

Year-end report from ProfilGruppen AB (publ),
January – December 2011

Åseda, 16 February, 2012

Delayed insurance compensation affects result and cash flow

Fourth Quarter

- * **Turnover MSEK 195.5 (230.5), down 15 percent compared to previous year.**
- * **Operating profit/loss MSEK 1.4 (4.1), after one-off items of net MSEK 3.4 (-1.9)**
- * **Operating profit has been affected by an insurance compensation of MSEK 2.1 for production losses in conjunction to fire damages**
- * **Cash flow from current operations MSEK -6.5 (19.0). The not yet paid proportion of the recognised insurance compensation has had a negative impact of MSEK 18.8.**
- * **Earnings per share SEK 0.14 (0.21)**

Full year

- * **Turnover MSEK 836.7 (901.4), down 7 percent compared to previous year.**
- * **Operating profit/loss MSEK 17.7 (29.2), after one-off items of net MSEK 1.9 (-3.7)**
- * **Operating profit has been affected by an insurance compensation of MSEK 17.1 for production losses in conjunction to fire damages**
- * **Net income MSEK 7.5 (15.6).**
- * **Cash flow from current operations MSEK 21.6 (18.4).**
- * **Earnings per share SEK 1.51 (3.17)**
- * **The Board is proposing no dividend for the 2011 financial year (SEK 1.50 per share).**

Peter Schön, Acting CEO of ProfilGruppen, says:

“Under 2011 a program was initiated to strengthen the long-term competitiveness and profitability of the group. New competences have been added, the organisation has been made more efficient and both customer focus and productivity improvement work have been strengthened. Complications in the form of fire damages and production losses have consumed much energy and unfortunately had a negative impact on the result for 2011. However, in total we are well prepared for 2012 and will continue with our improvement program in order to reach our financial targets.”

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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 14.00 CET on 16 February 2012.

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.

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Market

In total, the market for aluminium extrusions in Europe has weakened during the fourth quarter 2011, compared to the corresponding period previous year, mainly due to a substantial decline in southern and central Europe. Some segments, especially the transportation segment, but to some extent also the general engineering segment shows satisfactory growth rates for the full year 2011.

In the latest forecast from the European Aluminium Association (EAA), the market for aluminium extrusions is assessed to have fallen during the fourth quarter compared to the corresponding period 2010. Seen over the full year the market volume is assessed to be unchanged compared to 2010.

The price of aluminium raw material on London Metal Exchange (LME) has decreased by approximately 11 percent during the fourth quarter and amounted to approximately USD 2 000 per ton at the end of the year, which is slightly more than 19 percent lower than at the previous year end. The global LME inventory level amounted to slightly less than 5 million tonnes at the end of the year, which is slightly less than nine percent higher than at the beginning of the fourth quarter.

Turnover

The turnover of the Group amounted to MSEK 836.7 (901.4), a decrease by 7 percent compared to the previous year. The delivery volume was 19,000 tonnes (20,800) of aluminium extrusions, a decrease by 9 percent compared to the previous year.

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

Turnover per country, MSEK	Q 4 2011	Q 4 2010	Q 1-4 2011	Q 1-4 2010
Sweden	102.7	122.3	424.1	462.2
Germany	25.2	26.4	112.1	122.5
Norway	15.4	17.0	60.1	65.6
Poland	6.7	12.6	33.3	40.9
Denmark	13.6	13.6	80.9	75.2
United Kingdom	11.8	13.4	45.3	52.9
Other countries	20.1	25.2	80.9	82.1
TOTAL	195.5	230.5	836.7	901.4

Total income from the Swedish market decreased by eight percent for 2011 compared to previous year. The transportation segment is a clear exception and shows a stark increase, by 28 percent, while general engineering remained unchanged. The other segments provided lower income compared to previous year.

The income from the export markets have decreased by six percent for the full year compared to previous year. While our deliveries to Poland increased by eight percent, the deliveries to the German market decreased by nine percent, mainly related to individual customers in the transportation segment and in the general engineering segment. For the Norwegian market the decrease in turnover is mainly related to the domestic and office equipment.

The decrease in turnover for the second half of the year is starkly related to the production interruption caused by a fire incident at one of the production lines in June. The operation resumed

in late October and the production reached its normal performance during November. The consequential loss of income for 2011 will be covered by a business interruption insurance and will be valuated after 12 months, i.e. third quarter 2012 at earliest.

