

Interim Report from ProfilGruppen AB (publ.),  
January – March 2008

Åseda, April 28, 2008

## Lower profit in short quarter

- \* **Turnover MSEK 302.3 (318.1), down 5 per cent compared with previous year**
- \* **Operating profit MSEK 14.2 (19.1), down 26 per cent compared with previous year**
- \* **Net income MSEK 8.9 (11.9), down 25 per cent compared with previous year**
- \* **Cash flow from current operations MSEK -2.7 (19.0)**
- \* **Earnings per share SEK 1.81 (2,41), down 25 per cent compared with previous year**
- \* **Return on capital employed 20.3 per cent (26.4)**

Nils Arthur, President and CEO of ProfilGruppen says,

*“We experience a more hesitant attitude in the market compared to the very strong demand in the beginning of last year.*

*The extensive investment programme which was decided in February has now been started and will strengthen ProfilGruppen’s competitiveness.”*

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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 April 28, 2008 at 13:30.

For the income statement and balance sheet, key figures and other facts about the Group, refer to pages 5-13. Current information and photographs for free publication are available at [www.profilgruppen.se](http://www.profilgruppen.se).

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## Market

The demand for aluminium extrusions in the Western European market has decreased slightly during the first quarter, partly due to the early Easter holiday which last year fell in April. The industry which had the clearest decline is the construction industry, mainly housing. The decrease in demand has led to shorter lead times in the industry.

The price of aluminium was in the beginning of the quarter stable on the same level as at the end of last year. However, from February the raw material price has fluctuated heavily on a higher level. The difference between the highest and lowest price in the quarter was as much as 25 per cent.

## Deliveries and production

Turnover amounted to MSEK 302.3 (318.1), a decrease of 5 per cent compared with last year. This decrease can be explained partly by a lower number of working days in the first quarter of 2008 compared with 2007.

Delivery volumes totalled 6,900 tons (7,100) of aluminium extrusions. ProfilGruppen's share of exports amounted to 52 per cent (52) of the volume, and 47 per cent (47) of the turnover.

Turnover per country, MSEK	Q 1 2008	Q 1 2007	12 months ongoing	Q 1-4 2007
Sweden	160.3	169.2	604.3	613.2
Germany	54.4	48.6	185.6	179.8
Norway	23.4	30.7	95.9	103.2
Denmark	13.8	15.5	66.6	68.3
United Kingdom	13.7	15.5	54.6	56.5
Other countries	36.8	38.6	156.6	158.4
<b>TOTAL</b>	<b>302.3</b>	<b>318.1</b>	<b>1 163.6</b>	<b>1 179.4</b>

Turnover per industry, MSEK	Q 1 2008	Q 1 2007	12 months ongoing	Q 1-4 2007
Automotive	77.2	89.3	319.4	331.5
Construction	64.7	75.8	261.9	273.0
Electronics	64.8	64.9	247.3	247.4
Interior	32.1	31.8	121.0	120.7
Miscellaneous	63.5	56.3	214.1	206.8
<b>TOTAL</b>	<b>302.3</b>	<b>318.1</b>	<b>1 163.6</b>	<b>1 179.4</b>

The proportion of deliveries to the automotive sector is lower in the first quarter this year, which is attributable to a couple of customers in the car industry. The deliveries for heavier vehicles are higher than last year. During the first quarter last year the deliveries to the automotive sector were on a historically high level.

In Miscellaneous, it is mainly deliveries to mechanical industry in Germany that has increased strongly.

During the period, the Group manufactured 6,900 tons (7,000) of aluminium extrusions.

## Comments on profit

The operating profit for the first quarter, amounted to MSEK 14.2 (19.1), which is equivalent to an operating margin of 4.7 per cent (6.0). The profit was negatively influenced by a lower number of production days and higher raw material cost due to significant short-term price fluctuations.

The profit after financial items amounted to MSEK 12.6 (16.6), while the profit after tax amounted to MSEK 8.9 (11.9).

Earnings per share totalled SEK 1.81 (2.41). On average, the number of shares in thousands amounted to 4,933 (4,933).

The return on capital employed amounted to 20.3 per cent (26.4).

## Investments

The investments in current operations amounted to MSEK 5.0 (7.5). Approximately MSEK 2.4 of the total investments was customer related and 1.0 MSEK was related to the investment programme which was decided upon in February.

## Financing and liquidity

The cash flow from current operations amounted to MSEK -2.7 (19.0) and, after investment activities, to MSEK -4.8 (11.8). The negative cash flow is mainly related to the lower volumes in the last two quarters. This has led to lower accounts payables and higher stock level.

