

ProfilGruppen is back after the fire

Third Quarter

- * **Turnover MSEK 179.3 (203.5), down 12 percent compared to previous year**
- * **Operating profit MSEK 7.5 (7.2) after one-off charges of net MSEK 1.5 (0.0)**
- * **Operating profit for the period comprises insurance compensation of MSEK 12.4 for loss of production in conjunction to a fire**
- * **Net income MSEK 4.3 (4.1)**
- * **Cash flow from current operations MSEK 27.4 (9.7)**
- * **Earnings per share SEK 0.87 (0.83)**

First nine months

- * **Turnover MSEK 641.2 (670.9), down 4 percent from previous year**
- * **Operating profit MSEK 16.3 (25.1) after one-off charges of MSEK 4.9 (0.0)**
- * **Operating profit for the period comprises insurance compensation of MSEK 15.0 for loss of production in conjunction to a fire incident**
- * **Net income MSEK 8.1 (14.6)**
- * **Cash flow from current operations MSEK 28.1 (-1.6)**
- * **Earnings per share SEK 1.65 (2.96)**

Peter Schön, Acting CEO of ProfilGruppen, says:

“I am happy to report that we are now back at full production capacity after the fire, with all production lines in operation, and that no customers were affected by major supply disruptions. The efficiency improvement program to strengthen our competitiveness is progressing according to plan and currently negotiations on staff rationalisations are underway, among other things.”

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This information is published in accordance with applicable laws, listing agreements and regulations. The information was submitted to the media for publication at 14.30 CET on 24 October 2011.

For income, financial position, key figures and other facts about the Group, refer to pages 7-15.
Current information and photographs for free publication are available at www.profilgruppen.se.

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

Market

The market for aluminium extrusions in Europe has in total shown a positive development also for the third 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 northern Europe.

In the latest forecast from the European Aluminium Association (EAA), the market for aluminium extrusions is assessed to have grown by approximately three percent in the third quarter compared to the corresponding period 2010. Seen over the first nine months, the assessment is an increase of slightly less than five percent.

The price of aluminium raw material on London Metal Exchange (LME) has decreased by slightly less than 12 percent during the third quarter and amounted to slightly more than USD 2 200 per ton at the end of the quarter, slightly more than four percent lower than at the corresponding time previous year. The global LME inventory level amounted to just below 4.6 million tonnes at the end of the quarter, which is slightly less than two percent higher than at the beginning of the quarter.

Turnover

The turnover of the Group during the first nine months amounted to MSEK 641.2 (670.9), a decrease by four percent compared to the previous year. The delivery volume was 14,500 tonnes (15,600) of aluminium extrusions, a decrease by seven percent compared to the previous year.

The decrease in turnover is related to production interruption at one of the production lines due to a fire in mid-June. The line is back in full operation and deliveries to affected customers have gradually resumed during October. So far the loss of production has amounted to approximately 1,500 tonnes, which is covered by a business interruption insurance.

The share of exports amounted to 51 percent (51) of volume, and 50 percent (49) of turnover.

Turnover per country, MSEK	Q 3 2011	Q 3 2010	Q 1-3 2011	Q 1-3 2010	12 months ongoing	Q 1-4 2010
Sweden	93.7	98.9	321.4	339.9	443.7	462.2
Germany	22.1	32.8	86.9	96.1	113.3	122.5
Norway	11.8	12.8	44.7	48.6	61.7	65.6
Denmark	5.5	9.7	26.6	28.3	39.2	40.9
Poland	16.1	14.1	67.3	61.6	80.9	75.2
United Kingdom	10.1	12.3	33.5	39.5	46.9	52.9
Other countries	20.0	22.9	60.8	56.9	86.0	82.1
TOTAL	179.3	203.5	641.2	670.9	871.7	901.4

Income from the Swedish market decreased by five percent for the third quarter compared to the corresponding period previous year, while the income from the export markets decreased by 18 percent.

In both cases the decrease is attributable to the fire, which caused a general negative development in all segments.

