

Interim report January 1 – September 30 2013

Åseda, 25 October, 2013

Still no effect on earnings from taken measures

Third quarter

- Turnover MSEK 172.1 (169.9), up 1 percent compared to previous year
- Operating profit MSEK -3.9 (1.6). Previous year was affected by positive one time items amounting to MSEK 5.7.
- Net income MSEK -4.1 (-0.2)
- Cash flow from ongoing operations MSEK 19.9 (-4.6)
- Earnings per share SEK -0.85 (-0.04)

First nine months

- Turnover MSEK 556.9 (624.3), down 11 percent compared to previous year
- Operating profit MSEK -7.5 (23.7), after positive one time items amounting to MSEK 0.9 (9.3).
- Net income MSEK -9.0 (13.2)
- Cash flow from ongoing operations MSEK 6.3 (20.0)
- Earnings per share SEK -1.83 (2.67)

Anders Frisinger, President and CEO of ProfilGruppen, comments:

"During the third quarter we have experienced an ongoing low demand for aluminium extrusions in Europe. In order to meet this situation we have chosen to decrease our cost by reducing working hours for the employees during the remainder of the year.

The earlier made reinforcements of the sales organization have not yet given full effect, but a number of new contracts have been signed with deliveries next year."

ProfilGruppen is a supplier of complex customised aluminium extrusions and components. For income, financial position, key figures and other facts about the Group, refer to pages 5-14. Current information and photographs for free publication are available at www.profilgruppen.se.

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Interim report from ProfilGruppen AB (publ), January 1 – September 30, 2013

Market

The European market for aluminium extrusions has continued to be weak also in the third quarter 2013.

In the latest forecast from the European Aluminium Association (EAA), the aluminium extrusions market in Europe was assessed to have decreased by approximately 5 percent during the first nine months of 2013, compared to the corresponding period 2012. The development in Sweden has been considerably worse.

The raw material price for aluminium on London Metal Exchange (LME) has decreased by approximately 2 percent during the third quarter and was amounted to approximately USD 1 750 per ton at the end of the quarter, which is 14 percent lower than at the corresponding time previous year.

Turnover

The turnover of the Group was amounted to MSEK 556.9 (624.3), a decrease by 11 percent compared to the previous year. The delivery volume was 14,250 tonnes (14,850) of aluminium extrusions, a decrease by 4 percent compared to the previous year.

The share of exports amounted to 53 percent (49) of delivered volume, and 49 percent (49) of the turnover.

Deliveries to the Swedish market decreased by 11 percent for the third quarter 2013 compared to the corresponding period previous year, which mainly is related to a decrease within the Electrical segment and stockists.

During the first nine months, the Group manufactured 14,200 tonnes (14,950) of aluminium extrusions.

Comments on profit

The operating profit/loss for the first nine months was amounted to MSEK -7.5 (23.7), which is equivalent to an operating margin of -1.3 percent (3.8). The decrease is explained by low delivery volume and low capacity utilization. The result was positively affected by one time items amounting to MSEK 0.9 (9.3), which is remuneration related to a former dispute.

The profit/loss after financial items was amounted to MSEK -11.7 (18.0). The profit/loss after tax was amounted to MSEK -9.0 (13.2).

Earnings per share totalled SEK -1.83 (2.67). The average number of shares in thousands was 4,933 (4,933).

The return on capital employed amounted to -3.4 percent (10.3).

The third quarter

The turnover amounted to MSEK 172.1 (169.9). The delivered volume of aluminium extrusions in the quarter was 4,650 tonnes (4,100), an increase of 13 percent compared to third quarter 2012, and production was 4,650 tonnes (4,000). The share of exports amounted to 54 percent (47) of volume, and 50 percent (43) of turnover.

The operating profit for the second quarter amounted to MSEK -3.9 (1.6). The result last year was positively affected by one-off items amounting to MSEK 5.7.

