

Year-end report from ProfilGruppen AB (publ),
January – December 2008

Åseda 4 February 2009

Substantial one-off item effect in the fourth quarter

Fourth Quarter

- * Turnover MSEK 220.6 (293.1), down 25 per cent compared with previous year.
- * Operating profit MSEK -23.4 (16.1), negative impact by one-off items of MSEK -14.2.

Full year

- * Turnover MSEK 1,086.1 (1,179.4), down 8 per cent compared with previous year.
- * Operating profit MSEK 16.5 (63.3), negative impact by one-off items of MSEK -16.0.
- * Net income MSEK 9.3 (40.2).
- * Cash flow from current operations MSEK -4.6 (78.4).
- * Earnings per share SEK 1.88 (8.15).
- * Return on capital employed 6.1 per cent (22.8).
- * The Board is proposing a dividend of SEK 1.00 per share (3.60).

Nils Arthur, President and CEO of ProfilGruppen says,

"The dramatic weakening of the market during the autumn of 2008 has occurred in conjunction with an exceptional price decline for aluminium. Because of this the result for 2008 has been charged with both substantial restructuring costs and inventory write-downs.

The market is still very hard to assess but we are working to adjust the operations to the development of the market, at the same time we keep high preparedness for a market recovery.

We have now accomplished the first part of the investment programme at the main factory in Åseda, which will lead to increased efficiency."

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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 February 4 2009 at 14:00.

For the income statement and balance sheet, 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

The demand for aluminium extrusions in the Western European market has weakened dramatically during the fourth quarter of 2008. The development is similar in almost all sectors, but most accentuated in the construction and automotive industries. One exception is the renewable energy industry, where ProfilGruppen has strengthened its market position during the year.

The assessment is that The Western European market has declined by more than ten per cent compared to 2007. The development of the Swedish market has been less unfavourable than the market in general.

The price of aluminium has decreased heavily during the fourth quarter and the price decline has continued in the beginning of 2009. Aluminium is priced in USD on the raw material exchange LME where the price decrease since July 2008 has been around 60 per cent. The global stocks of aluminium are at historically high levels.

Turnover

Turnover amounted to MSEK 1,086.1(1,179.4), a decrease of eight per cent compared with previous year. The decrease is explained by lower delivery volumes.

Delivery volumes totalled 22,900 tons (25,500) of aluminium extrusions, a decrease of ten per cent from last year. The export share amounted to 48 per cent (53) of the volume, and to 44 per cent (48) of the turnover.

Turnover per country, MSEK	Q 4 2008	Q 4 2007	Q 1-4 2008	Q 1-4 2007
Sweden	125.6	154.2	606.8	613.2
Germany	24.0	39.9	156.1	179.8
Norway	19.1	24.4	88.5	103.2
Denmark	12.8	19.0	52.9	68.3
United Kingdom	9.0	13.4	47.1	56.5
Other countries	30.1	42.2	134.7	158.4
TOTAL	220.6	293.1	1 086.1	1 179.4

The demand from the export markets has in total been weaker than the domestic market. The decline on the German market during the fourth quarter has been heavier than on other markets and is mainly explained by inventory reduction at ProfilGruppen's biggest customer with activities in industrial machinery.

Turnover per industry, MSEK	Q 4 2008	Q 4 2007	Q 1-4 2008	Q 1-4 2007
Automotive	48.2	81.2	272.4	331.5
Construction	42.3	67.8	210.1	273.0
Electronics	70.4	58.0	305.5	247.4
Interior	27.5	32.6	115.4	120.7
Miscellaneous	32.2	53.5	182.7	206.8
TOTAL	220.6	293.1	1 086.1	1 179.4

The turnover in the electronics sector has increased, both for the full year as well as in the fourth quarter isolated. The big customers within this segment have not shown to be exposed to the weakening general business cycle. In addition to that, agreements have been made for a number of new customer contracts in the interesting solar energy business. The automotive and construction industries are showing the heaviest decline and the deliveries have decreased by about 40 per cent in the fourth quarter compared with the corresponding period previous year.

