

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

Åseda, July 22, 2008

Strong second quarter

Second Quarter

- * Turnover MSEK 304.1 (311.1), down 2 per cent compared with previous year
- * Operating profit MSEK 15.0 (14.2), up 5 per cent
- * Earnings per share SEK 1.92 (1.81), up 6 per cent

Six months

- * Turnover MSEK 606.4 (629.2), down 4 per cent compared with previous year
- * Operating profit MSEK 29.2 (33.3), down 12 per cent
- * Net income MSEK 18.4 (20.9), down 12 per cent
- * Cash flow from current operations MSEK -9.7 (50.6)
- * Earnings per share SEK 3.73 (4.23), down 12 per cent
- * Return on capital employed 21.0 per cent (23.2)

Nils Arthur, President and CEO of ProfilGruppen says,

“We continue the strategic direction to increase the share of processed products in our deliveries. It is the improved product mix that, despite lower volumes, makes the result for the second quarter better than both the second quarter 2007 and the first quarter this year.

Measures to significantly improve the cash flow have been taken.”

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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 July 22, 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.

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Market

The demand for aluminium extrusions in the Western European market has decreased slightly during the first half-year. Most noticeable is the decline within the construction industry. Similar signs are also visible within the automotive industry. The decrease in demand has led to shorter lead times in the industry.

The price of aluminium has fluctuated heavily on a high level during the second quarter. The largest Chinese producers of aluminium are reported to have decreased their production by 10 percent from July in an attempt to dampen the urgent energy shortage that the Chinese producers are facing. This could have been one of the reasons for the new price record for aluminium on the 10th of July. At the same time the global inventory levels of aluminium are on a historically high level, which points toward a lower price.

The Group has a raw material clause in all customer contracts which reduce the sensitivity to a fluctuating raw material price.

Deliveries and production

Turnover amounted to MSEK 606.4 (629.2), a decrease of 4 per cent compared with last year. This decrease is explained by lower delivery volumes.

Delivery volumes totalled 13,250 tons (13,860) of aluminium extrusions. The export share amounted to 50 per cent (53) of the volume, and to 45 per cent (48) of the turnover.

Turnover per country, MSEK	Q 2 2008	Q 2 2007	Q 1-2 2008	Q 1-2 2007	12 months ongoing	Q 1-4 2007
Sweden	173.0	157.7	333.3	326.9	619.6	613.2
Germany	39.9	50.9	94.3	99.6	174.6	179.8
Norway	24.1	27.4	47.5	58.1	92.6	103.2
Denmark	14.5	17.4	28.2	32.9	63.7	68.3
United Kingdom	14.7	15.2	28.3	30.7	54.1	56.5
Other countries	37.9	42.5	74.8	81.0	152.0	158.4
TOTAL	304.1	311.1	606.4	629.2	1 156.6	1 179.4

Turnover per industry, MSEK	Q 2 2008	Q 2 2007	Q 1-2 2008	Q 1-2 2007	12 months ongoing	Q 1-4 2007
Automotive	87.4	90.2	164.5	179.5	316.5	331.5
Construction	53.1	71.3	117.8	147.1	243.7	273.0
Electronics	85.0	68.7	149.8	133.6	263.7	247.4
Interior	29.5	31.1	61.7	62.9	119.4	120.7
Miscellaneous	49.1	49.8	112.6	106.1	213.3	206.8
TOTAL	304.1	311.1	606.4	629.2	1 156.6	1 179.4

The increase in sales to the Swedish market is related to new and existing customers within the electronics industry.

The reduction in sales to the German market is related to customers within the construction industry.

Deliveries to the automotive industry have partly recovered during the second quarter but are still lower than last year. During the first half-year of 2007 the deliveries to the automotive industry were on a historically high level.

During the period the Group manufactured 13,450 tons (13,810) of aluminium extrusions.