Turnover per sector, MSEK	Q 4 2011	Q 4 2010	Q 1-4 2011	Q 1-4 2010
Electrical engineering	34.4	51.0	162.8	195.0
Transportation	66.8	76.6	288.8	295.8
Building and construction	29.6	39.4	122.8	125.5
Domestic and office equipment	19.1	15.1	76.2	80.8
General engineering	29.0	33.0	121.2	134.9
Other industries	16.6	15.4	64.9	69.4
TOTAL	195.5	230.5	836.7	901.4

Seen over the full year 2011 the deliveries to the transportation segment have decreased by two percent compared to previous year. It should be noted that the deliveries to heavy commercial vehicles have increased substantially, by 20 percent. The building and construction segment has also been relatively stable and shows a decrease by two percent. The deliveries to customers in the electrical engineering segments have decreased substantially, by nearly 17 percent, mainly due to lower deliveries to the solar energy sector.

During the year, the Group manufactured 18,800 tonnes (20,900) of aluminium extrusions.

Comments on profit

The operating profit/loss for the year amounted to MSEK 17.7 (29.2), which is equivalent to an operating margin of 2.1 percent (3.2). The decrease of profit during the second half is strongly related to the loss of delivery volumes caused by a fire incident at one of the production lines in June.

The current insurance policy covers machine damage as well as contribution losses, with a liability of 24 months, after normal excess and waiting period. The valuation of the production loss will be done after 12 months and the final result can thereby first be established in the second quarter this year. An insurance compensation of MSEK 17.1 has been included in the operating profit/loss for 2011, which is compensation for contribution losses, according to a preliminary assessment from the insurance company. ProfilGruppen's own assessment and demand of compensation is on higher level.

The facility damaged by the fire has been rebuilt and is reported as a reinvestment, while the damaged equipment has been written-down and scrapped. This gives a positive effect of net MSEK 16.0 on the operating profit/loss. Over time this will be cost neutral and shall be seen as an accrual.

As a step in a long-term plan to increase the Group's profit, measures of personnel rationalisations were initiated in October. The result was therefore also affected by staff reduction related one-off costs amounting to MSEK 14.1 (0.0). In total the organisation decreased by 42 employees of which 20 in sales and administration.

The profit/loss after financial items amounted to MSEK 10.6 (21.9). The profit/loss after tax amounted to MSEK 7.5 (15.6).

Earnings per share totalled SEK 1.51 (3.17). The average number of shares in thousands was 4 933 (4 933).

The return on capital employed amounted to 5.6 percent (9.4).

The fourth quarter

Turnover amounted to MSEK 195.5 (230.5), a decrease by 15 percent compared to previous year. The delivery volume in the quarter was 4,500 tonnes (5,200) of aluminium extrusions, and production was 4,500 tonnes (5,100). The share of exports amounted to 49 percent (48) of volume, and 47 percent (49) of turnover.

The arbitration from 2010 where the Group was awarded MSEK 8 plus interest, has been set aside by the court of appeal (Hovrätten) due to a not qualified arbitrator, which thereafter was appealed against to the supreme court of Sweden (Högsta domstolen). This appeal has now been withdrawn and compensation claims have been raised towards the affected counterparts.

The operating profit/loss for the fourth quarter amounted to MSEK 1.4 (4.1). In the operating profit/loss for the fourth quarter MSEK 2.1 is included as compensation for parts of the loss of contribution due to the fire incident.

The facility damaged by the fire has been rebuilt and is reported as a reinvestment, while the damaged equipment has been scrapped. This gives a positive effect of net MSEK 3.4 on the operating profit/loss for the fourth quarter. Over time this will be cost neutral and shall be seen as an accrual.

The profit/loss after financial items amounted to MSEK -0.5 (2.1). Earnings per share totalled SEK- 0.14 (0.21).

Investments

Investments during the year amounted to MSEK 31.2 (7.8). The facility damaged by the fire has been rebuilt which has increased the investments by in total MSEK 18.1 of which MSEK 15.3 in machinery and equipment and MSEK 2.8 buildings.

Financing and liquidity

Cash flow from current operations amounted to MSEK 21.6 (18.4) and cash flow after investments amounted to MSEK -7.8 (12.3). The not yet paid proportion of the recognised insurance compensation has had a negative impact of MSEK 18.8.

