

Interim report from ProfilGruppen AB (publ),
January – March 2009

Åseda 22 April, 2009

Continued weak market

- * **Turnover MSEK 205.3 (302.3), down 32 percent compared to the previous year.**
- * **Operating profit/loss MSEK -10.4 (14.2), charged with one-off effects of MSEK 3.5.**
- * **Net income MSEK -8.6 (8.9).**
- * **Cash flow from current operations MSEK -24.6 (-2.7).**
- * **Earnings per share SEK -1.75 (1.81)**

Nils Arthur, President and CEO of ProfilGruppen says:

“The quarter has been characterized by low delivery volumes and continued uncertainty as to market trends. We have made adoptions to the prevailing market conditions and have therefore during the quarter decided to make some additional adjustments of the work force at the Group.

While the market trend has necessitated defensive measures in the short term, we have nevertheless been implementing ambitious marketing initiatives, which were recently confirmed with the signing of a two year contract with the German company Bosch.”

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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 on 22 April 2009.

For income, financial position, 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 Europe continued to be weak in the first quarter of the year. Virtually all sectors have been affected by the downturn, but primarily the construction and automotive industries, where customers have now implemented major inventory cutbacks. The electronics sector has been least affected.

The assessment from the European trade association EAA is that the market in Europe has weakened by more than 30 percent in the first quarter of 2009 compared to the equivalent period for 2008. The development on the Swedish market has been slightly less unfavourable than the European market in general.

Turnover

Turnover amounted to MSEK 205.3 (302.3), a drop of 32 percent compared to the previous year. This drop can be attributed to a lower delivery volume which is a consequence of the low demand.

The delivery volume was 4,200 tonnes (6,900) of aluminium extrusions, a fall of 39 percent compared to the previous year. The share of exports amounted to 43 percent (52) of volume, and 44 percent (47) of turnover.

Turnover per country, MSEK	Q 1 2009	Q 1 2008	12 months ongoing	Q 1-4 2008
Sweden	114.6	160.3	561.1	606.8
Germany	20.4	54.4	122.1	156.1
Norway	14.3	23.4	79.4	88.5
Denmark	13.9	13.8	53.0	52.9
United Kingdom	7.4	13.7	40.8	47.1
Other countries	34.7	36.7	132.7	134.7
TOTAL	205.3	302.3	989.1	1,086.1

Turnover on the German market shows the greatest downturn which is principally due to the low call offs from one of the major customers. Turnover has been maintained in Denmark through the addition of new customers. Turnover on the Swedish market has fallen by 29 percent which is slightly below the average.

Turnover per sector, MSEK	Q 1 2009	Q 1 2008	12 months ongoing	Q 1-4 2008
Automotive	46.1	77.2	241.3	272.4
Construction	42.9	64.7	188.3	210.1
Electronics	63.7	64.8	304.4	305.5
Interiors	24.8	32.1	108.1	115.4
Other sectors	27.8	63.5	147.0	182.7
TOTAL	205.3	302.3	989.1	1,086.1

Turnover in the electronics segment has remained at the same level compared to the first quarter of the previous year. The automotive and construction industries have shown substantial downturns and turnover has dropped by around 40 and 35 percent respectively. Other sectors have dropped by around 55 percent on average. The principle cause is the low demand from German machine manufacturers.

During the period, the Group manufactured 3,900 tonnes (6,900) of aluminium extrusions.

Comments on profit

The operating profit/loss for the first quarter amounted to MSEK -10.4 (14.2), which is equivalent to an operating margin of -5.0 percent (4.7).

In February ProfilGruppen terminated the contracts of 35 employees who will be leaving the company during the second quarter. One-off costs for these terminations have burdened the operating profit/loss for the first quarter by MSEK 3.5. The operating profit/loss before this one-off cost amounts to MSEK -6.9.

The remaining fall in profit compared to the previous year is primarily the result of lower delivery volumes. However, the product mix has been more favourable.

The profit/loss after financial items amounted to MSEK -11.7 (12.6), while the profit/loss after tax amounted to MSEK -8.6 (8.9).

Earnings per share totalled SEK -1.75 (1.81). The average in thousands of shares was 4,933 (4,933). The return on capital employed amounted to -13.7 percent (20.3).

In order to adapt the business to the new market conditions, a sequence of cost reductions have been implemented from the third quarter of 2008, primarily through a significant reduction of the work force. The implemented measures mean a cost reduction of around MSEK 45 per year.

Investments

Investment amounted to MSEK 5.6 (5.0). Of the total investment, around MSEK 3.9 were related to the part of the investment programme aimed at streamlining production at the main factory in Åseda which was carried out during the previous year. Commissioning of this stage of the investment was made in the quarter. The investment will provide a more efficient material flow and reduced production inventories.

