

Interim report from ProfilGruppen AB (publ),
January – June 2011

Åseda, 19 July, 2011

Limited effects despite extensive fire

Second Quarter

- * **Turnover MSEK 236.8 (244.4), down 3 percent compared to previous year**
- * **Operating profit MSEK 5.5 (10.6) after one-off charges of MSEK 1.3 (0.0)**
- * **Net income MSEK 2.6 (6.3)**
- * **Cash flow from current operations MSEK -3.5 (2.3)**
- * **Earnings per share SEK 0.53 (1.29)**

First six months

- * **Turnover MSEK 461.9 (467.4), down 1 percent from previous year**
- * **Operating profit MSEK 8.8 (17.9) after one-off charges of MSEK 3.4 (0.0)**
- * **Net income MSEK 3.8 (10.5)**
- * **Cash flow from current operations MSEK 0.7 (-10.3).**
- * **Earnings per share SEK 0.78 (2.13)**

Claes Seldeby, President and CEO of ProfilGruppen, says:

“The measures we have recently taken within the organization have not yet had the desired effect on the result. Despite the fact that the fire caused extensive damage we have by using our other press lines, managed to meet the delivery commitment towards our customers.”

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

This information is published in accordance with applicable laws, listing agreements and regulations. The information was submitted to the media for publication at 17.30 CET on 19 July 2011.

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.

Interim report from ProfilGruppen AB (publ),
January – June 2011

Market

The market for aluminium extrusions in Europe has shown a positive development for the second quarter 2011, although the growth pace has been considerably lower than during the previous year. As earlier, the upturn is primarily driven by the transportation industry. The building and construction industry, previously an exception from the general upturn, is showing positive development in several countries.

In the latest forecast from the European Aluminium Association (EAA), the market for aluminium extrusions is assessed to have grown by approximately two percent in the second quarter compared to the corresponding period 2010. Seen over the first half-year, the assessment is an increase of approximately four percent.

The price of aluminium raw material on London Metal Exchange (LME) has decreased by slightly less than four percent during the second quarter and amounted to slightly more than USD 2 500 per ton at the end of the half-year, still approximately 30 percent higher than at the corresponding time previous year. The global LME inventory level amounted to approximately 4.5 million tonnes at the end of June, which is approximately two percent lower than at the beginning of the second quarter.

Turnover

The turnover of the Group during the first six months amounted to MSEK 461.9 (467.4), a decrease by 1 percent compared to the previous year. The delivery volume was 10,550 tonnes (10,950) of aluminium extrusions, a decrease by 4 percent compared to the previous year.

The share of exports amounted to 52 percent (50) of volume, and 51 percent (48) of turnover.

Turnover per country, MSEK	Q 2 2011	Q 2 2010	Q 1-2 2011	Q 1-2 2010	12 months ongoing	Q 1-4 2010
Sweden	111.4	126.9	227.7	241.0	448.9	462.2
Germany	38.6	33.4	64.8	63.3	124.0	122.5
Norway	16.3	18.7	32.9	35.8	62.7	65.6
Denmark	10.6	6.6	21.1	18.6	43.4	40.9
Poland	28.1	26.7	51.2	47.5	78.9	75.2
United Kingdom	10.8	14.3	23.4	27.2	49.1	52.9
Other countries	21.0	17.8	40.8	34.0	88.9	82.1
TOTAL	236.8	244.4	461.9	467.4	895.9	901.4

Income from the Swedish market decreased by 12 percent for the second quarter compared to the corresponding period previous year. The transportation- and general engineering segments showed a strong positive development while in particular the electrical engineering segment had a negative development.

Income from the export markets increased by seven percent for the second quarter compared to the corresponding period 2010. The increased deliveries to the German market are mainly due to increased deliveries to the solar energy sector. In Denmark a general market upturn has caused the increased deliveries. The lower deliveries to the UK market are related to specific customers in the

transportation segment. The decline in deliveries to the Norwegian market is related to customers in the domestic and office equipment segment and stockists.