The cash flow from current operations for the fourth quarter amounted to MSEK -6.5 (19.0).

The balance sheet total as of 31 December 2011 was MSEK 513.1 (545.2).

Net debt amounted to MSEK 144.1 (128.2) as of 31 December 2011 and the net debt/equity ratio was 0.89 (0.77).

Personnel

The average number of Group employees during the year was 391 (378). The number of Group employees as of 31 December 2011 totalled 371 (386).

During the third quarter the Group initiated negotiations of reduction of 55 employees. After negotiations the number was reduced to 42, approximately equally split between blue-collar and white-collar employees. 20 of those have left the group during 2011.

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 2012

The outlook for 2012 is very cautious and dominated by a general uncertainty.

Dividend

The Group's policy for dividend remains. Due to the Group's result and the negative impact on cash flow from the delayed payment of insurance compensation, the Board is proposing that no dividend payout shall be made for the 2011 financial year.

Annual General Meeting 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.

Dates for financial information

Financial information for 2012 will be provided on a quarterly basis.

Interim report, 3 months	2 May 2012
Interim report, 6 months	20 July 2012
Interim report, 9 months	24 October 2012

Annual report

The annual report for 2011 will be distributed by post to all shareholders during March 2012 and will be available in the company's reception and on the company's website from 8 March 2012.

Åseda, February 16, 2012

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

Statement of comprehensive income

The Group, MSEK	Q 4 2011	Q 4 2010	Q 1-4 2011	Q 1-4 2010
Net turnover	195.5	230.5	836.7	901.4
Cost of goods sold	-182.3	-197.9	-754.6	-771.3
Gross margin	13.2	32.6	82.1	130.1
Other operating revenues	11.0	0.2	58.2	0.3
Selling expenses	-12.2	-15.6	-54.6	-50.8
Administrative expenses	-8.6	-13.1	-44.4	-50.4
Other operating expenses	-2.0	0.0	-23.6	0.0
Operating profit/loss	1.4	4.1	17.7	29.2
Financial income	0.0	0.1	0.3	0.3
Financial expenses	-1.9	-2.1	-7.4	-7.6
Net financial income/expense	-1.9	-2.0	-7.1	-7.3
Income after financial items	-0.5	2.1	10.6	21.9
Tax	-0.1	-1.1	-3.1	-6.3
Net income for the period	-0.6	1.0	7.5	15.6
Other comprehensive income				
Changes in hedging reserve	1.5	0.2	-6.0	9.8
Translation differences	-0.1	0.3	0.0	-0.2
Other, reported directly against equity	0.0	-0.3	0.0	-0.3
Comprehensive income for the period	0.8	1.2	1.5	24.9
Earnings per share (before and after dilution), SEK	-0.14	0.21	1.51	3.17
Average number of shares, thousands	4 933	4 933	4 933	4 933
Depreciation and write- down of fixed assets				
Land and buildings	1.0	2.4	5.0	5.2
Machinery and equipment	5.9	7.8	25.9	27.8
Total	6.9	10.2	30.9	33.0
of which write-down	0.0	1.4	2.7	1.4
Varav nedskrivningar				

Statement of financial position

The Group, MSEK	31 December 2011	31 December 2010
Assets		
Fixed assets		
Intangible fixed assets	10.0	10.0
Tangible fixed assets	244.1	244.5
Financial fixed assets	0.2	0.2
Total fixed assets	254.3	254.7
Current assets		
Inventories	115.6	100.6
Current receivables	141.3	146.7
Liquid assets	1.9	43.2
Total current assets	258.8	290.5
Total assets	513.1	545.2
Shareholders' equity and liabilities		
Shareholders' equity	161.4	167.3
Long-term liabilities		
Interest-bearing liabilities	67.9	80.4
Interest-free liabilities	42.0	46.3
Total long-term liabilities	109.9	126.7
Short-term liabilities		
Interest-bearing liabilities	78.1	90.9
Interest-free liabilities	163.7	160.3
Total short-term liabilities	241.8	251.2
Total shareholders' equity and liabilities	513.1	545.2
Pledged assets and contingent liabilities		
Property mortgages	84.8	84.8
Floating charges	174.0	174.0
Shares in subsidiaries	195.9	202.8
Trade receivables pledged as collateral	101.4	108.4
Guarantees for other companies	0.7	1.0
Guarantee commitments FPG/PRI	0.2	0.2