During the period, the Group manufactured 22,600 tons (25,800) of aluminium extrusions.

Comments on profit

The operating profit for the year amounted to MSEK 16.5 (63.3) which is equivalent to an operating margin of 1.5 per cent (5.4).

ProfilGruppen has raw material clauses in all customer contracts which under normal conditions reduce the sensitivity to fluctuations in the raw material price. However, the dramatic decrease of raw material prices and demand during the autumn has made it necessary to make a write-down of the inventory value by MSEK 8.4, whereof MSEK 1,8 was charged in the third quarter.

The Group has during the fourth quarter conducted a reduction of the number of employees, whereby 51 blue-collar employees and 11 white-collar employees are leaving ProfilGruppen in the beginning of 2009. One-off costs amounting to MSEK 7.6 for these employment terminations have reduced the result of the fourth quarter.

In total, the one-off items mentioned above have a negative impact of MSEK 16.0 on the operating profit.

Excluding the one-off items the operating profit amounted to MSEK 32.5. The remaining decline in profit compared to the corresponding period previous year is mainly related to lower delivery volumes.

The profit after financial items amounted to MSEK 10.0 (57.0) and the profit after tax amounted to MSEK 9.3 (40.2).

Earnings per share totalled SEK 1.88 (8.15). On average, the number of shares in thousands amounted to 4,933 (4,933).

The return on capital employed amounted to 6.1 per cent (22.8).

The fourth quarter

Turnover amounted to MSEK 220.6 (293.1), which is 25 per cent lower than the corresponding period previous year. During the quarter, the Group supplied 4,300 tons (6,255) of aluminium extrusions, a decrease by 31 per cent. Production amounted to 4,300 tons (6,500), a decrease by 34 per cent. The export share amounted to 46 per cent (51) of the volume and 43 per cent (47) of the turnover.

The operating profit amounted to MSEK -23.4 (16.1). The result has been negatively impacted by one-off items amounting to MSEK -14.2, of which MSEK 7.6 is related to redundant personnel and MSEK 6.6 related to write-down of inventory. The remaining decline in profit compared to the corresponding period previous year is mainly related to lower delivery volumes.

The profit after financial items amounted to MSEK -25.0 (15.5). Earnings per share amounted to SEK -3.15 (2.15).

Investments

The investments amounted to 56.5 MSEK (24.7). Of the total investments, approximately MSEK 5.9 was customer related and approximately MSEK 39.6 related to the investment programme to streamline the production at the main factory in Åseda, decided upon at the beginning of the year. The first part of the programme, which will be put into operation in the beginning of 2009, will rationalise the material flows and reduce inventory. Investments during the fourth quarter amounted to MSEK 24.4 (2.5).

Financing and liquidity

The cash flow from current operations amounted to MSEK -4.6 (78.4) and, after investment activities, to MSEK -51.1 (60.2). The cash flow from current operations of the quarter amounted to MSEK -0.3 (41.4). The main explanation to the negative development for the cash flow is the lower delivery volumes. Another explanation is high inventory levels due to that the raw material purchases are made in advance in order to secure supply and price. Thereby the purchases could not be adjusted quickly enough to adapt to the dramatically decreasing delivery volumes.

The balance sheet total as of 31 December 2008 amounted to MSEK 565.2 compared with MSEK 615.9 as of 31 December 2007.

Net debt amounted to MSEK 135.8 (65.0) as of 31 December 2008. The net debt/equity ratio was 0.95 (0.38). At that time, the Group's liquid assets amounted to MSEK 6.6 (38.7).

Personnel

The average number of employees in the Group was 460 (475), which included 68 (71) people employed by the processing companies. The number of employees in the Group as of 31 December totalled 436 (472).

Significant risks and uncertain factors

The uncertainty regarding external factors and their impact on the result for the Group has increased. Apart from that, risks and risk management of the Group have not changed significantly since the annual report for 2007 was made.

Outlook for 2009

In the beginning of the first quarter the demand has continued to be weak and the development of the extrusions market in Western Europe in 2009 is difficult to assess.