Turnover per sector, MSEK	Q 2 2011	Q 2 2010	Q 1-2 2011	Q 1-2 2010	12 months ongoing	Q 1-4 2010
Electrical engineering	51.3	51.9	89.9	100.1	184.8	195.0
Transportation	81.8	82.8	161.1	153.4	303.5	295.8
Building and construction	34.0	34.1	68.1	62.6	131.0	125.5
Domestic and office equipment	20.6	22.1	40.8	45.5	76.1	80.8
General engineering	34.9	33.8	67.4	67.4	134.9	134.9
Other industries	14.2	19.7	34.6	38.4	65.6	69.4
TOTAL	236.8	244.4	461.9	467.4	895.9	901.4

The general engineering segment has shown a positive development for the quarter, with a three percent increase of turnover. The development for the domestic and office segment is still weak. In the electrical engineering segment the deliveries to the solar energy sector has recovered, mainly in Germany.

During the first six months, the Group manufactured 10,500 tonnes (11,100) of aluminium extrusions. A halt in the production in connection with a fire in one of the press lines has caused a loss of production by approximately 300 tonnes.

Comments on profit

The operating profit for the first six months amounted to MSEK 8.8 (17.9), which is equivalent to an operating margin of 1.9 percent (3.8). The operating result has been charged by one-off costs amounting to MSEK 2.1 (0.0) related to a reorganisation of the operations during the first quarter of the year. The result has also been charged by costs related to the fire in one of the press lines amounting to MSEK 1.3. The preliminary assessment is that the plant will be on line again in October and the costs are expected to be covered by the insurance. Excluding the one-off costs the operating result amounted to MSEK 12.2. The remaining part of the lower profit compared to the corresponding period last year, is an effect of lower delivery volumes and less favourable product mix.

The profit after financial items amounted to MSEK 5.3 (14.2). The profit after tax amounted to MSEK 3.3 (10.5).

Earnings per share totalled SEK 0.78 (2.13). The average number of shares in thousands was 4,933 (4,933).

The return on capital employed amounted to 5.3 percent (11.9).

The second quarter

Turnover amounted to MSEK 236.8 (244.4). The delivery volume in the quarter was 5,400 tonnes (5,700) of aluminium extrusions, and production was 5,100 tonnes (5,700). The share of exports amounted to 54 percent (50) of volume, and 53 percent (48) of turnover.

The operating profit for the second quarter amounted to MSEK 5.5 (10.6) and has been charged by costs related to the fire in one of the press lines amounting to MSEK 1.3. The remaining part of the lower profit compared to the corresponding period previous year is an effect of lower delivery volumes and less favourable product mix.

The profit after financial items amounted to MSEK 3.7 (8.6). Earnings per share totalled SEK 0.53 (1.29)

Investments

Investments during the first six months amounted to MSEK 4.9 (2.3).

Financing and liquidity

Cash flow from current operations amounted to MSEK 0.7 (-10.3) and cash flow after investments was MSEK -4.5 (-11.9). The improvement of cash flow is mainly explained by last year's negative working capital changes due to the volume increase.

The cash flow from current operations for the second quarter amounted to MSEK -3.5 (2.3).

The balance sheet total as of 30 June 2011 was MSEK 551.6 (553.9).

Net debt amounted to MSEK 141.1 (152.8) as of 30 June 2011 and the net debt/equity ratio was 0.89 (0.97).

Personnel

The average number of Group employees during the period was 394 (370), which included 58 (56) people employed by the processing companies. The number of Group employees as of 30 June 2011 totalled 406 (382).

Significant risks and uncertain factors

The company's risks and risk management have not changed significantly since the publishing of the 2010 annual report.

Outlook for 2011

The European market for extrusions is expected to show a modest growth rate during the rest of the year.