Statement of changes in equity

The Group, MSEK	Q 4 2011	Q 4 2010	Q 1-4 2011	Q 1-4 2010
Opening balance	160.6	166.1	167.3	142.4
Dividend	0.0	0.0	-7.4	0.0
Comprehensive income for the period	0.8	1.2	1.5	24.9
Closing balance	161.4	167.3	161.4	167.3

Statement of cash flows

The Group, MSEK	Q 4 2011	Q 4 2010	Q 1-4 2011	Q 1-4 2010
Operating cash flow ¹⁾	4.3	15.5	36.0	51.8
Working capital changes	-10.8	3.5	-14.4	-33.4
Cash flow from operating activities	-6.5	19.0	21.6	18.4
Cash flow from investing activities	-5.4	-2.3	-29.4	-6.1
Cash flow from financing activities	11.7	11.0	-33.4	28.4
Cash flow for the period	-0.2	27.7	-41.2	40.7
Liquid assets, opening balance	2.4	15.6	43.2	4.2
Translation differences in liquid assets	-0.3	-0.1	-0.1	-1.7
Liquid assets, closing balance	1.9	43.2	1.9	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 Accounting for Legal Entities. The accounting principles applied are identical to the ones used for the latest annual report

Key ratios

The Group	Q 4 2011	Q 4 2010	Q 1-4 2011	Q 1-4 2010
Net turnover, MSEK	195.5	230.5	836.7	901.4
Income before depreciation, MSEK	8.3	14.3	48.6	62.2
Operating income/loss, MSEK	1.4	4.1	17.7	29.2
Operating margin, %	0.7	1.8	2.1	3.2
Income after financial items, MSEK	-0.5	2.1	10.6	21.9
Profit margin, %	-0.3	0.9	1.3	2.4
Return on equity, %	-1.7	2.5	4.5	10.1
Return on capital employed, %	1.8	5.1	5.6	9.4
Cash flow from operating activities, MSEK	-6.5	19.0	21.6	18.4
Investments, MSEK	7.7	3.2	31.2	7.8
Liquidity reserve, MSEK	-	-	68.0	105.2
Net debt, MSEK	-	-	144.1	128.2
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	146.0	171.3
Net debt/equity ratio	-	-	0.89	0.77
Total assets, MSEK	-	-	513.1	545.2
Equity ratio, %	-	-	31.5	30.7
Capital turnover	2.6	2.8	2.6	2.9
Proportion of risk-bearing capital, %	-	-	39.6	39.2
Interest coverage ratio	0.7	2.0	2.4	3.9
Average number of employees	378	391	391	378
Net turnover per employee (average), TSEK	517	590	2 140	2 385
Income after fin, per employee (average), TSEK	-1	5	27	58
Average number of shares, thousands (No dilution,)	4 933	4 933	4 933	4 933
Number of shares, end of period, thousands	4 933	4 933	4 933	4 933
Earnings per share, SEK	-0.14	0.21	1.51	3.17
Equity per share, SEK	-	-	32.72	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 24.3 (28.3) and comprised payments for rents and services from companies in the Group. Profit/loss after financial items amounted to MSEK 12.7 (7.8).

Investments in the parent company amounted to MSEK 5.3 (0.4). This year's as well as previous year's investments comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 43.3 (52.6) as of 31 December 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.