The balance sheet total as of 31 March 2008 amounted to MSEK 621.4, compared with MSEK 643.3 as of 31 March 2007.

Net debt amounted to MSEK 70.0 (98.0) as of 31 March 2008. The net debt/equity ratio was 0.38 (0.62). At that time, the Group's liquid assets amounted to MSEK 33.2 (42.9).

## Personnel

The average number of employees in the Group was 467 (466), which included 70 (68) people employed by the processing companies. The number of employees in the Group as of 31 March totalled 462 (465).

## Significant risks and uncertain factors

Risks and uncertain factors for the Group have not changed significantly since the annual report for 2007 was made.

## Outlook for 2008

The demand for aluminium extrusions in Western Europe in 2008 is assessed to be below the volumes of 2007. ProfilGruppen takes offensive measures to balance the uncertainty of the demand. ProfilGruppen's growth will continue to depend on the development of the key customers.

## Outlook for 2008 –assessment made in the year-end report for 2007

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

**Dates for financial information**

ProfilGruppen reports financial information quarterly as follows:

Interim report, 6 months	22 July 2008
Interim report, 9 months	23 October 2008
Year-end report 2008	4 February 2009

Åseda, April 28, 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 1 2008	Q 1 2007	12 months ongoing	Q 1-4 2007
Net turnover	302.3	318.1	1 163.6	1 179.4
Cost of goods sold	-263.1	-273.4	-1 005.8	-1 016.1
<b>Gross margin</b>	<b>39.2</b>	<b>44.7</b>	<b>157.8</b>	<b>163.3</b>
Other operating revenues	0.3	0.2	1.5	1.4
Selling expenses	-13.0	-13.2	-51.6	-51.8
Administrative expenses	-12.3	-12.6	-49.3	-49.6
<b>Operating income</b>	<b>14.2</b>	<b>19.1</b>	<b>58.4</b>	<b>63.3</b>
Interest income	0.1	0.2	0.7	0.8
Interest expenses	-1.7	-2.7	-6.1	-7.1
<b>Net financial income/expense</b>	<b>-1.6</b>	<b>-2.5</b>	<b>-5.4</b>	<b>-6.3</b>
<b>Income after financial items</b>	<b>12.6</b>	<b>16.6</b>	<b>53.0</b>	<b>57.0</b>
Tax	-3.7	-4.7	-15.8	-16.8
<b>Net income for the period</b>	<b>8.9</b>	<b>11.9</b>	<b>37.2</b>	<b>40.2</b>
Earnings per share, SEK	1.81	2.41	7.55	8.15
Average number of shares, thousands	4 933	4 933	4 933	4 933
No dilution.				
<b>Depreciation and write-down of fixed assets</b>				
Land and buildings	0.9	1.0	3.7	3.8
Machinery and equipment	7.2	7.4	28.3	28.5
<b>Total</b>	<b>8.1</b>	<b>8.4</b>	<b>32.0</b>	<b>32.3</b>
of which write-down	0.0	0.0	0.8	0.8
<b>Net turnover per geographical market</b>				
Sweden	160.3	169.2	604.3	613.2
Other Nordic countries	47.8	50.1	205.9	208.2
Rest of Europe	93.6	95.5	349.4	351.3
Other	0.6	3.3	4.0	6.7
<b>Total</b>	<b>302.3</b>	<b>318.1</b>	<b>1 163.6</b>	<b>1 179.4</b>

## Balance sheet

The Group, MSEK	31 March 2008	31 March 2007	31 December 2007
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	257.4	274.7	260.9
Financial fixed assets	0.2	0.2	0.2
<b>Total fixed assets</b>	<b>267.6</b>	<b>284.9</b>	<b>271.1</b>
<b>Current assets</b>			
Inventories	126.9	100.9	133.4
Current receivables	193.7	214.6	172.7
Liquid assets	33.2	42.9	38.7
<b>Total current assets</b>	<b>353.8</b>	<b>358.4</b>	<b>344.8</b>
<b>Total assets</b>	<b>621.4</b>	<b>643.3</b>	<b>615.9</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>183.0</b>	<b>156.9</b>	<b>172.3</b>
<b>Long-term liabilities</b>			
Interest-bearing liabilities	103.2	140.9	102.9
Interest-free liabilities	59.5	50.4	55.1
<b>Total long-term liabilities</b>	<b>162.7</b>	<b>191.3</b>	<b>158.0</b>
<b>Short-term liabilities</b>			
Interest-bearing liabilities	0.0	0.0	0.7
Interest-free liabilities	275.7	295.1	284.9
<b>Total short-term liabilities</b>	<b>275.7</b>	<b>295.1</b>	<b>285.6</b>
<b>Total shareholders' equity and liabilities</b>	<b>621.4</b>	<b>643.3</b>	<b>615.9</b>