Dates for financial information

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

Interim report, 9 months 24 October 2011

Year-end report 2011 16 February 2012

Åseda, June 19, 2011

Eva Färnstrand
Chairman

Claes Seldeby
President & CEO

Ulf Granstrand
Member of the Board

Susanna Hilleskog
Member of the Board

Mats Egeholm
Member of the Board

Kurt Nilsson
Member of the Board
Employee representative

Ulf Näslund
Member of the Board
Employee representative

Kjell Svensson
Member of the Board

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

Statement of comprehensive income

The Group, MSEK	Q 2 2011	Q 2 2010	Q 1-2 2011	Q 1-2 2010	12 months ongoing	Q 1-4 2010
Net turnover	236.8	244.4	461.9	467.4	895.9	901.4
Cost of goods sold	-208.5	-208.9	-402.6	-401.1	-772.8	-771.3
Gross margin	28.3	35.5	59.3	66.3	123.1	130.1
Other operating revenues	0.0	0.1	0.0	0.1	0.2	0.3
Selling expenses	-12.4	-11.6	-28.9	-23.9	-55.8	-50.8
Administrative expenses	-10.4	-13.4	-21.6	-24.6	-47.4	-50.4
Operating profit/loss	5.5	10.6	8.8	17.9	20.1	29.2
Financial income	0.0	0.1	0.1	0.1	0.3	0.3
Financial expenses	-1.8	-2.1	-3.6	-3.8	-7.4	-7.6
Net financial income/expense	-1.8	-2.0	-3.5	-3.7	-7.1	-7.3
Income after financial items	3.7	8.6	5.3	14.2	13.0	21.9
Tax	-1.1	-2.3	-1.5	-3.7	-4.1	-6.3
Net income for the period	2.6	6.3	3.8	10.5	8.9	15.6
Other comprehensive income						
Changes in hedging reserve	-5.8	2.4	-5.1	5.4	-0.7	9.8
Translation differences	0.2	0.1	0.1	-0.2	0.1	-0.2
Other, reported directly against equity	0.0	0.0	0.0	0.0	-0.3	-0.3
Comprehensive income for the period	-3.0	8.8	-1.2	15.7	8.0	24.9
Earnings per share (before and after dilution), SEK	0.53	1.29	0.78	2.13	1.82	3.17
Average number of shares, thousands	4 933	4 933	4 933	4 933	4 933	4 933
Depreciation and write-down of fixed assets						
Land and buildings	1.0	1.0	2.0	2.0	5.2	5.2
Machinery and equipment	6.6	7.4	14.1	14.8	27.1	27.8
Total	7.6	8.4	16.1	16.8	32.3	33.0
of which write-down	0.0	0.0	0.0	0.0	1.4	1.4

Statement of financial position

The Group, MSEK	30 June 2011	30 June 2010	31 December 2010
Assets			
Fixed assets			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	233.2	255.8	244.5
Financial fixed assets	0.2	0.2	0.2
Total fixed assets	243.4	266.0	254.7
Current assets			
Inventories	110.3	100.8	100.6
Current receivables	166.9	177.3	146.7
Liquid assets	31.0	9.8	43.2
Total current assets	308.2	287.9	290.5
Total assets	551.6	553.9	545.2
Shareholders' equity and liabilities			
Shareholders' equity	158.7	158.0	167.3
Long-term liabilities			
Interest-bearing liabilities	75.0	86.4	80.4
Interest-free liabilities	45.8	49.3	46.3
Total long-term liabilities	120.8	135.7	126.7
Short-term liabilities			
Interest-bearing liabilities	97.0	76.2	90.9
Interest-free liabilities	175.1	184.0	160.3
Total short-term liabilities	272.1	260.2	251.2
Total shareholders' equity and liabilities	551.6	553.9	545.2
Pledged assets and contingent liabilities			
Property mortgages	84.8	84.8	84.8
Floating charges	174.0	174.0	174.0
Shares in subsidiaries	203.3	206.7	202.8
Trade receivables pledged as collateral	108.4	-	108.4
Guarantees for other companies	1.0	1.0	1.0
Guarantee commitments FPG/PRI	0.2	0.2	0.2

Statement of changes in equity

The Group, MSEK	Q 2 2011	Q 2 2010	Q 1-2 2011	Q 1-2 2010	Q 1-4 2010
Opening balance	169.1	149.3	167.3	142.4	142.4
Dividend	-7.4	0.0	-7.4	0.0	0.0
Comprehensive income for the period	-3.0	8.7	-1.2	15.6	24.9
Closing balance	158.7	158.0	158.7	158.0	167.3

Statement of cash flows

The Group, MSEK	Q 2 2011	Q 2 2010	Q 1-2 2011	Q 1-2 2010	12 months ongoing	Q 1-4 2010
Operating cash flow ¹⁾	10.3	13.4	18.9	27.0	43.7	51.8
Working capital changes	-13.8	-11.1	-18.2	-37.3	-14.3	-33.4
Cash flow from operating activities	-3.5	2.3	0.7	-10.3	29.4	18.4
Cash flow from investing activities	-1.9	-0.4	-5.2	-1.6	-9.7	-6.1
Cash flow from financing activities	-6.9	-12.8	-7.8	18.3	2.3	28.4
Cash flow for the period	-12.3	-10.9	-12.3	6.4	22.0	40.7
Liquid assets, opening balance	42.9	20.5	43.2	4.2	9.8	4.2
Translation differences in liquid assets	0.4	0.2	0.1	-0.8	-0.8	-1.7
Liquid assets, closing balance	31.0	9.8	31.0	9.8	31.0	43.2

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 2011. The new standards, updates and alterations approved by the EU, which came into effect as of 1 January 2011 are changes to IAS 24 Related party disclosures, IAS 32 Financial instruments: Classification of rights issues, IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments and other improvements of IFRS. Currently, these changes have had no impact on the financial reporting.