Despite this, the transportation- and building and construction segments showed positive development on the Swedish market, as did the deliveries to the Polish market. The decrease of deliveries to the German market is attributable to the general engineering segment, while it is mainly related to the transportation segment for the Danish and UK markets.

Turnover per sector, MSEK	Q 3 2011	Q 3 2010	Q 1-3 2011	Q 1-3 2010	12 months ongoing	Q 1-4 2010
Electrical engineering	38.5	43.9	128.4	144.0	179.4	195.0
Transportation	60.9	65.8	222.0	219.2	298.6	295.8
Building and construction	25.1	23.5	93.2	86.1	132.6	125.5
Domestic and office equipment	16.3	20.2	57.1	65.7	72.2	80.8
General engineering	24.8	34.5	92.2	101.9	125.2	134.9
Other industries	13.7	15.6	48.3	54.0	63.7	69.4
TOTAL	179.3	203.5	641.2	670.9	871.7	901.4

During the first nine months, the Group manufactured 14,300 tonnes (15,800) of aluminium extrusions. The difference is explained by loss of production due to the fire.

Comments on profit

The operating profit for the first nine months amounted to MSEK 16.3 (25.1), which is equivalent to an operating margin of 2,5 percent (3.7).

The operating profit comprises an insurance compensation of MSEK 15.0 for loss of production due to the fire, at the same time it is charged by an excess of MSEK 1.3.

The production unit damaged by the fire has been rebuilt and is reported as an investment, while the damaged equipment has been scrapped. This leads to a positive net impact on operating profit of MSEK 10.6. Over time this is cost-neutral and shall be seen as an accrual.

The operating profit has also been charged by one-off costs amounting to MSEK 14.1 (0,0) comprising employment termination compensation and pension provisions related to a reorganisation of the operations. Negotiations with the affected unions are underway. Notice of termination has been given for 55 employees.

The operating profit excluding these one-off costs but including insurance compensation for loss of delivery volume amounted to MSEK 21.1. The remaining part of the lower profit compared to last year is related to the fire, and to some extent, a less favourable product mix.

The profit after financial items amounted to MSEK 11.1 (19.8). The profit after tax amounted to MSEK 8.1 (14.6).

Earnings per share totalled SEK 1.65 (2.96). The average number of shares in thousands was 4,933 (4,933).

The return on capital employed amounted to 7.0 percent (11.0).

The third quarter

Turnover amounted to MSEK 179.3 (203.5). The delivery volume in the quarter was 3,900 tonnes (4,650) of aluminium extrusions, and production was 3,800 tonnes (4,700). The share of exports amounted to 47 percent (52) of volume, and 50 percent (51) of turnover.

The operating profit amounted to MSEK 7.5 (7.2). The operating profit comprises an insurance compensation of MSEK 12.5 for loss of production due to the fire.

The operating profit has also been charged by one-off costs amounting to MSEK 12.0 (0,0) comprising employment termination compensation and pension provisions related to a reorganisation of the operations. Negotiations with the affected unions are underway. Notice of termination has been given for 55 employees.

The production unit damaged by the fire has been rebuilt and is reported as an investment, while the damaged equipment has been scrapped. This leads to a positive net impact on operating profit of MSEK 10.6. Over time this is cost-neutral and shall be seen as an accrual.

The operating profit excluding these one-off costs but including insurance compensation for loss of delivery volume amounted to MSEK 8.9.

The profit after financial items amounted to MSEK 5.8 (5.6). Earnings per share totalled SEK 0.87 (0.83)

Other events during the third quarter

On September 1, the CEO left his position and was replaced by CFO Peter Schön as acting CEO. On September 14, ProfilGruppen Extrusions AB gave notice of termination of 55 employees as part of its ongoing efficiency improvement program.

On September 27, the Svea Court of Appeal set aside the arbitration which had awarded ProfilGruppen SEK 8.0 million plus interest in punitive damages. The reason is that the arbitrator appointed by the counterpart KPMG was not qualified due to a conflict of interests. However, the court of appeal has not reviewed the point at issue.