Dividend

For the 2008 financial year, the Board is proposing to the annual general meeting of shareholders a dividend of SEK 1.00 per share (3.60), which means that the total dividend will amount to MSEK 4.9 (17.8). The Board is also proposing that the cut-off date for the dividend be 3 April 2009 and that the dividend payment date be 8 april 2009.

Annual report

The annual report will be distributed by post to all shareholders during March 2009 and will be available from the company's reception from 11 March 2009. The entire report will also be published on ProfilGruppen's website, www.profilgruppen.se, from the same date.

Dates for financial information

ProfilGruppen reports financial information quarterly as follows:

Interim report, 3 months	23 April 2009
Interim report, 6 months	22 July 2009
Interim report, 9 months	23 October 2009
Year-end report 2009	February 2010

Annual general meeting 2009

The annual general meeting of shareholders of ProfilGruppen AB (publ.) will take place on Tuesday, 31 March 2009 at 15:00 at Folkets Hus in Åseda. Shareholders who want to give proposals to the nomination committee are requested to do so at latest 9 February 2009.

Åseda, Februari 4, 2009

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 4 2008	Q 4 2007	Q 1-4 2008	Q 1-4 2007
Net turnover	220.6	293.1	1 086.1	1 179.4
Cost of goods sold	-216.2	-249.3	-965.3	-1 016.1
Gross margin	4.4	43.8	120.8	163.3
Other operating revenues	0.1	0.6	0.6	1.4
Selling expenses	-15.1	-13.8	-55.1	-51.8
Administrative expenses	-12.8	-14.5	-49.8	-49.6
Operating income	-23.4	16.1	16.5	63.3
Interest income	0.2	0.3	0.6	0.8
Interest expenses	-1.8	-0.9	-7.1	-7.1
Net financial income/expense	-1.6	-0.6	-6.5	-6.3
Income after financial items	-25.0	15.5	10.0	57.0
Tax	9.5	-4.8	-0.7	-16.8
Net income for the period	-15.5	10.7	9.3	40.2
Earnings per share, SEK	-3.15	2.17	1.88	8.15
Average number of shares, thousands	4 933	4 933	4 933	4 933
No dilution.				
Depreciation and write-down of fixed assets				
Land and buildings	0.8	1.0	3.2	3.8
Machinery and equipment	7.9	8.4	28.6	28.5
Total	8.7	9.4	31.8	32.3
of which write-down	0.0	0.8	0.6	0.8
Net turnover per geographical market				
Sweden	125.6	154.2	606.8	613.2
Other Nordic countries	38.3	56.9	169.0	208.2
Rest of Europe	55.2	81.8	305.2	351.3
Other	1.5	0.2	5.1	6.7
Total	220.6	293.1	1 086.1	1 179.4

Balance sheet

The Group, MSEK	31 December 2008	31 December 2007
Assets		
Fixed assets		
Intangible fixed assets	10.0	10.0
Tangible fixed assets	284.2	260.9
Financial fixed assets	0.2	0.2
Total fixed assets	294.4	271.1
Current assets		
Inventories	128.2	133.4
Current receivables	134.4	172.7
Liquid assets	6.6	38.7
Total current assets	269.2	344.8
Total assets	563.6	615.9
Shareholders' equity and liabilities		
Shareholders' equity	142.3	172.3
Long-term liabilities		
Interest-bearing liabilities	91.1	102.9
Interest-free liabilities	41.0	55.1
Total long-term liabilities	132.1	158.0
Short-term liabilities		
Interest-bearing liabilities	51.3	0.7
Interest-free liabilities	237.9	284.9
Total short-term liabilities	289.2	285.6
Total shareholders' equity and liabilities	563.6	615.9

Changes in shareholders' equity

The Group, MSEK	Q 4 2008	Q 4 2007	Q 1-4 2008	Q 1-4 2007
Opening balance	173.7	163.4	172.3	148.4
Changes in reserves	-15.9	-1.8	-21.9	-2.5
Dividend	0.0	0.0	-17.8	-13.8
Other changes	0.0	0.0	0.4	0.0
Net income for the period	-15.5	10.7	9.3	40.2
Closing balance	142.3	172.3	142.3	172.3