The profit after financial items amounted to MSEK -5.3 (-0.3). Earnings per share totalled SEK -0.85 (-0,04)

Investments

Investments during the first nine months amounted to MSEK 12.6 (10.7).

Financing and liquidity

Cash flow from current operations during the first six months amounted to MSEK 6.3 (20.0) and cash flow after investments was MSEK -3.6 (7.0). The decrease is explained by weaker profit.

The cash flow from current operations for the third quarter amounted to MSEK 19.9 (-4.6).

The liquidity reserve as of 30 September 2013 amounted to 98,7 MSEK (75,4).

The balance sheet total as of 30 September 2013 was MSEK 478.7 (513.3).

Net debt amounted to MSEK 111.6 (142.9) as of 30 September 2013 and the net debt/equity ratio was 0.66 (0.84).

Personnel

The average number of Group employees during the period was 334 (367). The number of Group employees as of 30 September 2013 totalled 343 (349).

Due to low demand ProfilGruppen has reached an agreement with affected unions regarding reduced capacity and salary cost through a collective reduction of working hours. The action will give effect from mid October to the end of 2013.

Significant risks and uncertain factors

The company's risks and risk management have not changed significantly since the publishing of the 2012 annual report.

Outlook for 2013

The outlook for 2013 is characterised by continued macroeconomic uncertainty.

Dates for financial information

The Year-end report for 2013 will be published 25 February 2014 at 14.00 CET.

The AGM 2014 will take place 10 April 2014 at 15.00 CET. All shareholders are then welcome at Folkets Hus in Åseda.

The Nomination Committee for the AGM 2014 consists of Bengt Stillström (chairman), Lars Johansson, Mats Egeholm and Kåre Wetterberg (Chairman of ProfilGruppen). Shareholders who wish to submit proposals to the Nomination Committee may either send an email to valberedningen@profilgruppen.se, or by post: Nomination Committee, ProfilGruppen AB, Box 36, SE-364 21 Åseda, Sweden, by January 16, 2014 at the latest.

Shareholders who wish to have a case raised at the Annual General Meeting may either send the proposal by email to: styrelsen@profilgruppen.se, or by post: Årsstämmoärenden, ProfilGruppen AB, Box 36, SE-364 21 Åseda, Sweden. The proposals must be received by the company by February 12, 2013 at the latest in order to ensure inclusion in the notice and the AGM agenda.

Åseda, 25 October 2013

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

Review report

ProfilGruppen AB (publ), org. nr 556277-8943

Introduction

We have reviewed the condensed interim report for ProfilGruppen AB (publ) as at September 30, 2013 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the Swedish Standard on Review Engagements, SÖG 2410 *Review of Interim Reports Performed by the Independent Auditor of the Entity*. A review 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 other generally accepted auditing standards in Sweden. The procedures performed in a review do 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 interim report is not prepared, in all material aspects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Åseda, 25th October 2013