On October 4, the production line damaged by the fire was taken back into operation.

Investments

Investments during the year amounted to MSEK 23.5 (4.6) whereof MSEK 13.3 is attributable to the reconstruction of the production line damaged by the fire, for which the company received insurance compensation.

Financing and liquidity

Cash flow from current operations for the year amounted to MSEK 28.1 (-0.6) and cash flow after investments was MSEK 4.1 (-4.4). The improvement of cash flow is mainly explained by the insurance compensation but also by last year's negative working capital changes due to the volume increase.

The cash flow from current operations for the third quarter amounted to MSEK 27.4 (9.7). The improvement of cash flow is mainly explained by the insurance compensation but also by last year's negative working capital changes due to the volume increase.

The balance sheet total as of 30 September 2011 was MSEK 551.9 (557.5).

Net debt amounted to MSEK 133.0 (145.0) as of 30 September 2011 and the net debt/equity ratio was 0.83 (0.87).

Personnel

The average number of Group employees during the period was 391 (376), which included 59 (57) people employed by the processing companies. The number of Group employees as of 30 September 2011 totalled 384 (395).

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 positive volume development on the European market for extrusions is expected to continue in 2011, however at a moderate growth rate compared to 2010.

Change in company management

Peter Schön, CFO in ProfilGruppen, was appointed acting CEO as of September 1, 2011. The recruitment of a new CEO for ProfilGruppen is underway.

Year-end report and Annual General Meeting

The Year-end report for 2011 will be published 16 February 2012.

The AGM 2012 will take place 29 March 2012 at 15.00 CET. All shareholders will then be welcome at Folkets Hus in Åseda.

The nomination committee for the AGM 2012 consists of Lars Johansson (chairman), Bengt Stillström, Gunnel Smedstad, Torgny Prior and Eva Färnstrand. Shareholders who want to hand in proposals to the nomination committee may either contact one of the delegates of nomination committee or send an e-mail to valberedningen@profilgruppen.se or regular mail to Nomination committee, ProfilGruppen AB, Box 36, SE-360 70 Åseda, Sweden.

Åseda, October 24, 2011

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

**Auditor's Review Report on interim financial statements for ProfilGruppen AB (publ) Org
no 556277-8943**

To the Board of Directors / Managing Director of *ProfilGruppen AB (publ)*.

Introduction

We reviewed the accompanying balance sheet of ProfilGruppen AB (publ) for the period from January 1, 2011 to September 30, 2011 and the related summary of income, changes in equity and cash-flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity", issued by the Swedish Federation of Authorized Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view, the financial position of the entity as at September 30, 2011, and its financial performance and its cash flows for the nine-month period then ended, 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 24, 2011
Ernst & Young AB

Kerstin Mouchard
Certified Public Accountant

Statement of comprehensive income

The Group, MSEK	Q 3 2011	Q 3 2010	Q 1-3 2011	Q 1-3 2010	12 months ongoing	Q 1-4 2010
Net turnover	179.3	203.5	641.2	670.9	871.7	901.4
Cost of goods sold	-169.7	-172.3	-572.3	-573.4	-770.2	-771.3
Gross margin	9.6	31.2	68.9	97.5	101.5	130.1
Other operating revenues	47.2	0.0	47.2	0.1	47.4	0.3
Selling expenses	-13.5	-11.3	-42.4	-35.2	-58.0	-50.8
Administrative expenses	-14.2	-12.7	-35.8	-37.3	-48.9	-50.4
Other operating expenses	-21.6	0.0	-21.6	0.0	-21.6	0.0
Operating profit/loss	7.5	7.2	16.3	25.1	20.4	29.2
Financial income	0.2	0.1	0.3	0.2	0.4	0.3
Financial expenses	-1.9	-1.7	-5.5	-5.5	-7.6	-7.6
Net financial income/expense	-1.7	-1.6	-5.2	-5.3	-7.2	-7.3
Income after financial items	5.8	5.6	11.1	19.8	13.2	21.9
Tax	-1.5	-1.5	-3.0	-5.2	-4.1	-6.3
Net income for the period	4.3	4.1	8.1	14.6	9.1	15.6
Other comprehensive income						
Changes in hedging reserve	-2.4	4.2	-7.5	9.6	-7.3	9.8
Translation differences	0.0	-0.3	0.1	-0.5	0.4	-0.2
Other, reported directly against equity	0.0	0.0	0.0	0.0	-0.3	-0.3
Comprehensive income for the period	1.9	8.0	0.7	23.7	1.9	24.9
Earnings per share (before and after dilution), SEK	0.87	0.83	1.65	2.96	1.86	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	2.0	0.8	4.0	2.8	6.4	5.2
Machinery and equipment	5.9	5.2	20.0	20.0	27.8	27.8
Total	7.9	6.0	24.0	22.8	34.2	33.0
of which write-down	2.7	0.0	2.7	0.0	4.1	1.4