Comments on profit

The operating profit for the first half of the year amounted to MSEK 29.2 (33.3), which is equivalent to an operating margin of 4.8 per cent (5.3). The profit was, compared to last year, negatively influenced by a lower delivery volume and higher raw material cost during the first quarter due to significant short-term price fluctuations.

The profit after financial items amounted to MSEK 26.0 (29.3), while the profit after tax amounted to MSEK 18.4 (20.9).

Earnings per share totalled SEK 3.73 (4.23). On average, the number of shares in thousands amounted to 4,933 (4,933).

The return on capital employed amounted to 21.0 per cent (23.2).

The second quarter

Turnover amounted to MSEK 304.1 (311.1). During the quarter, the company delivered 6,350 tons (6,750) of aluminium extrusions and production amounted to 6,550 tons (6,800). The export share amounted to 47 per cent (54) of the volume, and to 43 per cent (49) of the turnover.

The operating income amounted to MSEK 15.0 (14.2), which is equivalent to an operating margin of 4.9 per cent (4.6).

The income after financial items amounted to MSEK 13.4 (12.7). Earnings per share amounted to SEK 1.92 (1.81).

Investments

The investments amounted to MSEK 20.8 (14.2). Approximately MSEK 5.3 of the total investments was customer related and 10.0 MSEK was related to the factory investment programme which was decided earlier this year.

Investments during the second quarter amounted to MSEK 15.8 (6.7).

Financing and liquidity

The cash flow from current operations amounted to MSEK -9.7 (50.6) and, after investment activities, to MSEK -22.0 (36.1). The cash flow is influenced by a higher inventory level than the corresponding period last year as a consequence of a higher proportion of processed products and higher level of prefabricated profiles before the annual holiday break. The cash flow has also been influenced by temporarily lower accounts payable which is expected to be corrected during the second half-year.

The balance sheet total as of 30 June 2008 amounted to MSEK 627.3, compared with MSEK 678.2 as of 30 June 2007.

Net debt amounted to MSEK 105.6.0 (88.4) as of 30 June 2008. The net debt/equity ratio was 0.61 (0.58). At that time, the Group's liquid assets amounted to MSEK 5.5 (52.9).

Personnel

The average number of employees in the Group was 467 (473), which included 69 (70) people employed by the processing companies. The number of employees in the Group as of 30 June totalled 469 (487).

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 outlook from the previous report remains. 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.

Dates for financial information

ProfilGruppen reports financial information quarterly as follows:

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

The Board of Directors and CEO assert that the half-yearly report gives a true overview of the activities, results and financial position of the company and Group and also describes the significant risks and uncertain factors to which the company and the other companies in the Group are exposed.

Åseda, July 22, 2008

Staffan Håkanson
Chairman

Lars Johansson
Deputy Chairman

Nils Arthur
President & CEO

Eva Färnstrand
Member of the Board

Ulf Granstrand
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 review by ProfilGruppen AB's auditors.

Income Statement

The Group, MSEK	Q 2 2008	Q 2 2007	Q 1-2 2008	Q 1-2 2007	12 months ongoing ¹⁾	Q 1-4 2007
Net turnover	304.1	311.1	606.4	629.2	1 156.6	1 179.4
Cost of goods sold	-261.0	-270.9	-524.1	-544.3	-995.9	-1 016.1
Gross margin	43.1	40.2	82.3	84.9	160.7	163.3
Other operating revenues	0.1	0.5	0.4	0.7	1.1	1.4
Selling expenses	-14.2	-14.4	-27.2	-27.6	-51.4	-51.8
Administrative expenses	-14.0	-12.1	-26.3	-24.7	-51.2	-49.6
Operating income	15.0	14.2	29.2	33.3	59.2	63.3
Interest income	0.2	0.2	0.3	0.4	0.7	0.8
Interest expenses	-1.8	-1.7	-3.5	-4.4	-6.2	-7.1
Net financial income/expense	-1.6	-1.5	-3.2	-4.0	-5.5	-6.3
Income after financial items	13.4	12.7	26.0	29.3	53.7	57.0
Tax	-3.9	-3.7	-7.6	-8.4	-16.0	-16.8
Net income for the period	9.5	9.0	18.4	20.9	37.7	40.2
Earnings per share, SEK	1.92	1.81	3.73	4.23	7.65	8.15
Average number of shares, thousands	4 933	4 933	4 933	4 933	4 933	4 933
No dilution.						
Depreciation and write-down of fixed assets						
Land and buildings	0.8	1.0	1.7	2.0	3.5	3.8
Machinery and equipment	8.3	7.5	15.5	14.9	29.1	28.5
Total	9.1	8.5	17.2	16.9	32.6	32.3
of which write-down	0.6	0.0	0.6	0.0	1.4	0.8
Net turnover per geographical market						
Sweden	173.0	157.7	333.3	326.9	619.6	613.2
Other Nordic countries	54.6	53.7	102.4	103.8	206.8	208.2
Rest of Europe	71.7	97.6	165.3	193.1	323.5	351.3
Other	4.8	2.1	5.4	5.4	6.7	6.7
Total	304.1	311.1	606.4	629.2	1 156.6	1 179.4