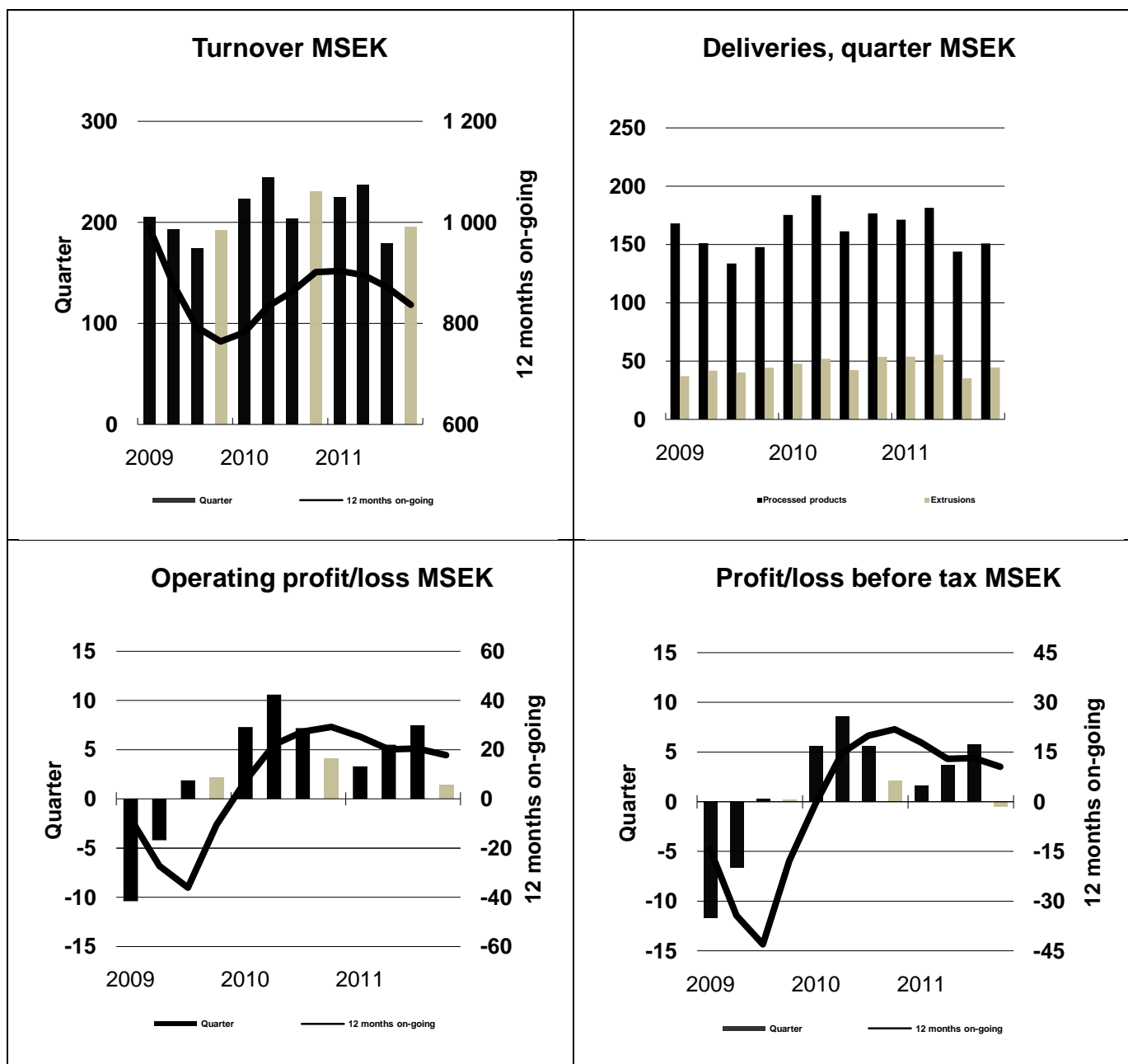
Income Statement – the parent company

Parent company, MSEK	Q 4 2011	Q 4 2010	Q 1-4 2011	Q 1-4 2010
Turnover	5.7	9.8	24.3	28.3
Cost of goods sold	-2.2	-2.4	-4.8	-4.9
Gross margin	3.5	7.4	19.5	23.4
Other operating revenues	1.4	0.0	2.8	0.0
Administrative expenses	-1.4	-6.3	-8.4	-16.8
Other operating expenses	1.3	0.0	0.0	0.0
Operating income	4.8	1.1	13.9	6.6
Interest income	4.0	5.0	4.0	6.0
Interest expenses	-4.0	-2.6	-5.2	-4.8
Income after financial items	4.8	3.5	12.7	7.8
Appropriations	1.7	-1.4	1.7	-1.4
Income before tax	6.5	2.1	14.4	6.4
Tax	-1.7	-0.6	-3.9	-1.8
Result of the year	4.8	1.5	10.5	4.6