Statement of financial position

The Group, MSEK	30 September 2011	30 September 2010	31 December 2010
Assets			
Fixed assets			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	243.6	251.9	244.5
Financial fixed assets	0.2	0.2	0.2
Total fixed assets	253.8	262.1	254.7
Current assets			
Inventories	115.3	106.5	100.6
Current receivables	180.4	173.3	146.7
Liquid assets	2.4	15.6	43.2
Total current assets	298.1	295.4	290.5
Total assets	551.9	557.5	545.2
Shareholders' equity and liabilities			
Shareholders' equity	160.6	166.1	167.3
Long-term liabilities			
Interest-bearing liabilities	71.9	83.1	80.4
Interest-free liabilities	46.5	52.3	46.3
Total long-term liabilities	118.4	135.4	126.7
Short-term liabilities			
Interest-bearing liabilities	63.5	77.5	90.9
Interest-free liabilities	209.4	178.5	160.3
Total short-term liabilities	272.9	256.0	251.2
Total shareholders' equity and liabilities	551.9	557.5	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	205.8	206.7	202.8
Trade receivables pledged as collateral	121.0	58.8	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 3 2011	Q 3 2010	Q 1-3 2011	Q 1-3 2010	Q 1-4 2010
Opening balance	158.7	158.1	167.3	142.4	142.4
Dividend	0.0	0.0	-7.4	0.0	0.0
Comprehensive income for the period	1.9	8.0	0.7	23.7	24.9
Closing balance	160.6	166.1	160.6	166.1	167.3

Statement of cash flows

The Group, MSEK	Q 3 2011	Q 3 2010	Q 1-3 2011	Q 1-3 2010	12 months ongoing	Q 1-4 2010
Operating cash flow ¹⁾	12.8	9.3	31.7	36.3	47.2	51.8
Working capital changes	14.6	0.4	-3.6	-36.9	-0.1	-33.4
Cash flow from operating activities	27.4	9.7	28.1	-0.6	47.1	18.4
Cash flow from investing activities	-18.8	-2.2	-24.0	-3.8	-26.3	-6.1
Cash flow from financing activities	-37.3	-0.9	-45.1	17.4	-34.1	28.4
Cash flow for the period	-28.7	6.6	-41.0	13.0	-13.3	40.7
Liquid assets. opening balance	31.0	9.8	43.2	4.2	15.6	4.2
Translation differences in liquid assets	0.1	-0.8	0.2	-1.6	0.1	-1.7
Liquid assets. closing balance	2.4	15.6	2.4	15.6	2.4	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. IAS 19- Information regarding changed life expectancy assumption. PRI non-profit organisation has decided to update the life expectancy change regarding the calculations of pension liability according to ITP 2 pension plan, June 30th, 2011. PRI Pensionsgaranti has estimated that the liability of the ITP 2-pension plan, that is valued according to IAS 19, will increase with on average 8 %. The assumption of changed life expectancy is classified as an actuarial loss. We manage actuarial profit/loss over what is known as the "corridor". This means that we can push forward the result of the assumption of changed life expectancy. The change will not affect the net profit.