Key ratios

The Group	Q 2 2011	Q 2 2010	Q 1-2 2011	Q 1-2 2010	12 months ongoing	Q 1-4 2010
Net turnover, MSEK	236.8	244.4	461.9	467.4	895.9	901.4
Income before depreciation, MSEK	13.1	19.0	24.9	34.7	52.4	62.2
Operating income/loss, MSEK	5.5	10.6	8.8	17.9	20.1	29.2
Operating margin, %	2.3	4.3	1.9	3.8	2.2	3.2
Income after financial items, MSEK	3.7	8.6	5.3	14.2	13.0	21.9
Profit margin, %	1.6	3.5	1.1	3.0	1.5	2.4
Return on equity, %	6.4	16.5	4.7	14.0	5.7	10.1
Return on capital employed, %	6.6	12.9	5.3	11.9	6.3	9.4
Cash flow from operating activities, MSEK	-3.5	2.3	0.7	-10.3	29.4	18.4
Investments, MSEK	2.4	1.3	4.9	2.3	10.4	7.8
Liquidity reserve, MSEK	-	-	93.3	80.4	-	105.2
Net debt, MSEK	-	-	141.1	152.8	-	128.2
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	172.1	162.6	-	171.3
Net debt/equity ratio	-	-	0.89	0.97	-	0.77
Total assets, MSEK	-	-	551.6	553.9	-	545.2
Equity ratio, %	-	-	28.7	28.5	-	30.7
Capital turnover	2.8	3.0	2.8	3.1	2.8	2.9
Proportion of risk-bearing capital, %	-	-	37.0	37.4	-	39.2
Interest coverage ratio	2.9	5.8	2.4	4.7	2.7	3.9
Average number of employees	398	378	394	370	392	378
Net turnover per employee (average), TSEK	596	647	1 173	1 264	2 285	2 385
Income after fin, per employee (average), TSEK	9	23	13	39	33	58
Average number of shares, thousands (No dilution,)	4 933	4 933	4 933	4 933	4 933	4 933
Number of shares, end of period, thousands	4 933	4 933	4 933	4 933	4 933	4 933
Earnings per share, SEK	0.53	1.29	0.78	2.13	1.82	3.17
Equity per share, SEK	-	-	32.06	32.03	-	33.92

Definitions are given in ProfilGruppen's Annual Report 2010. 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 12.5 (12.3) and comprised payments for rents and services from companies in the Group. Profit after financial items amounted to MSEK 4.7 (3.4).

Investments in the parent company amounted to MSEK 1.5 (0.0). This year's investments comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 48.0 (56.8) as of 30 June 2011. 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 2010 annual report.

No significant related transactions apart from above mentioned transactions with subsidiaries have been implemented during the period.