Financing and liquidity

The cash flow from current operations amounted to MSEK -24.6 (-2.7) and the corresponding amount after investments was MSEK -36.7 (-4.8). The primary reason for the negative cash flow is payments related to the raw material purchases of the previous year.

The inventory levels were high at the start of the year due to the failure to adjust raw material purchases to the rapid drop in delivery volumes at the end of 2008. A drop in inventory of MSEK 25.9 was achieved during the quarter, partly by halving the amount of raw material stocks.

The balance sheet total as of 31 March 2009 was MSEK 536.6, compared to MSEK 621.4 on 31 March 2008

Net debt amounted to MSEK 172.7 (70.0) as of 31 March 2009. The net debt/equity ratio was 1.29 (0.38). The Group's liquid assets amounted to MSEK 5.8 (33.2).

Personnel

The average number of Group employees was 413 (467), which included 61 (70) people employed by the processing companies. The number of Group employees as of 31 March totalled 389 (462). Following the redundancies, the number of employees will be around 350 in July 2009.

Significant risks and uncertain factors

The uncertainty that surrounds global factors and its potential impact on Group profits is still substantial. The company's risks and risk management have otherwise not changed significantly since the preparation of the 2008 annual report.

Outlook for 2009

Demand has remained weak and the development of the extrusion market in Western Europe for 2009 is difficult to assess.

Previous assessment on the outlook for 2009 (reported in the year-end report for 2008)

At the beginning of the first quarter, demand has remained weak and the development of the extrusion market in Western Europe for 2009 is difficult to assess.

Dates for financial reporting changed

The time schedule for financial reports for 2009 has been partially modified and the reports will be issued as follows:

Interim report second quarter	23 July 2009
Interim report third quarter	23 October 2009
Year-end report 2009	2 February 2010

Åseda, 22 April 2009

Board of ProfilGruppen AB (publ.)
Org.no. 556277-8943

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

Statement of comprehensive income

The Group, MSEK	Q 1 2009	Q 1 2008	12 months ongoing	Q 1-4 2008
Net turnover	205.3	302.3	989.1	1 086.1
Cost of goods sold	-192.4	-263.1	-894.6	-965.3
Gross margin	12.9	39.2	94.5	120.8
Other operating revenues	0.0	0.3	0.3	0.6
Selling expenses	-11.9	-13.0	-54.0	-55.1
Administrative expenses	-11.4	-12.3	-48.9	-49.8
Operating profit/loss	-10.4	14.2	-8.1	16.5
Interest income	0.2	0.1	0.7	0.6
Interest expenses	-1.5	-1.7	-6.9	-7.1
Net financial income/expense	-1.3	-1.6	-6.2	-6.5
Income after financial items	-11.7	12.6	-14.3	10.0
Tax	3.1	-3.7	6.1	-0.7
Net income for the period	-8.6	8.9	-8.2	9.3
Other comprehensive income				
Changes in hedging reserve	-0.5	1.9	-24.4	-22.0
Translation differences	0.3	0.0	0.3	0.0
Other, reported directly against equity	0.5	-0.1	1.1	0.5
Comprehensive income for the period	-8.3	10.7	-31.2	-12.2
Earnings per share (before and after dilution), SEK	-1.75	1.81	-1.68	1.88
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	0.9	3.3	3.2
Machinery and equipment	7.6	7.2	29.0	28.6
Total	8.6	8.1	32.3	31.8
of which write-down	0.0	0.0	0.6	0.6

Statement of financial position

The Group, MSEK	31 March 2009	31 March 2008	31 December 2008
Assets			
Fixed assets			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	281.2	257.4	284.2
Financial fixed assets	0.2	0.2	0.2
Total fixed assets	291.4	267.6	294.4
Current assets			
Inventories	102.3	126.9	128.2
Current receivables	137.1	193.7	134.4
Liquid assets	5.8	33.2	6.6
Total current assets	245.2	353.8	269.2
Total assets	536.6	621.4	563.6
Shareholders' equity and liabilities			
Shareholders' equity	134.0	183.0	142.3
Long-term liabilities			
Interest-bearing liabilities	91.0	103.2	91.1
Interest-free liabilities	37.9	59.5	41.0
Total long-term liabilities	128.9	162.7	132.1
Short-term liabilities			
Interest-bearing liabilities	87.5	0.0	51.3
Interest-free liabilities	186.2	275.7	237.9
Total short-term liabilities	273.7	275.7	289.2
Total shareholders' equity and liabilities	536.6	621.4	563.6