¹⁾ Refers to period July 2007 – June 2008.

Balance sheet

The Group, MSEK	30 June 2008	30 June 2007	31 December 2007
Assets			
Fixed assets			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	263.7	272.6	260.9
Financial fixed assets	0.2	0.2	0.2
Total fixed assets	273.9	282.8	271.1
Current assets			
Inventories	134.3	118.4	133.4
Current receivables	213.6	224.1	172.7
Liquid assets	5.5	52.9	38.7
Total current assets	353.4	395.4	344.8
Total assets	627.3	678.2	615.9
Shareholders' equity and liabilities			
Shareholders' equity	173.0	153.6	172.3
Long-term liabilities			
Interest-bearing liabilities	103.9	141.4	102.9
Interest-free liabilities	62.8	49.3	55.1
Total long-term liabilities	166.7	190.7	158.0
Short-term liabilities			
Interest-bearing liabilities	7.2	0.0	0.7
Interest-free liabilities	280.4	333.9	284.9
Total short-term liabilities	287.6	333.9	285.6
Total shareholders' equity and liabilities	627.3	678.2	615.9

Changes in shareholders' equity

The Group, MSEK	Q 2 2008	Q 2 2007	Q 1-2 2008	Q 1-2 2007	kv 1-4 2007
Opening balance	183.0	156.9	172.3	148.4	148.4
Changes in reserves	-1.7	1.5	0.1	-1.9	-2.5
Dividend	-17.8	-13.8	-17.8	-13.8	-13.8
Net income for the period	9.5	9.0	18.4	20.9	40.2
Closing balance	173.0	153.6	173.0	153.6	172.3

Cash flow statement

The Group, MSEK	Q 2 2008	Q 2 2007	Q 1-2 2008	Q 1-2 2007	12 months ongoing ¹⁾	Q 1-4 2007
Operating cash flow ¹⁾	18.0	17.3	32.1	39.1	62.0	69.0
Working capital changes	-25.0	14.3	-41.8	11.5	-43.9	9.4
Cash flow from operating activities	-7.0	31.6	-9.7	50.6	18.1	78.4
Cash flow from investing activities	-10.2	-7.3	-12.3	-14.5	-16.0	-18.2
Cash flow from financing activities	-10.6	-14.2	-11.2	-12.5	-49.6	-50.9
Cash flow for the period	-27.8	10.1	-33.2	23.6	-47.5	9.3
Liquid assets, opening balance	33.2	42.9	38.7	28.8	52.9	28.8
Translation differences in liquid assets	0.1	-0.1	0.0	0.5	0.1	0.6
Liquid assets, closing balance	5.5	52.9	5.5	52.9	5.5	38.7

¹⁾ Refers to period July 2007 – June 2008.