Cash flow statement

The Group, MSEK	Q 4 2008	Q 4 2007	Q 1-4 2008	Q 1-4 2007
Operating cash flow ¹⁾	-19.2	14.1	22.8	69.0
Working capital changes	18.9	27.3	-27.4	9.4
Cash flow from operating activities	-0.3	41.4	-4.6	78.4
Cash flow from investing activities	-24.7	0.9	-46.5	-18.2
Cash flow from financing activities	20.2	-8.7	18.9	-50.9
Cash flow for the period	-4.8	33.6	-32.2	9.3
Liquid assets, opening balance	11.5	4.6	38.7	28.8
Translation differences in liquid assets	-0.1	0.5	0.1	0.6
Liquid assets, closing balance	6.6	38.7	6.6	38.7

¹⁾ Cash flow from operating activities before working capital changes.

Accounting Principles

This 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 4 2008	Q 4 2007	Q 1-4 2008	Q 1-4 2007
Net turnover, MSEK	220.6	293.1	1 086.1	1 179.4
Income before depreciation, MSEK	-14.7	25.5	48.3	95.6
Operating income/loss, MSEK	-23.4	16.1	16.5	63.3
Operating margin, %	-10.6	5.5	1.5	5.4
Income after financial items, MSEK	-25.0	15.5	10.0	57.0
Operating margin, %	-11.3	5.3	0.9	4.8
Return on equity, %	-39.3	25.5	5.9	25.1
Return on capital employed, %	-32.1	23.7	6.1	22.8
Cash flow from operating activities, MSEK	-0.3	41.4	-4.6	78.4
Investments, MSEK	24.4	2.5	56.5	24.7
Liquidity reserve, MSEK	-	-	133.7	212.1
Net debt, MSEK	-	-	135.8	65.0
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	142.4	103.6
Net debt/equity ratio	-	-	0.95	0.38
Total assets, MSEK	-	-	563.6	615.9
Equity ratio, %	-	-	25.2	28.0
Capital turnover	3.0	4.3	3.9	4.2
Proportion of risk-bearing capital, %	-	-	32.5	36.9
Interest coverage ratio	-12.8	19.3	2.4	9.0
Average number of employees	450	479	460	475
Net turnover per employee (average), TSEK	490	612	2 359	2 481
Income after fin. per employee (average), TSEK	-56	32	22	120
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	-3.15	2.17	1.88	8.15
Equity per share, SEK	-	-	28.85	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 18.6 (18.6) and comprised rents from companies in the Group. No purchases were made from companies within the Group. Profit after financial items amounted to MSEK 5.8 (6.7). Investments in the parent company amounted to MSEK 18.7 (2.0) and comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 64.6 (62.0) as of 31 December 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.