Key ratios

The Group	Q 3 2011	Q 3 2010	Q 1-3 2011	Q 1-3 2010	12 months ongoing	Q 1-4 2010
Net turnover, MSEK	179.3	203.5	641.2	670.9	871.7	901.4
Income before depreciation, MSEK	15.4	13.2	40.3	47.9	54.6	62.2
Operating income/loss, MSEK	7.5	7.2	16.3	25.1	20.4	29.2
Operating margin, %	4.2	3.5	2.5	3.7	2.3	3.2
Income after financial items, MSEK	5.8	5.6	11.1	19.8	13.2	21.9
Profit margin, %	3.2	2.8	1.7	3.0	1.5	2.4
Return on equity, %	10.8	10.2	6.6	12.6	5.6	10.1
Return on capital employed, %	9.8	9.0	7.0	11.0	6.7	9.4
Cash flow from operating activities, MSEK	27.4	9.7	28.1	-0.6	47.1	18.4
Investments, MSEK	18.6	2.3	23.5	4.6	26.7	7.8
Liquidity reserve, MSEK	-	-	101.6	88.2	-	105.2
Net debt, MSEK	-	-	133.0	145.0	-	128.2
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	135.4	160.6	-	171.3
Net debt/equity ratio	-	-	0.83	0.87	-	0.77
Total assets, MSEK	-	-	551.9	557.5	-	545.2
Equity ratio, %	-	-	29.1	29.8	-	30.7
Capital turnover	2.3	2.5	2.7	2.9	2.8	2.9
Proportion of risk-bearing capital, %	-	-	37.5	39.2	-	39.2
Interest coverage ratio	4.2	4.4	3.0	4.6	2.7	3.9
Average number of employees	395	389	391	376	392	378
Net turnover per employee (average), TSEK	454	524	1 639	1 784	2 224	2 385
Income after fin, per employee (average), TSEK	15	14	28	53	34	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	0.87	0.83	1.65	2.96	1.86	3.17
Equity per share, SEK	-	-	32.57	33.66	-	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 18.6 (18.5) and comprised payments for rents and services from companies in the Group. Profit after financial items amounted to MSEK 7.9 (4.3).

Investments in the parent company amounted to MSEK 3.0 (0.2). This year's investments comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 45.0 (55.0) as of 30 September 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.