## Changes in shareholders' equity

The Group, MSEK	Q 1 2008	Q 1 2007	Q 1-4 2007
Opening balance	172.3	148.4	148.4
Changes in reserves	1.8	-3.4	-2.5
Dividend	0.0	0.0	-13.8
Net income for the period	8.9	11.9	40.2
<b>Closing balance</b>	<b>183.0</b>	<b>156.9</b>	<b>172.3</b>

## Cash flow statement

The Group, MSEK	Q 1 2008	Q 1 2007	12 months ongoing	Q 1-4 2007
Operating cash flow <sup>1)</sup>	14.1	21.8	61.3	69.0
Working capital changes	-16.8	-2.8	-4.6	9.4
Cash flow from operating activities	-2.7	19.0	56.7	78.4
Cash flow from investing activities	-2.1	-7.2	-13.1	-18.2
Cash flow from financing activities	-0.6	1.7	-53.2	-50.9
<b>Cash flow for the period</b>	<b>-5.4</b>	<b>13.5</b>	<b>-9.6</b>	<b>9.3</b>
Liquid assets, opening balance	<b>38.7</b>	<b>28.8</b>	<b>42.9</b>	<b>28.8</b>
Translation differences in liquid assets	-0.1	0.6	-0.1	0.6
<b>Liquid assets, closing balance</b>	<b>33.2</b>	<b>42.9</b>	<b>33.2</b>	<b>38.7</b>

<sup>1)</sup> 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 2008 have not affected the Group's result or position.

## Key ratios

The Group	Q 1 2008	Q 1 2007	12 months ongoing	Q 1-4 2007
Net turnover, MSEK	302.3	318.1	1 163.6	1 179.4
Income before depreciation, MSEK	22.3	27.5	90.4	95.6
Operating income/loss, MSEK	14.2	19.1	58.4	63.3
Operating margin, %	4.7	6.0	5.0	5.4
Income after financial items, MSEK	12.6	16.6	53.0	57.0
Operating margin, %	4.2	5.2	4.6	4.8
Return on equity, %	20.1	31.2	21.9	25.1
Return on capital employed, %	20.3	26.4	20.2	22.8
Cash flow from operating activities, MSEK	-2.7	19.0	56.7	78.4
Investments, MSEK	5.0	7.5	22.2	24.7
Liquidity reserve, MSEK	206.2	175.2	-	212.1
Net debt, MSEK	70.0	98.0	-	65.0
Interest-bearing liabilities and interest-bearing provisions, MSEK	103.2	140.9	-	103.6
Net debt/equity ratio	0.38	0.62	-	0.38
Total assets, MSEK	621.4	643.3	-	615.9
Equity ratio, %	29.5	24.4	-	28.0
Capital turnover	4.3	4.4	4.0	4.2
Proportion of risk-bearing capital, %	39.0	32.2	-	36.9
Interest coverage ratio	8.5	7.1	9.7	9.0
Average number of employees	467	466	474	475
Net turnover per employee (average), TSEK	648	682	2 455	2 481
Income after fin. per employee (average), TSEK	27	36	112	120
Number of shares, thousands (Recalculated due to redemption of shares made 2006. No dilution.)	4 933	4 933	4 933	4 933
Earnings per share, SEK	1.81	2.41	7.55	8.15
Equity per share, SEK	37.10	31.82	-	34.92

Definitions are given in ProfilGruppen's Annual Report 2007. 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 4.6 (4.6) and comprised rents from companies in the Group. No purchases were made from companies within the Group. Profit after financial items amounted to MSEK 1.2 (0.8).

Investments in the parent company amounted to MSEK 0.2 (1.3) and comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 61.6 (84.0) as of 31 March 2008. 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 2007 annual report.