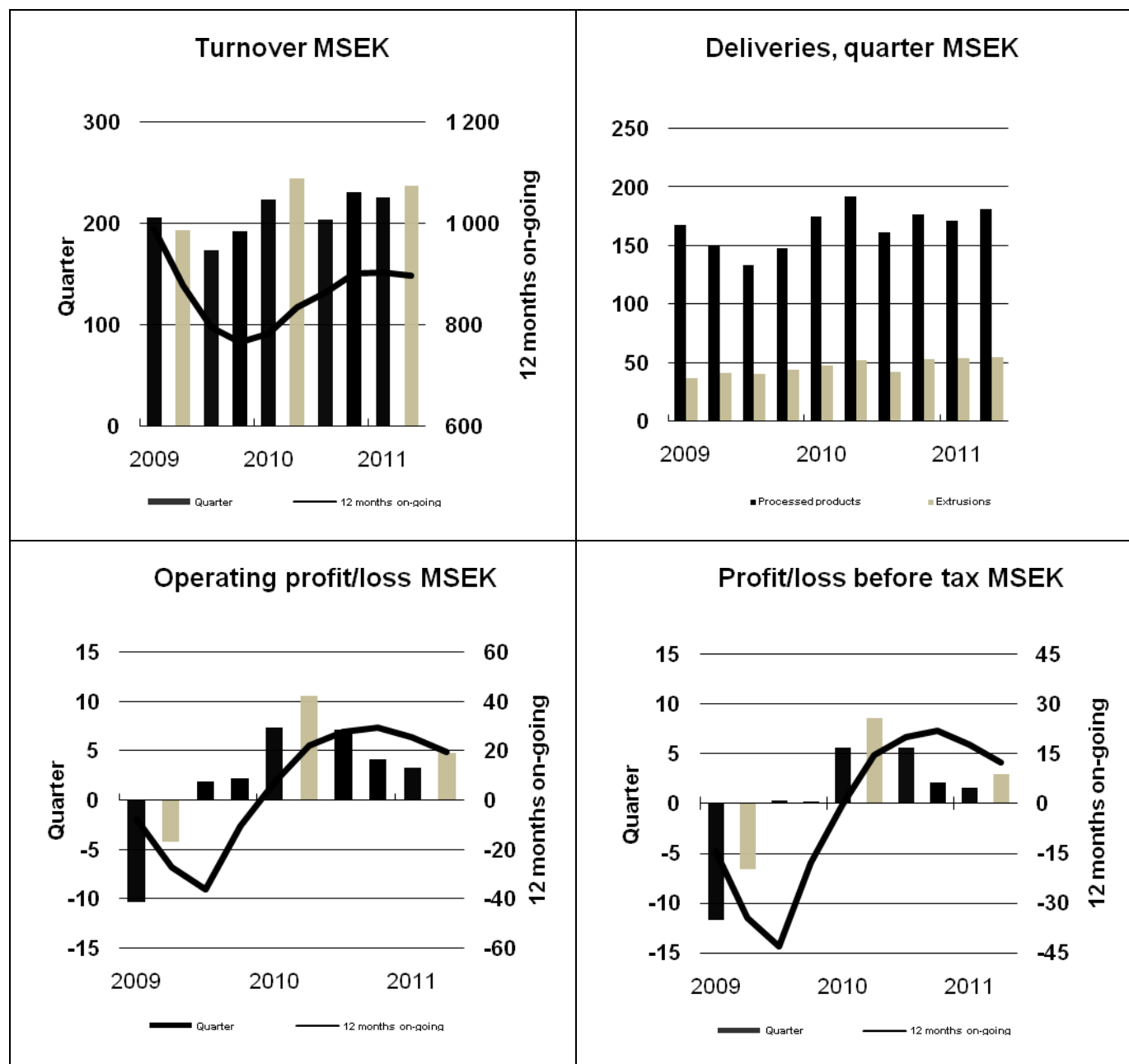
Income Statement – the parent company

Parent company, MSEK	Q 2 2011	Q 2 2010	Q 1-2 2011	Q 1-2 2010	Q 1-4 2010
Turnover	6.2	6.2	12.5	12.3	28.3
Cost of goods sold	-1.0	-1.0	-1.9	-1.9	-4.9
Gross margin	5.2	5.2	10.6	10.4	23.4
Administrative expenses	-2.9	-4.2	-5.1	-6.2	-16.8
Operating income	2.3	1.0	5.5	4.2	6.6
Interest income	0.0	0.4	0.0	0.7	6.0
Interest expenses	-0.5	-0.9	-0.8	-1.5	-4.8
Income after financial items	1.8	0.5	4.7	3.4	7.8
Appropriations	0.0	0.0	0.0	0.0	-1.4
Income before tax	1.8	0.5	4.7	3.4	6.4
Tax	-0.5	-0.2	-1.3	-1.0	-1.8
Result of the year	1.3	0.3	3.4	2.4	4.6