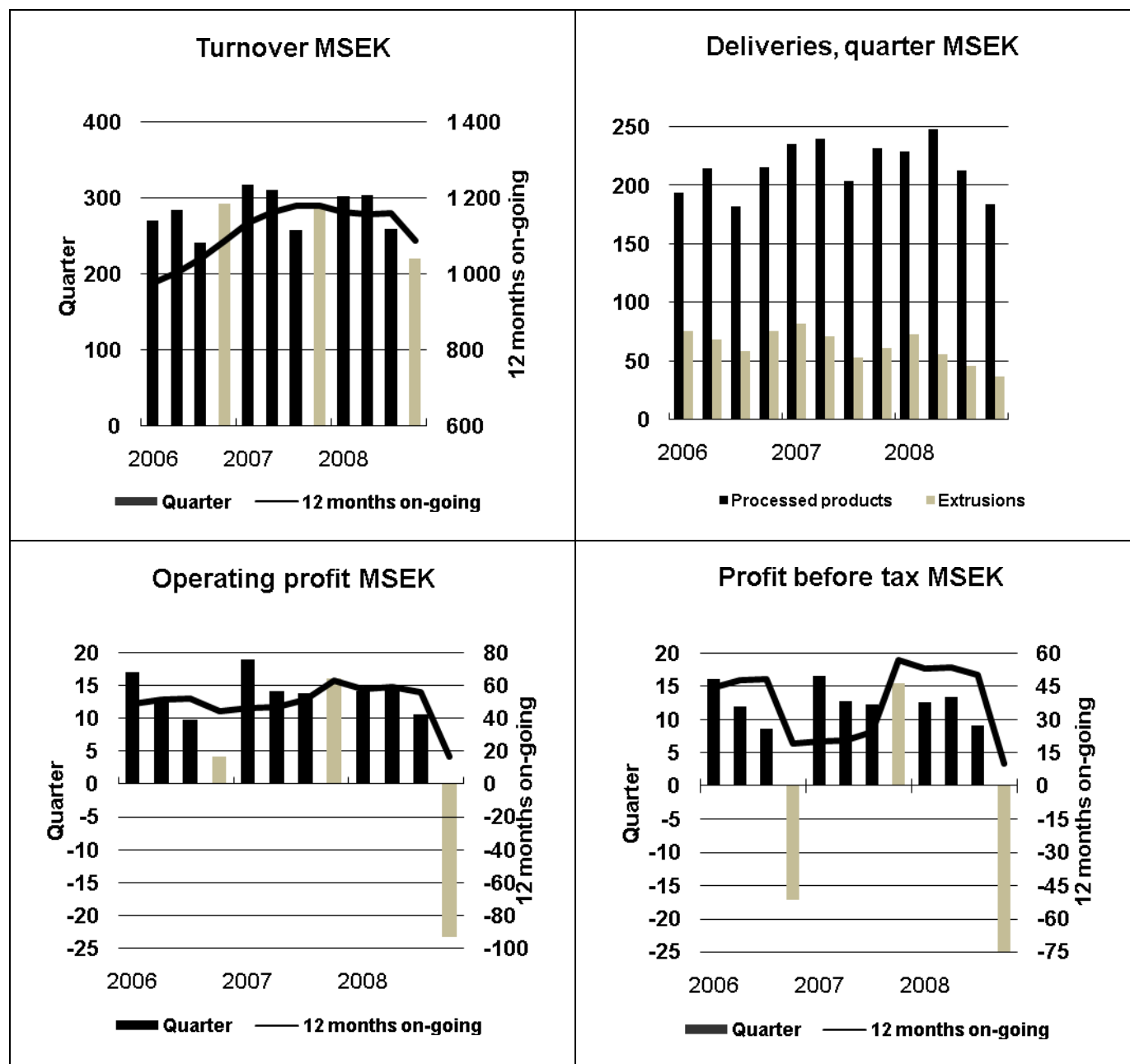
Income Statement– the parent company

Parent company, MSEK	Q 4 2008	Q 4 2007	Q 1-4 2008	Q 1-4 2007
Net turnover	4.7	4.7	18.6	18.6
Cost of goods sold	-0.8	-0.8	-2.9	-2.9
Gross margin	3.9	3.9	15.7	15.7
Administrative expenses	-1.7	-1.4	-6.7	-5.6
Operating income	2.2	2.5	9.0	10.1
Interest income	0.0	0.1	0.0	0.1
Interest expenses	-0.8	-0.5	-3.2	-3.5
Income after financial items	1.4	2.1	5.8	6.7
Appropriations	-3.9	-4.8	-3.9	-4.8
Income before tax	-2.5	-2.7	1.9	1.9
Tax	0.8	0.8	-0.5	-0.6
Result of the year	-1.7	-1.9	1.4	1.3