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

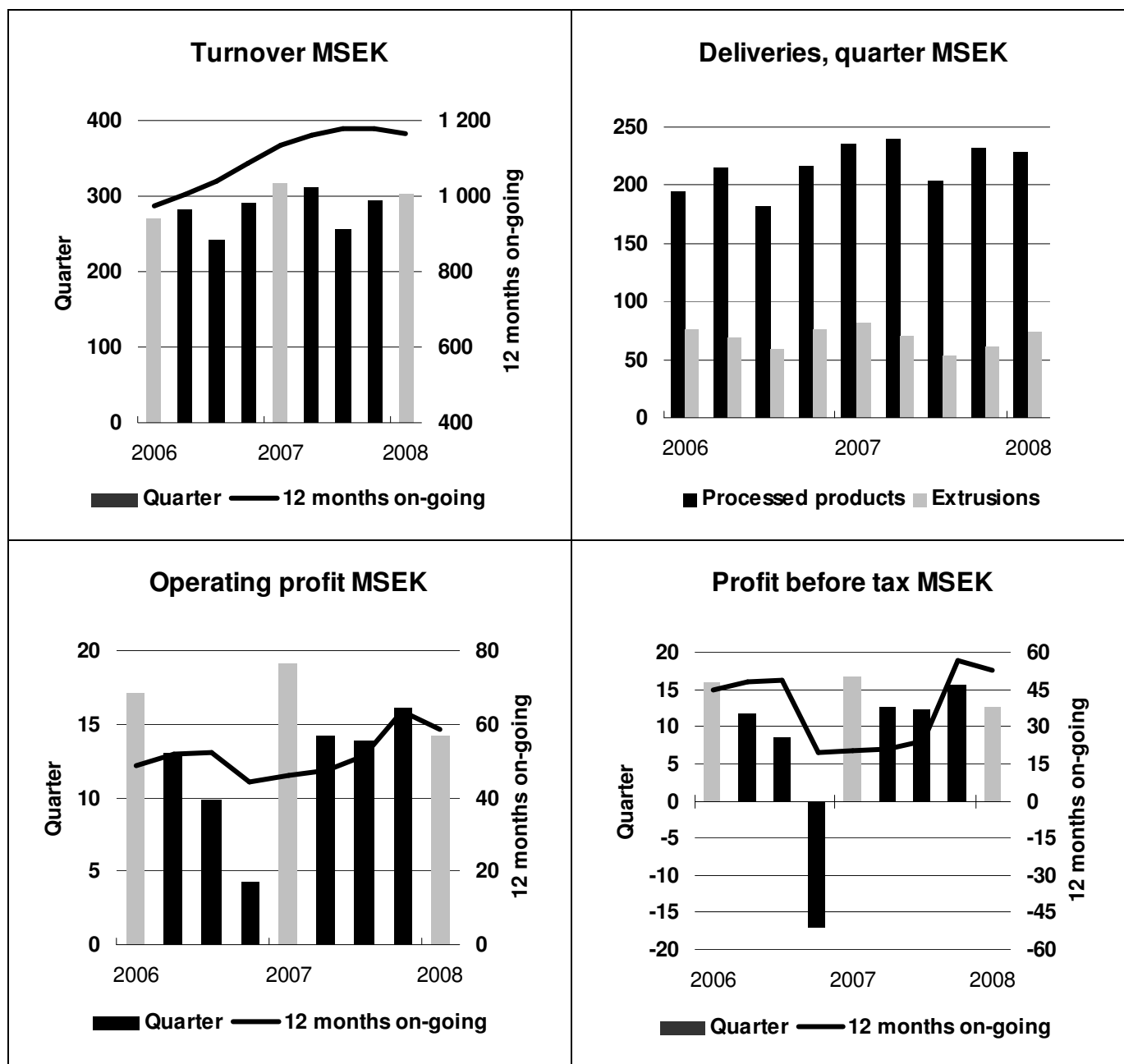
## Income Statement– the parent company

Parent company, MSEK	Q 1 2008	Q 1 2007	Q 1-4 2007
Net turnover	4.6	4.6	18.6
Cost of goods sold	-0.7	-0.7	-2.9
<b>Gross margin</b>	<b>3.9</b>	<b>3.9</b>	<b>15.7</b>
Administrative expenses	-1.9	-1.7	-5.6
<b>Operating income</b>	<b>2.0</b>	<b>2.2</b>	<b>10.1</b>
Interest income	0.0	0.0	0.1
Interest expenses	-0.8	-1.4	-3.5
<b>Income after financial items</b>	<b>1.2</b>	<b>0.8</b>	<b>6.7</b>
Appropriations	0.0	0.0	-4.8
<b>Income before tax</b>	<b>1.2</b>	<b>0.8</b>	<b>1.9</b>
Tax	-0.3	0.0	-0.6
<b>Result of the year</b>	<b>0.9</b>	<b>0.8</b>	<b>1.3</b>