Ernst & Young AB

Johan Thuresson

Authorized Public Accountant

Statement of comprehensive income

The Group, MSEK	Q 3 2013	Q 3 2012	Q 1-3 2013	Q 1-3 2012*	12 months ongoing*	Q 1-4 2012*
Net turnover	172.1	169.9	556.9	624.3	718.6	786.0
Cost of goods sold	-161.0	-159.6	-519.1	-560.3	-675.3	-716.5
Gross margin	11.1	10.3	37.8	64.0	43.3	69.5
Other operating revenues	-0.2	5.8	0.9	9.7	21.7	30.5
Selling expenses	-9.8	-7.9	-27.6	-27.8	-40.3	-40.5
Administrative expenses	-5.1	-6.6	-18.6	-22.2	-25.8	-29.4
Other operating expenses	0.1	0.0	0.0	0.0	0.0	0.0
Operating profit/loss	-3.9	1.6	-7.5	23.7	-1.1	30.1
Financial income	0.1	0.1	0.3	0.3	0.4	0.4
Financial expenses	-1.5	-2.0	-4.5	-6.0	-6.0	-7.5
Net financial income/expense	-1.4	-1.9	-4.2	-5.7	-5.6	-7.1
Income after financial items	-5.3	-0.3	-11.7	18.0	-6.7	23.0
Tax	1.2	0.1	2.7	-4.8	7.5	0.0
Net income for the period	-4.1	-0.2	-9.0	13.2	0.8	23.0
Other comprehensive income						
Items that will subsequently be reclassified to net income						
Changes in hedging reserve	-0.2	-0.7	0.5	-1.0	0.0	-1.5
Translation differences	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Other, reported directly against equity	0.0	0.0	-0.1	0.0	-0.1	0.0
Total	-0.4	-0.9	0.2	-1.2	-0.3	-1.7
Items that will subsequently not be reclassified to net income						
Revaluation of defined benefit obligation	0.0	0.0	0.0	0.0	0.1	0.1
Comprehensive income for the period	-4.5	-1.1	-8.8	12.0	0.6	21.4
Earnings per share (before and after dilution), SEK	-0.85	-0.04	-1.83	2.67	0.16	4.66
Average number of shares, thousands	4 933	4 933	4 933	4 933	4 933	4 933

*Restated to the new IAS 19, see page 8.

Depreciation and write-down of fixed assets

Intangible fixed assets	0.0	0.1	0.0	0.4	-0.4	0.0
Land and buildings	0.8	0.7	2.8	2.7	3.9	3.8
Machinery and equipment	3.9	4.3	15.8	17.1	23.0	24.3
Total	4.7	5.1	18.6	20.2	26.5	28.1
of which write-down	0.0	0.0	0.0	0.0	0.7	0.7

Statement of financial position

The Group, MSEK	30 September 2013	30 September 2012*	31 December 2012*
Assets			
Fixed assets			
Intangible fixed assets	10.0	13.6	10.0
Tangible fixed assets	211.9	230.7	218.7
Financial fixed assets	1.8	0.2	2.2
Total fixed assets	223.7	244.5	230.9
Current assets			
Inventories	112.3	115.7	106.0
Current receivables	140.7	150.7	110.1
Liquid assets	2.0	2.4	1.7
Total current assets	255.0	268.8	217.8
Total assets	478.7	513.3	448.7
Shareholders' equity and liabilities			
Shareholders' equity	170.0	169.4	178.8
Long-term liabilities			
Interest-bearing liabilities	56.3	64.8	61.6
Interest-free liabilities	27.6	45.0	29.9
Total long-term liabilities	83.9	109.8	91.5
Short-term liabilities			
Interest-bearing liabilities	57.3	80.4	44.9
Interest-free liabilities	167.5	153.7	133.5
Total short-term liabilities	224.8	234.1	178.4
Total shareholders' equity and liabilities	478.7	513.3	448.7

*Restated to the new IAS 19, see page 8.

Pledged assets and contingent liabilities

Property mortgages	84.8	84.8	84.8
Floating charges	174.0	174.0	174.0
Shares in subsidiaries	105.4	193.4	207.7
Trade receivables pledged as collateral	116.8	107.6	90.2
Guarantees for other companies	1.0	1.0	0.7
Guarantee commitments FPG/PRI	0.2	0.2	0.2

Statement of changes in equity

The Group, MSEK	Q 3 2013	Q 3 2012	Q 1-3 2013	Q 1-3 2012	Q 1-4 2012
Opening balance	174.5	170.5	178.8	157.4	157.4
Dividend	0.0	0.0	0.0	0.0	0.0
Comprehensive income for the period	-4.5	-1.1	-8.8	12.0	21.4
Closing balance	170.0	169.4	170.0	169.4	178.8

Financial instruments, valued at fair value

in statement of financial position

The Group, MSEK	30 September 2013
Short-term receivables	
Currency derivatives	1,0
Short-term non interest-bearing liabilities	
Interest rate derivatives	1,9
Currency derivatives	1,0

Both interest rate- and currency derivatives are primarily used for hedge and are valued on level 2 according to IFRS 7.

