237.8
Changes in reserves	-1.8	1.9	-2.5	3.1
Dividend	0.0	0.0	-13.8	-13.2
Redemption	0.0	-0.1	-	-87.9
Net income for the period	10.7	-17.2	40.2	8.6
Closing balance	172.3	148.4	172.3	148.4

Cash flow statement

The Group, MSEK	Q 4 2007	Q 4 2006	Q 1-4 2007	Q 1-4 2006
Operating cash flow ¹⁾	14.1	17.5	69.0	70.9
Working capital changes	27.3	36.5	9.4	1.6
Cash flow from operating activities	41.4	54.0	78.4	72.5
Cash flow from investing activities	0.9	-16.7	-18.2	-29.6
Cash flow from financing activities	-8.7	-30.7	-50.9	-56.7
Cash flow for the period	33.6	6.6	9.3	-13.8
Liquid assets, opening balance	4.6	22.5	28.8	43.4
Translation differences in liquid assets	0.5	-0.3	0.6	-0.8
Liquid assets, closing balance	38.7	28.8	38.7	28.8

¹⁾ 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 4 2007	Q 4 2006	Q 1-4 2007	Q 1-4 2006
Net turnover, MSEK	293.1	292.2	1 179.4	1 086.9
Income before depreciation, MSEK	25.5	13.3	95.6	76.6
Operating income/loss, MSEK	16.1	4.2	63.3	44.2
Operating margin, %	5.5	1.4	5.4	4.1
Income after financial items, MSEK	15.5	-17.2	57.0	19.3
Operating margin, %	5.3	-5.9	4.8	1.8
Return on equity, %	25.5	-44.2	25.1	4.4
Return on capital employed, %	23.7	-15.2	22.8	9.3
Cash flow from operating activities, MSEK	41.4	54.0	78.4	72.5
Investments, MSEK	2.5	24.2	24.7	38.3
Liquidity reserve, MSEK	-	-	212.1	163.6
Net debt, MSEK	-	-	65.0	109.4
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	103.6	138.2
Net debt/equity ratio	-	-	0.38	0.74
Total assets, MSEK	-	-	615.9	606.3
Equity ratio, %	-	-	28.0	24.5
Capital turnover	4.3	3.7	4.2	3.5
Proportion of risk-bearing capital, %	-	-	36.9	33.1
Interest coverage ratio	19.3	-2.2	9.0	3.0
Average number of employees	479	482	475	477
Net turnover per employee (average), TSEK	612	606	2 481	2 277
Income after fin. per employee (average), TSEK	32	-36	120	40
Number of shares, thousands (Recalculated due to redemption of shares made 2006. No dilution.)	4 933	4 933	4 933	5 624
Earnings per share, SEK	2.17	-3.50	8.15	1.53
Equity per share, SEK	-	-	34.92	30.09

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 turnover of the parent company amounted to MSEK 18.6 (18.3) and comprised rents from companies in the Group. No purchases were made from companies within the Group. Profit after financial items amounted to MSEK 6.7 (-7.7).

Investments in the parent company amounted to MSEK 2.0 (22.6) and comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 62.0 (68.1) as of 31 December 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 compared to that described in the 2006 annual report.

No significant related transactions apart from rent debiting for subsidiaries have been implemented during the period.