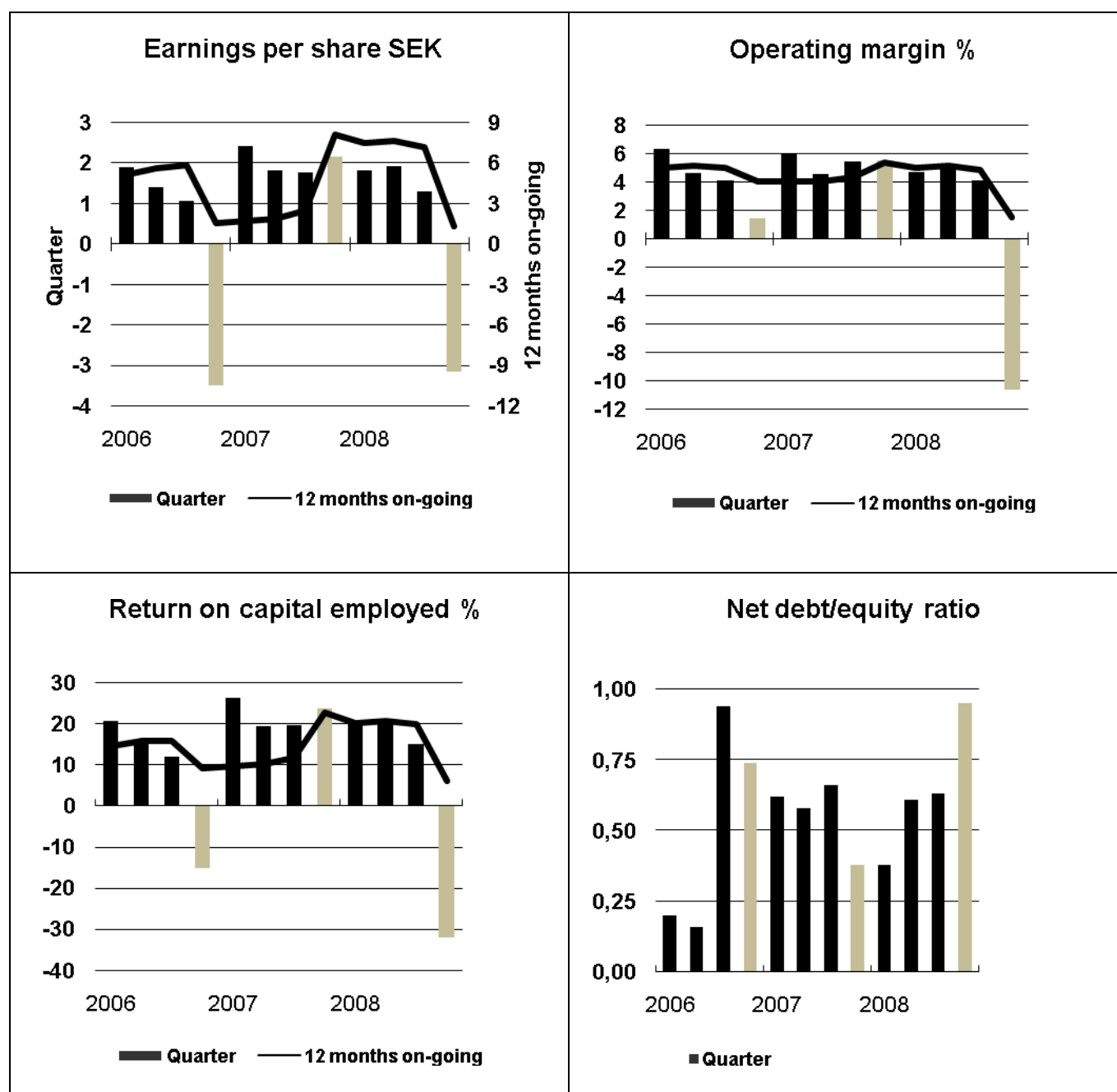
Balance sheet – the parent company

Parent company, MSEK	31 December 2008	31 December 2007
Assets		
Tangible assets		
Tangible fixed assets	98.0	82.0
Financial assets	108.9	108.9
Total fixed assets	206.9	190.9
Current assets		
Current receivables	7.1	1.2
Cash and bank balances	0.4	0.4
Total current assets	7.5	1.6
Total assets	214.4	192.5
Equity and liabilities		
Equity	37.0	45.7
Untaxed reserves	23.2	19.3
Provisions for taxes	2.9	3.0
Long-term liabilities	49.7	50.3
Current liabilities	101.6	74.2
Total equity and liabilities	214.4	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 2008 48 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 436 employees at the end of 2008.
- 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.