Statement of changes in equity

The Group, MSEK	Q 1 2009	Q 1 2008	Q 1-4 2008
Opening balance	142.3	172.3	172.3
Dividend	0.0	0.0	-17.8
Comprehensive income for the period	-8.3	10.7	-12.2
Closing balance	134.0	183.0	142.3

Statement of cash flows

The Group, MSEK	Q 1 2009	Q 1 2008	12 months ongoing	Q 1-4 2008
Operating cash flow ¹⁾	6.1	14.1	14.8	22.8
Working capital changes	-30.7	-16.8	-41.3	-27.4
Cash flow from operating activities	-24.6	-2.7	-26.5	-4.6
Cash flow from investing activities	-12.1	-2.1	-56.5	-46.5
Cash flow from financing activities	35.6	-0.6	55.1	18.9
Cash flow for the period	-1.1	-5.4	-27.9	-32.2
Liquid assets, opening balance	6.6	38.7	33.2	38.7
Translation differences in liquid assets	0.3	-0.1	0.5	0.1
Liquid assets, closing balance	5.8	33.2	5.8	6.6

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

Accounting Principles

The consolidated accounts have, as the year-end report for 2008, been prepared according to International Financial Reporting Standards (IFRS), as they have been approved by the EU, the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Standards Council's RFR 2.2 Accounting for Legal Entities.

This interim report has been prepared according to IAS 34. The term "IFRS" in this document means the application of IAS and IFRS as well as the interpretations of these standards that have been issued by IASB's Standards Interpretation Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC).

The Group applies the same accounting principles as in the annual report for 2008 with the exception for the additions and alterations of IFRS that were taken in action as of 1 January 2009.

As of 1 January 2009 IFRS 8 was taken in action, which means new requirements for the reporting of business segments. The new standard requires that the information of segments should be presented identically to the management's internal follow up of the operations. The implementation of IFRS 8 has not resulted in identification of other business segments than in the previous years, which means the Group reports one single segment. The standard has not affected the Group's financial position, cash flow or income.

A revised version of IAS 1 Presentation of Financial Statements was also taken in action. The implementation of this standard has mainly meant a change of the presentation of income and changes in equity in the interim reports.

Key ratios

The Group	Q 1 2009	Q 1 2008	12 months ongoing	Q 1-4 2008
Net turnover, MSEK	205.3	302.3	989.1	1 086.1
Income before depreciation, MSEK	-1.8	22.3	24.2	48.3
Operating income/loss, MSEK	-10.4	14.2	-8.1	16.5
Operating margin, %	-5.0	4.7	-0.8	1.5
Income after financial items, MSEK	-11.7	12.6	-14.3	10.0
Profit margin, %	-5.7	4.2	-1.4	0.9
Return on equity, %	-24.9	20.1	-5.2	5.9
Return on capital employed, %	-13.7	20.3	-2.5	6.1
Cash flow from operating activities, MSEK	-24.6	-2.7	-26.5	-4.6
Investments, MSEK	5.6	5.0	57.1	56.5
Liquidity reserve, MSEK	97.8	206.2	-	133.7
Net debt, MSEK	172.7	70.0	-	135.8
Interest-bearing liabilities and interest-bearing provisions, MSEK	178.5	103.2	-	142.4
Net debt/equity ratio	1.29	0.38	-	0.95
Total assets, MSEK	536.6	621.4	-	563.6
Equity ratio, %	25.0	29.5	-	25.2
Capital turnover	2.7	4.3	3.3	3.9
Proportion of risk-bearing capital, %	32.0	39.0	-	32.5
Interest coverage ratio	-6.8	8.5	-1.1	2.4
Average number of employees	413	467	444	460
Net turnover per employee (average), TSEK	498	648	2 228	2 359
Income after fin, per employee (average), TSEK	-28	27	-32	22
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	-1.75	1.81	-1.68	1.88
Equity per share, SEK	27.17	37.10	-	28.85

Definitions are given in ProfilGruppen's Annual Report 2008. 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 5.5 (4.6) and comprised rents from companies in the Group. No purchases were made from companies within the Group. Income after financial items amounted to MSEK 2.7 (1.2). Investments in the parent company amounted to MSEK 1.5 (0.2) and comprised investments in real estate. The parent company's interest-bearing liabilities amounted to MSEK 67.0 (61.6) as of 31 March 2009. 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 2008 annual report.

No significant related transactions apart from rent debiting for subsidiaries have been implemented during the period.