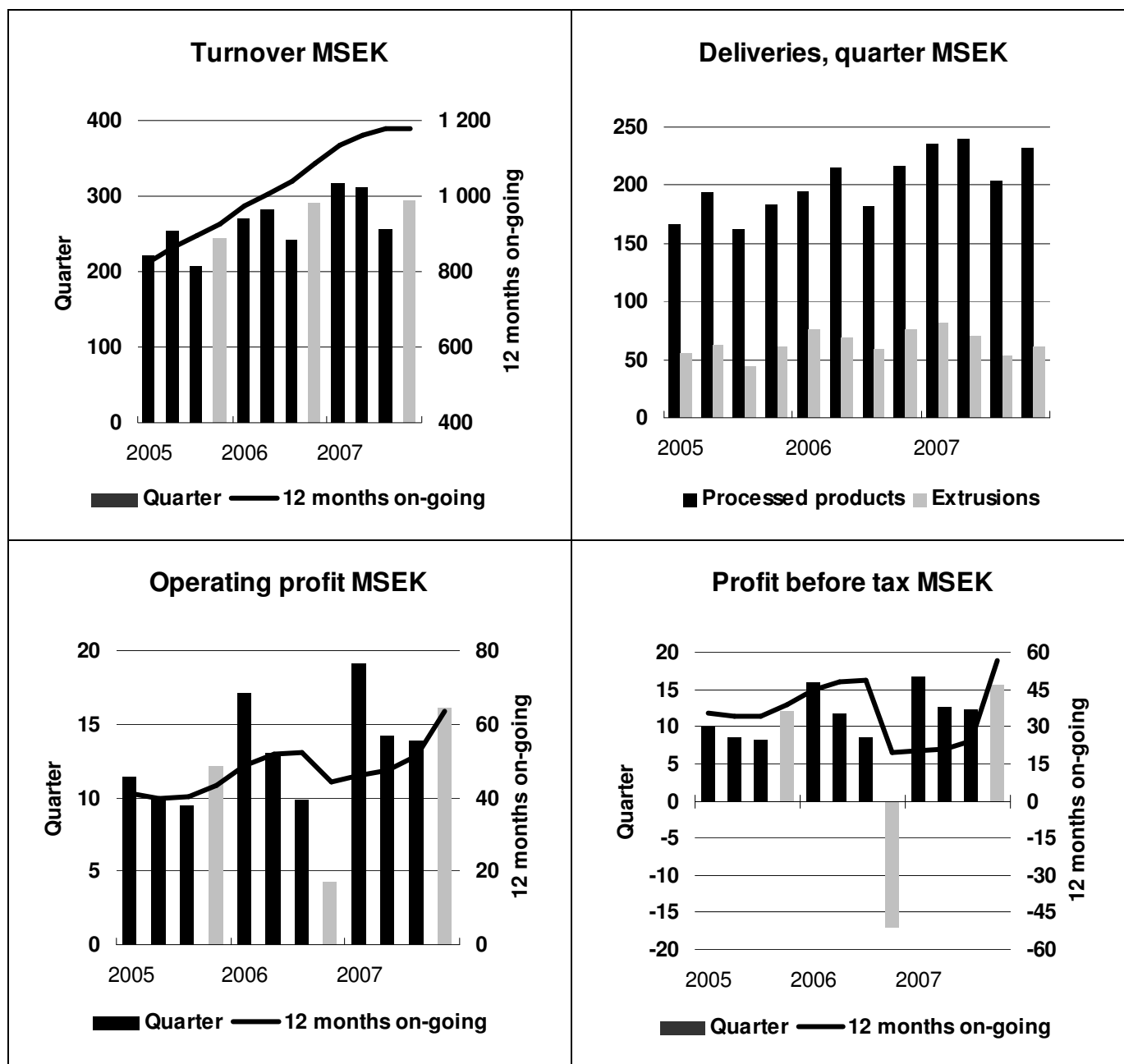
Income Statement– the parent company

Parent company, MSEK	Q 4 2007	Q 4 2006	Q 1-4 2007	Q 1-4 2006
Net turnover	4.7	4.6	18.6	18.3
Cost of goods sold	-0.8	-0.7	-2.9	-2.6
Gross margin	3.9	3.9	15.7	15.7
Administrative expenses	-1.4	-1.6	-5.6	-5.7
Operating income	2.5	2.3	10.1	10.0
Interest income	0.1	0.5	0.1	0.6
Write-down of financial assets	0.0	-16.4	0.0	-16.4
Interest expenses	-0.5	-1.2	-3.5	-1.9
Income after financial items	2.1	-14.8	6.7	-7.7
Appropriations	-4.8	-4.9	-4.8	-4.9
Income before tax	-2.7	-19.7	1.9	-12.6
Tax	0.8	1.0	-0.6	-1.1
Result of the year	-1.9	-18.7	1.3	-13.7

Balance sheet – the parent company

Parent company, MSEK	31 December 2007	31 December 2006
Assets		
Tangible assets		
Tangible fixed assets	82.0	82.7
Financial assets	108.9	108.9
Total fixed assets	190.9	191.6
Current assets		
Current receivables	1.2	2.0
Cash and bank balances	0.4	0.4
Total current assets	1.6	2.4
Total assets	192.5	194.0
Equity and liabilities		
Equity	45.7	45.0
Untaxed reserves	19.3	14.4
Provisions for taxes	3.0	2.7
Long-term liabilities	50.3	66.2
Current liabilities	74.2	65.7
Total equity and liabilities	192.5	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 2007 53 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 472 employees at the end of 2007.
- 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.