²⁾ 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 2 2008	Q 2 2007	Q 1-2 2008	Q 1-2 2007	12 months ongoing ¹⁾	Q 1-4 2007
Net turnover, MSEK	304.1	311.1	606.4	629.2	1 156.6	1 179.4
Income before depreciation, MSEK	24.1	22.7	46.4	50.2	91.8	95.6
Operating income/loss, MSEK	15.0	14.2	29.2	33.3	59.2	63.3
Operating margin, %	4.9	4.6	4.8	5.3	5.1	5.4
Income after financial items, MSEK	13.4	12.7	26.0	29.3	53.7	57.0
Operating margin, %	4.4	4.1	4.3	4.7	4.6	4.8
Return on equity, %	21.2	23.0	21.3	27.6	23.1	25.1
Return on capital employed, %	21.2	19.4	21.0	23.2	20.7	22.8
Cash flow from operating activities, MSEK	-7.0	31.6	-9.7	50.6	18.1	78.4
Investments, MSEK	15.8	6.7	20.8	14.2	31.3	24.7
Liquidity reserve, MSEK	-	-	165.9	180.9	-	212.1
Net debt, MSEK	-	-	105.6	88.4	-	65.0
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	111.1	141.4	-	103.6
Net debt/equity ratio	-	-	0.61	0.58	-	0.38
Total assets, MSEK	-	-	627.3	678.2	-	615.9
Equity ratio, %	-	-	27.6	22.6	-	28.0
Capital turnover	4.3	4.2	4.3	4.3	4.0	4.2
Proportion of risk-bearing capital, %	-	-	37.6	29.9	-	36.9
Interest coverage ratio	8.4	8.6	8.5	7.7	9.6	9.0
Average number of employees	465	476	467	473	475	475
Net turnover per employee (average), TSEK	654	654	1 298	1 330	2 435	2 481
Income after fin. per employee (average), TSEK	29	27	56	62	113	120
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	1.92	1.81	3.73	4.23	7.65	8.15
Equity per share, SEK	-	-	35.08	31.14	-	34.92

¹⁾ Refers to period July 2007 – June 2008.

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 9.3 (9.3) and comprised rents from companies in the Group. No purchases were made from companies within the Group. Profit after financial items amounted to MSEK 2.6 (2.9).

Investments in the parent company amounted to MSEK 2.5 (1.8) and comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 62.4 (83.1) as of 30 June 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.