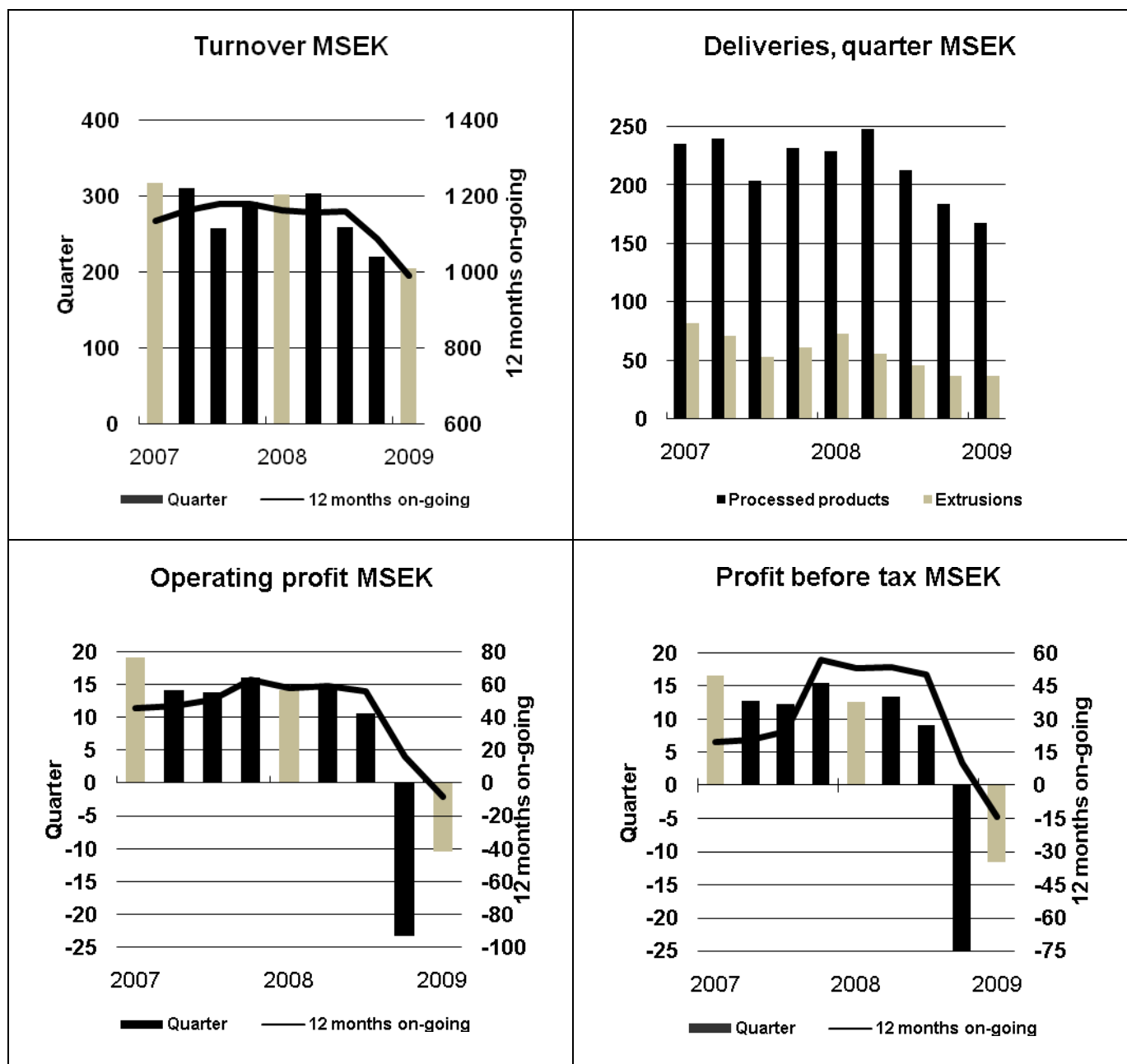
Income Statement – the parent company

Parent company, MSEK	Q 1 2009	Q 1 2008	Q 1-4 2008
Turnover	5.5	4.6	18.6
Cost of goods sold	-0.8	-0.7	-2.9
Gross margin	4.7	3.9	15.7
Administrative expenses	-1.6	-1.9	-6.7
Operating income	3.1	2.0	9.0
Interest income	0.2	0.0	0.0
Interest expenses	-0.6	-0.8	-3.2
Income after financial items	2.7	1.2	5.8
Appropriations	0.0	0.0	-3.9
Income before tax	2.7	1.2	1.9
Tax	-0.7	-0.3	-0.5
Result of the year	2.0	0.9	1.4