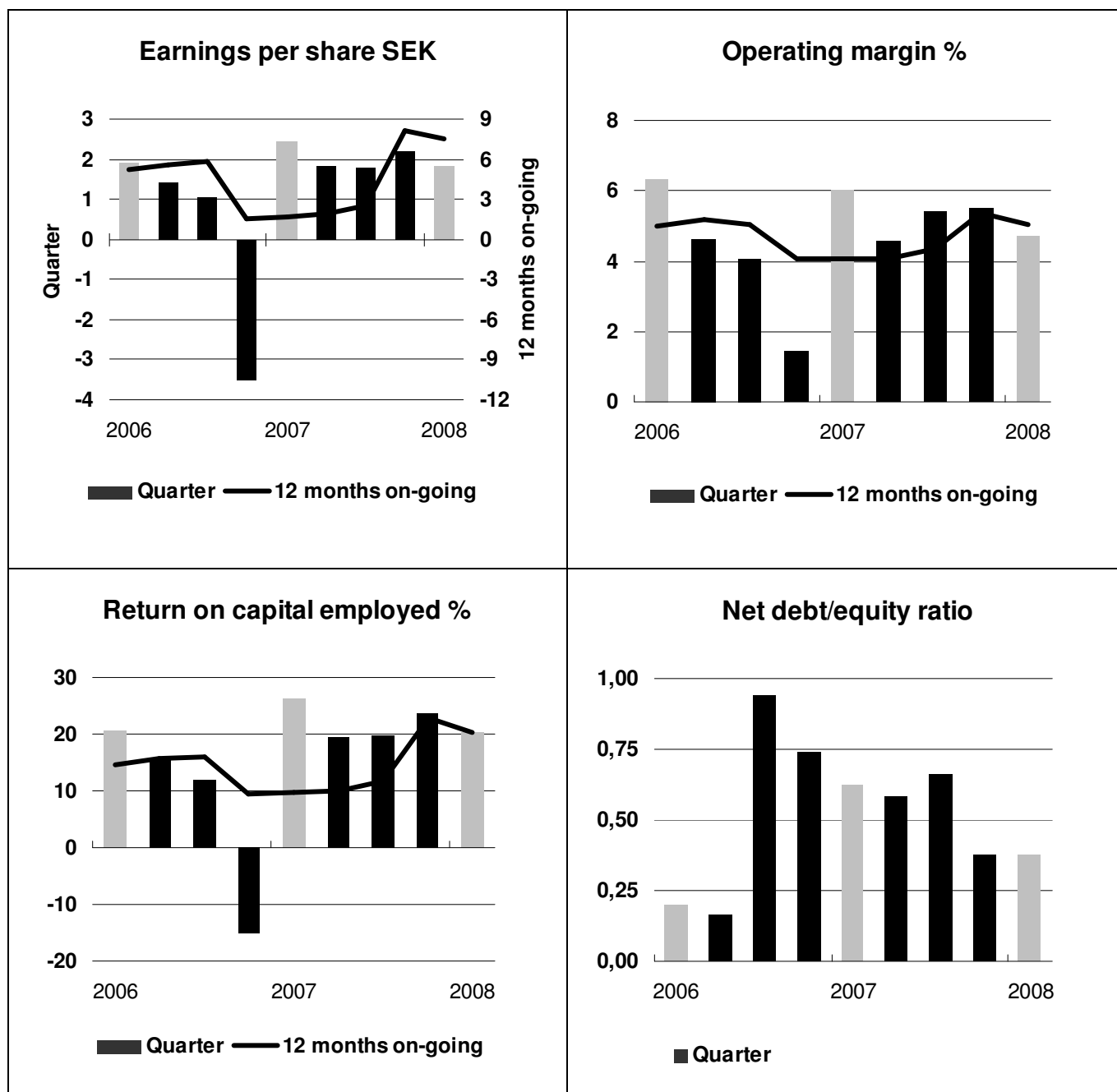
## Balance sheet – the parent company

Parent company, MSEK	31 March 2008	31 March 2007	31 December 2007
<b>Assets</b>			
<b>Tangible assets</b>			
Tangible fixed assets	81.5	83.3	82.0
Financial assets	108.9	108.9	108.9
<b>Total fixed assets</b>	<b>190.4</b>	<b>192.2</b>	<b>190.9</b>
<b>Current assets</b>			
Current receivables	1.4	2.2	1.2
Cash and bank balances	0.4	0.4	0.4
<b>Total current assets</b>	<b>1.8</b>	<b>2.6</b>	<b>1.6</b>
<b>Total assets</b>	<b>192.2</b>	<b>194.8</b>	<b>192.5</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>46.6</b>	<b>45.8</b>	<b>45.7</b>
Untaxed reserves	19.3	14.4	19.3
Provisions for taxes	3.0	2.7	3.0
Long-term liabilities	50.0	66.4	50.3
Current liabilities	73.3	65.5	74.2
<b>Total equity and liabilities</b>	<b>192.2</b>	<b>194.8</b>	<b>192.5</b>

## 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.