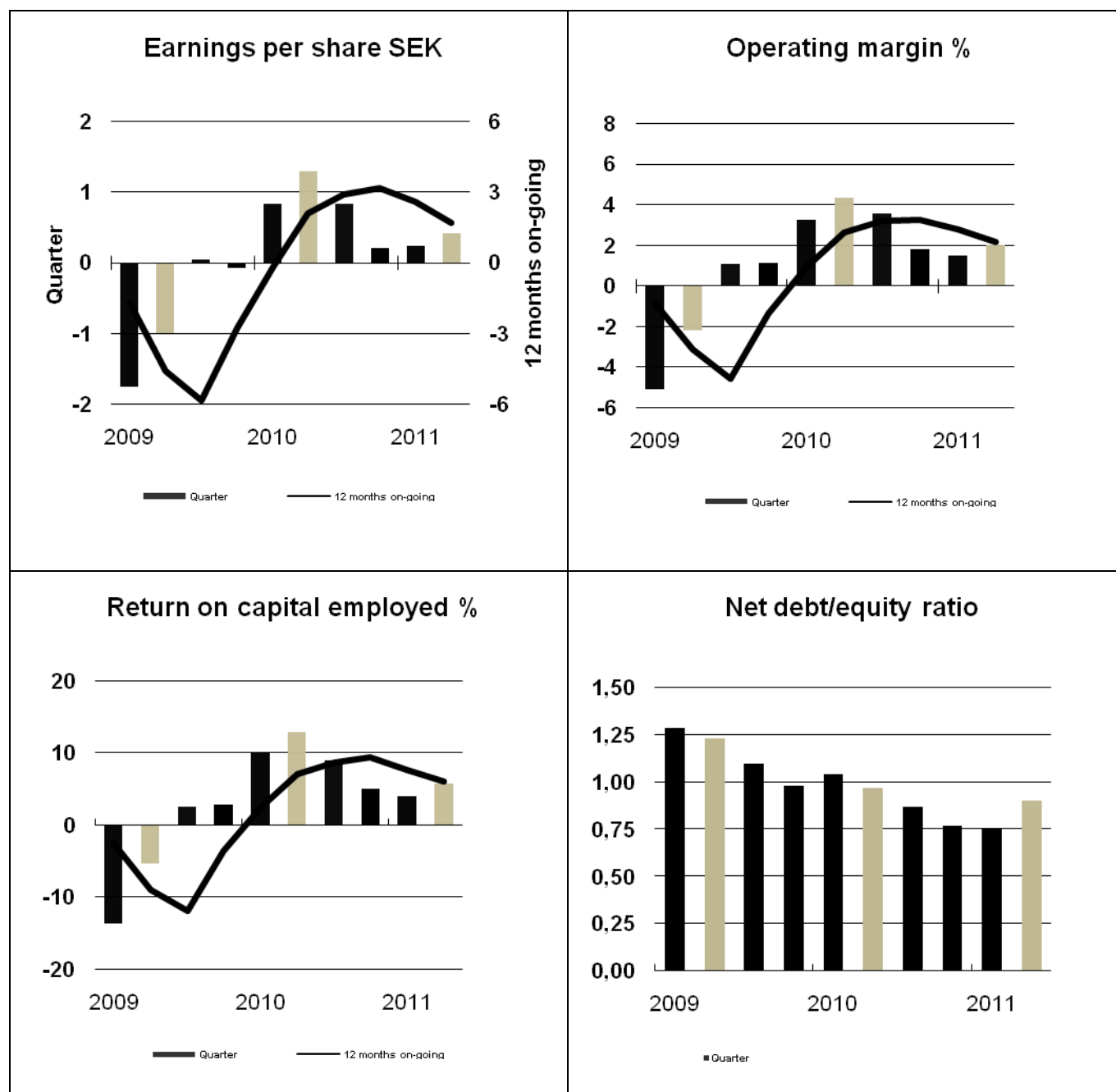
Balance sheet – the parent company

Parent company, MSEK	30 June 2011	30 June 2010	31 December 2010
Assets			
Tangible assets			
Tangible fixed assets	94.3	97.1	94.5
Financial assets	108.9	108.9	108.9
Total fixed assets	203.2	206.0	203.4
Current assets			
Current receivables	3.9	6.3	3.0
Cash and bank balances	0.4	0.4	0.4
Total current assets	4.3	6.7	3.4
Total assets	207.5	212.7	206.8
Equity and liabilities			
Equity	33.0	34.8	36.9
Untaxed reserves	24.8	23.4	24.8
Provisions for taxes	2.9	3.2	2.8
Long-term liabilities	30.5	40.0	35.3
Current liabilities	116.3	111.3	107.0
Total equity and liabilities	207.5	212.7	206.8

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.