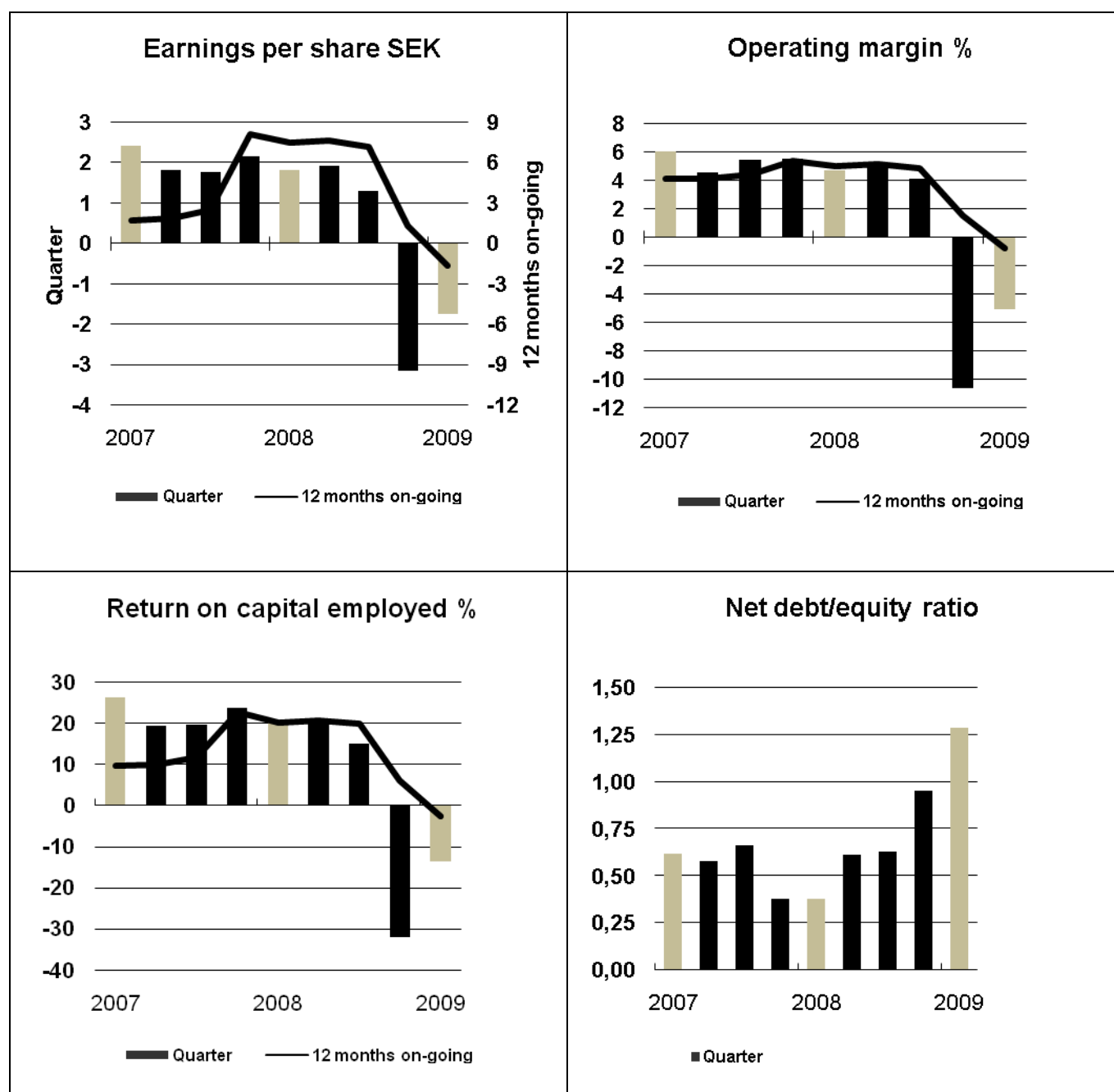
Balance sheet – the parent company

Parent company, MSEK	31 March 2009	31 March 2008	31 December 2008
Assets			
Tangible assets			
Tangible fixed assets	98.8	81.5	98.0
Financial assets	108.9	108.9	108.9
Total fixed assets	207.7	190.4	206.9
Current assets			
Current receivables	1.5	1.4	7.1
Cash and bank balances	0.4	0.4	0.4
Total current assets	1.9	1.8	7.5
Total assets	209.6	192.2	214.4
Equity and liabilities			
Equity	39.7	46.6	37.0
Untaxed reserves	23.2	19.3	23.2
Provisions for taxes	3.0	3.0	2.9
Long-term liabilities	49.5	50.0	49.7
Current liabilities	94.2	73.3	101.6
Total equity and liabilities	209.6	192.2	214.4

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.