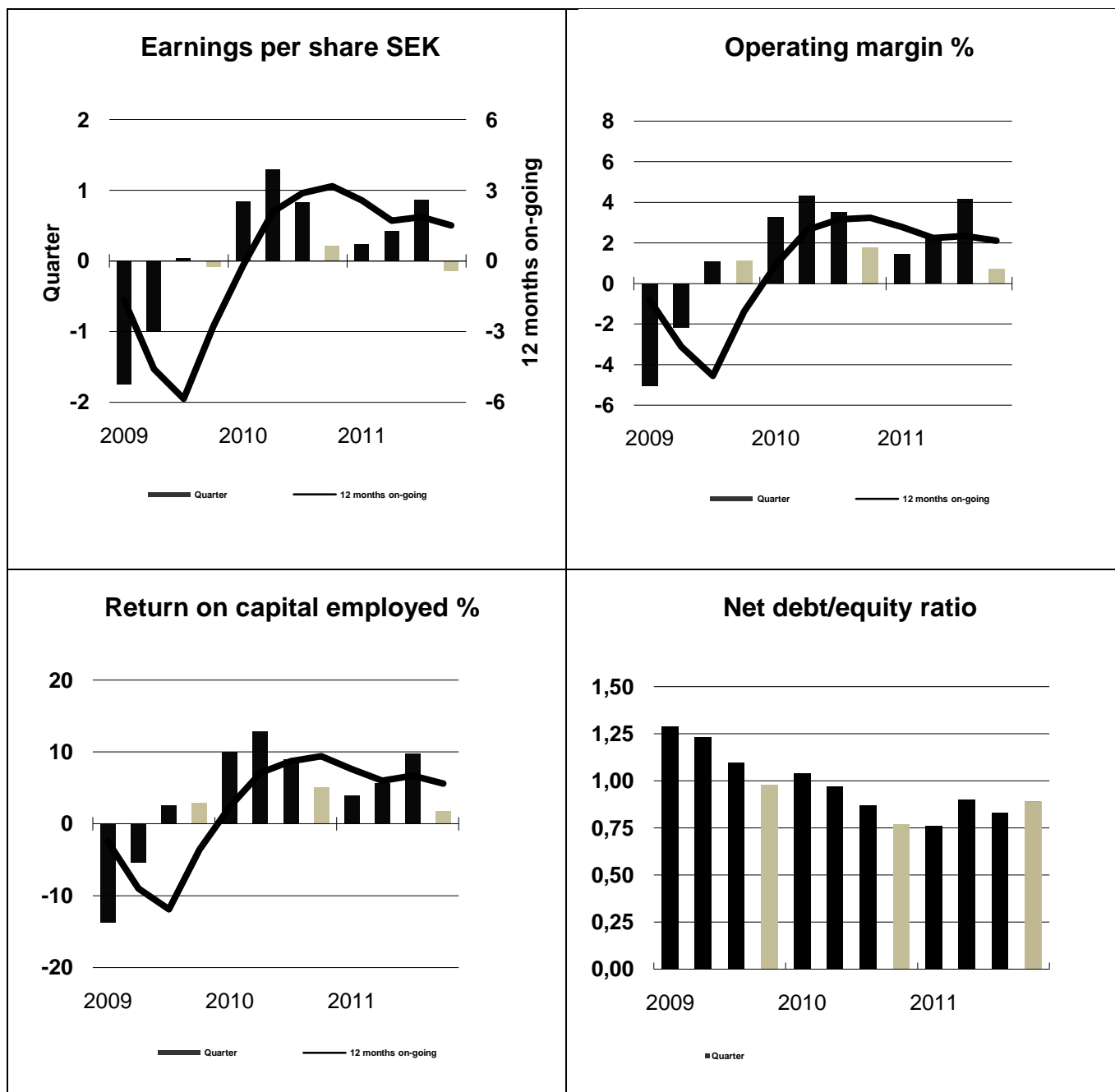
Balance sheet – the parent company

Parent company, MSEK	31 December 2011	31 December 2010
Assets		
Tangible assets		
Tangible fixed assets	95.3	94.5
Financial assets	108.9	108.9
Total fixed assets	204.2	203.4
Current assets		
Current receivables	1.4	3.0
Cash and bank balances	0.4	0.4
Total current assets	1.8	3.4
Total assets	206.0	206.8
Equity and liabilities		
Equity	40.0	36.9
Untaxed reserves	23.1	24.8
Provisions for taxes	3.3	2.8
Long-term liabilities	25.8	35.3
Current liabilities	113.8	107.0
Total equity and liabilities	206.0	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 2011 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. Processing like cutting processing, surface treatment, friction stir welding, bending and assembly takes place at the company's facilities in Åseda and Klavreström.
- 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 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.