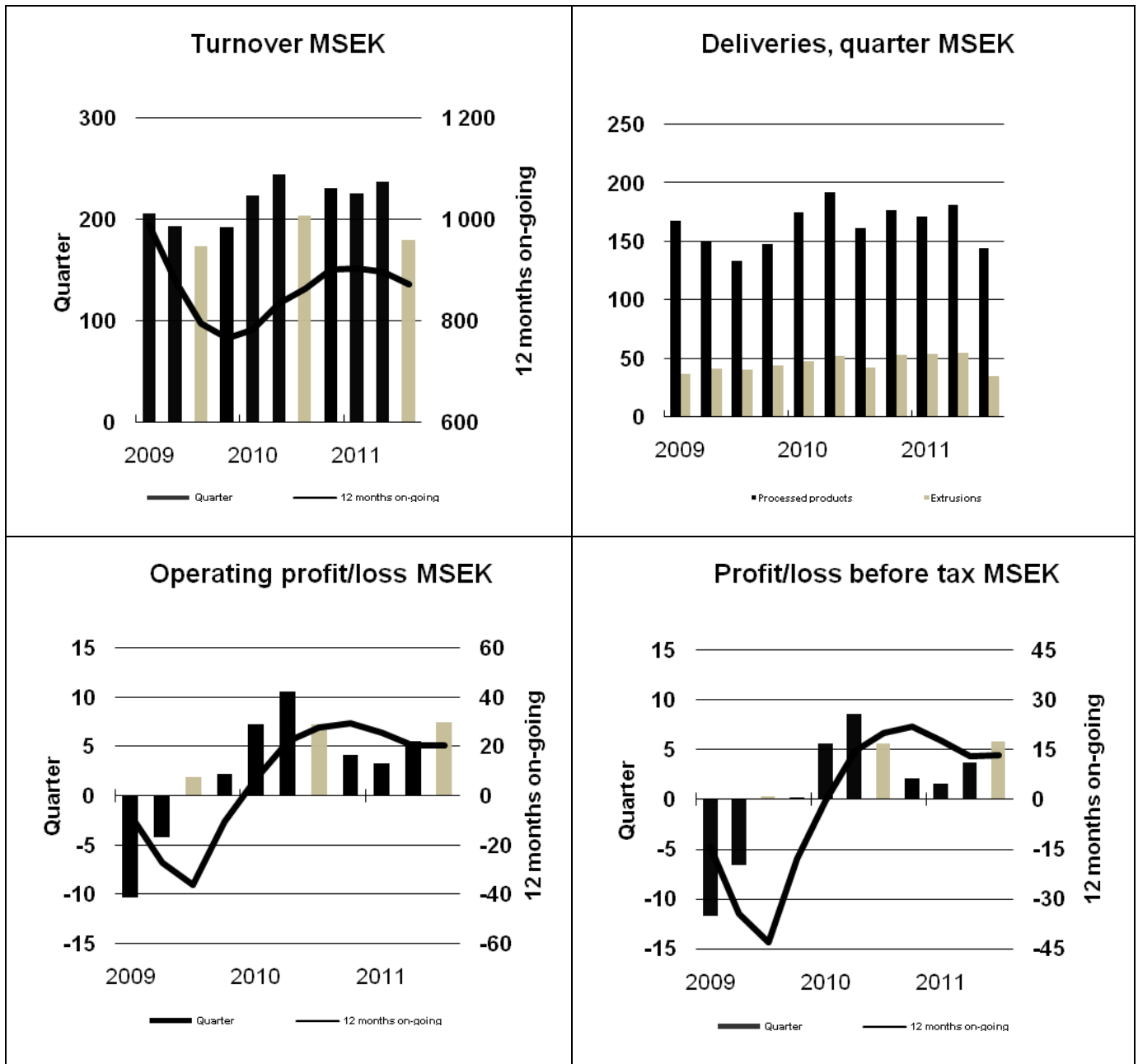
Income Statement – the parent company

Parent company, MSEK	Q 3 2011	Q 3 2010	Q 1-3 2011	Q 1-3 2010	Q 1-4 2010
Turnover	6.1	6.2	18.6	18.5	28.3
Cost of goods sold	-0.7	-0.6	-2.6	-2.5	-4.9
Gross margin	5.4	5.6	16.0	16.0	23.4
Other operating revenues	1.4	0.0	1.4	0.0	0.0
Administrative expenses	-1.9	-4.3	-7.0	-10.5	-16.8
Other operating expenses	-1.3	0.0	-1.3	0.0	0.0
Operating income	3.6	1.3	9.1	5.5	6.6
Interest income	0.0	0.3	0.0	1.0	6.0
Interest expenses	-0.4	-0.7	-1.2	-2.2	-4.8
Income after financial items	3.2	0.9	7.9	4.3	7.8
Appropriations	0.0	0.0	0.0	0.0	-1.5
Income before tax	3.2	0.9	7.9	4.3	6.3
Tax	-0.9	-0.2	-2.2	-1.2	-1.8
Result of the year	2.3	0.7	5.7	3.1	4.5