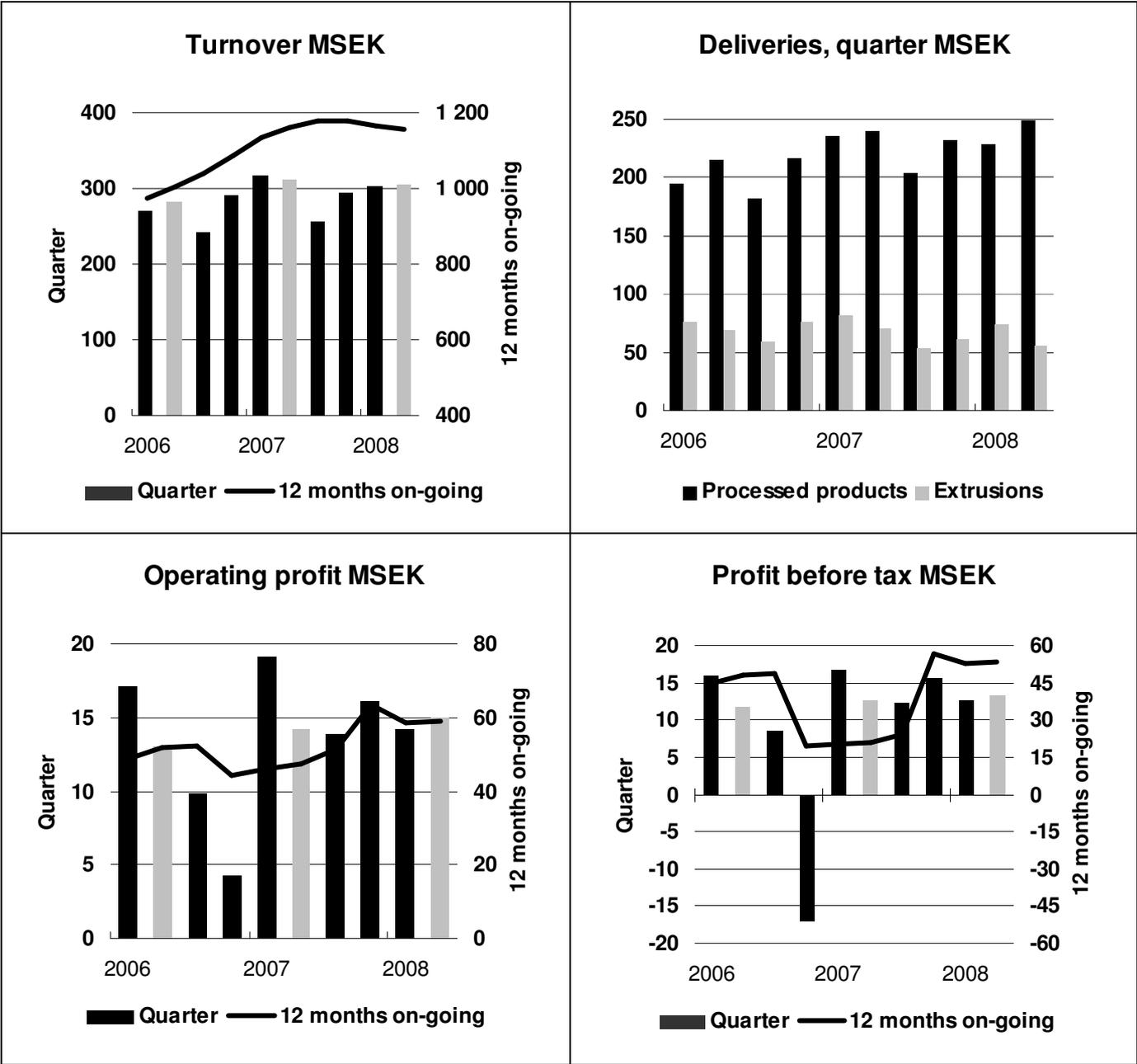
Income Statement– the parent company

Parent company, MSEK	Q 2 2008	Q 2 2007	Q 1-2 2008	Q 1-2 2007	kv 1-4 2007
Net turnover	4.7	4.7	9.3	9.3	18.6
Cost of goods sold	-0.9	-0.8	-1.6	-1.5	-2.9
Gross margin	3.8	3.9	7.7	7.8	15.7
Administrative expenses	-1.7	-1.2	-3.6	-2.9	-5.6
Operating income	2.1	2.7	4.1	4.9	10.1
Interest income	0.0	0.0	0.0	0.0	0.1
Interest expenses	-0.7	-0.6	-1.5	-2.0	-3.5
Income after financial items	1.4	2.1	2.6	2.9	6.7
Appropriations	0.0	0.0	0.0	0.0	-4.8
Income before tax	1.4	2.1	2.6	2.9	1.9
Tax	-0.5	-0.9	-0.8	-0.9	-0.6
Result of the year	0.9	1.2	1.8	2.0	1.3