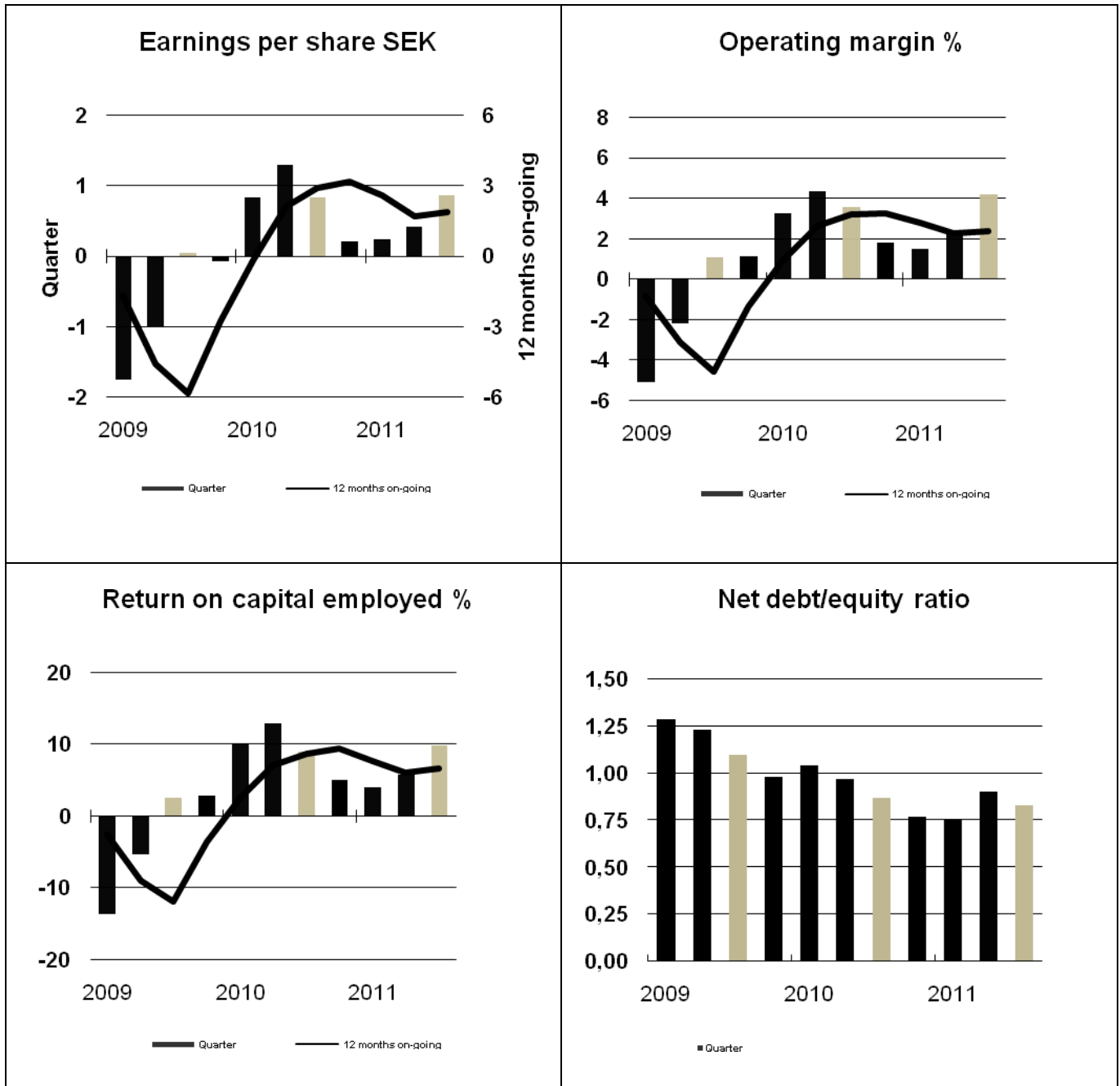
Balance sheet – the parent company

Parent company, MSEK	30 September 2011	30 September 2010	31 December 2010
Assets			
Tangible assets			
Tangible fixed assets	93.9	96.6	94.5
Financial assets	108.9	108.9	108.9
Total fixed assets	202.8	205.5	203.4
Current assets			
Current receivables	5.1	7.4	3.0
Cash and bank balances	0.4	0.4	0.4
Total current assets	5.5	7.8	3.4
Total assets	208.3	213.3	206.8
Equity and liabilities			
Equity	35.3	35.5	36.9
Untaxed reserves	24.8	23.4	24.8
Provisions for taxes	2.9	3.2	2.8
Long-term liabilities	28.0	37.5	35.3
Current liabilities	117.3	113.7	107.0
Total equity and liabilities	208.3	213.3	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.