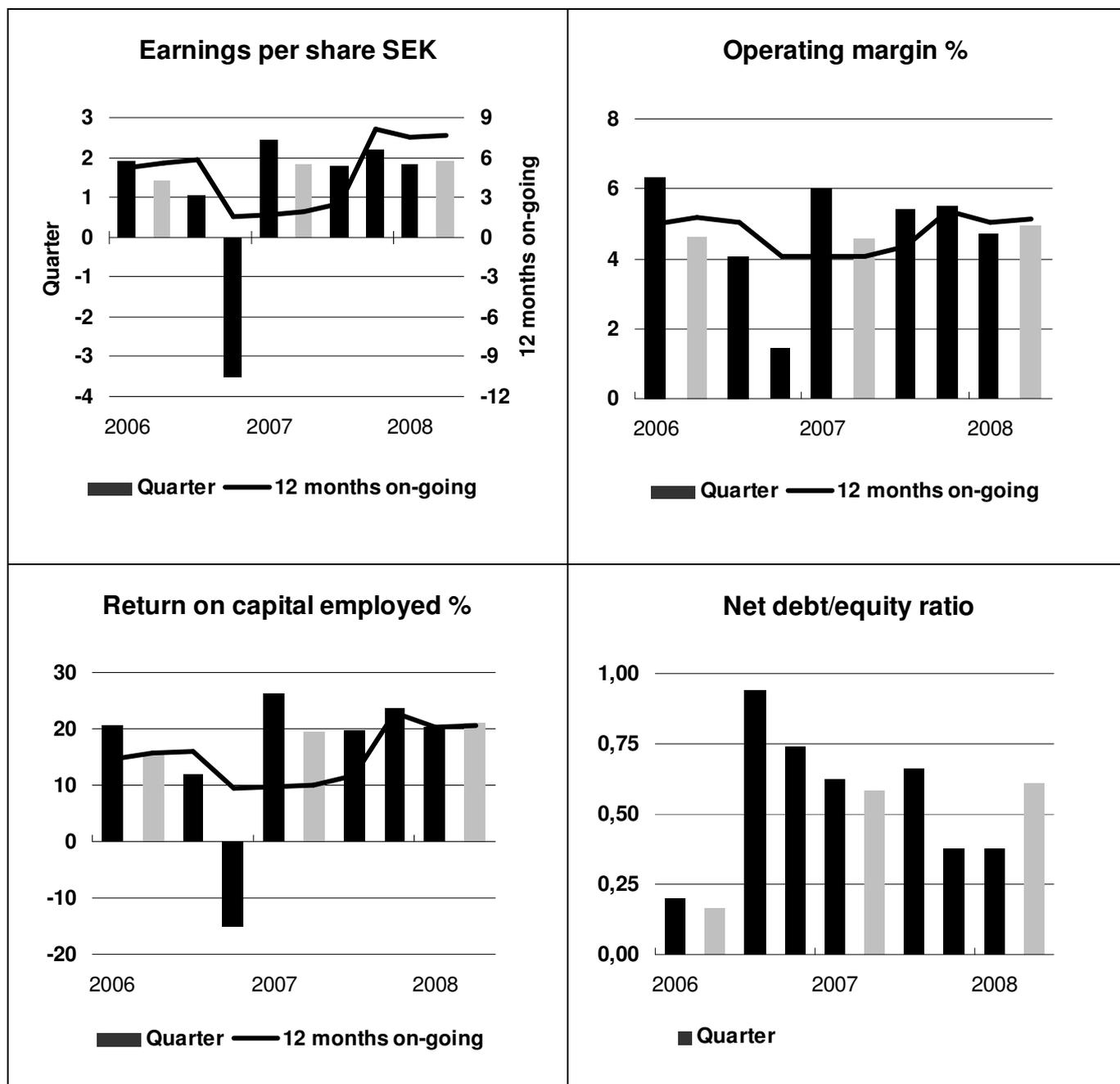
Balance sheet – the parent company

Parent company, MSEK	30 June 2008	30 June 2007	31 December 2007
Assets			
Tangible assets			
Tangible fixed assets	83.1	83.1	82.0
Financial assets	108.9	108.9	108.9
Total fixed assets	192.0	192.0	190.9
Current assets			
Current receivables	3.6	2.8	1.2
Cash and bank balances	0.4	0.4	0.4
Total current assets	4.0	3.2	1.6
Total assets	196.0	195.2	192.5
Equity and liabilities			
Equity	29.8	33.2	45.7
Untaxed reserves	19.3	14.4	19.3
Provisions for taxes	3.0	2.8	3.0
Long-term liabilities	50.0	66.2	50.3
Current liabilities	93.9	78.6	74.2
Total equity and liabilities	196.0	195.2	192.5

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.