Statement of cash flows

The Group, MSEK	Q 3 2013	Q 3 2012	Q 1-3 2013	Q 1-3 2012	12 months ongoing	Q 1-4 2012
Operating cash flow ¹⁾	-3.3	2.5	2.4	29.2	12.8	39.6
Working capital changes	23.2	-7.1	3.9	-9.2	24.7	11.6
Cash flow from operating activities	19.9	-4.6	6.3	20.0	37.5	51.2
Cash flow from investing activities	-5.1	-2.4	-9.9	-13.0	-3.3	-6.4
Cash flow from financing activities	-14.5	7.6	3.9	-5.6	-35.0	-44.5
Cash flow for the period	0.3	0.6	0.3	1.4	-0.8	0.3
Liquid assets, opening balance	2.0	2.5	1.7	1.9	2.4	1.9
Translation differences in liquid assets	-0.3	-0.7	0.0	-0.9	0.4	-0.5
Liquid assets, closing balance	2.0	2.4	2.0	2.4	2.0	1.7

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 with exception for the new or revised standards, amendments and interpretations issued by the International Accounting Standards Board (IASB) as approved by the European Commission for application within the EU and shall be applied from 1 January 2013. The accounting principles are described in the annual report 2012.

The new or revised standards and interpretations that came into force since 1 January 2013 are IAS 1 Presentation of Items of Other Comprehensive Income and IAS 19 Employee Benefits have been implemented in this Interim Report.

IAS 19 mean changes concerning the accounting for defined benefit pension schemes, for example:

- The possibility to phase actuarial gains and losses as a part of the corridor cannot be used, but these are to be accounted for currently in other comprehensive income.
- Changes in the obligation that relate to changes in actuarial assumptions are accounted for in other comprehensive income.

The changes to IAS 19 mean that:

- The present value of the defined benefit obligation is fully booked in the statement of financial position which result in a decreased deferred tax liability.
- The net of these two amounts is booked as a reduction of equity as a change in accounting principles per January 1, 2012.
- As a consequence of this the comparison figures for 2012 have been changed.
- From January 1 2012 the actuarial gains and losses are reported currently in other comprehensive income.
- None of these actuarial items will ever be reported in operating income, but will instead remain in other comprehensive income.
- The impact on other comprehensive income can as a result become substantial between the years.

Consolidated comprehensive income and financial position has been affected as follows:

Consolidated Statement of comprehensive income, MSEK	Q 1-4 2012*
Items that will subsequently not be reclassified to net income:	
Revaluation of defined benefit obligation	0.1

* Since the actuarial valuations are made annually only the comprehensive income for the fourth quarter 2012 has been affected.

Consolidated financial position, MSEK	30 September 2012	31 December 2012	Opening balance 1 January 2012
Increase of defined benefit obligation	5.0	5.0	5.4
Decrease of deferred tax liabilities	-1.1	-1.1	-1.4
Decrease of equity	3.9	3.9	4.0

Key ratios

The Group	Q 3 2013	Q 3 2012	Q 1-3 2013	Q 1-3 2012*	12 months ongoing*	Q 1-4 2012*
Net turnover, MSEK	172.1	169.9	556.9	624.3	718.6	786.0
Income before depreciation, MSEK	0.8	6.7	11.1	43.9	25.4	58.2
Operating income/loss, MSEK	-3.9	1.6	-7.5	23.7	-1.1	30.1
Operating margin, %	-2.3	0.9	-1.3	3.8	-0.2	3.8
Income after financial items, MSEK	-5.3	-0.3	-11.7	18.0	-6.7	23.0
Profit margin, %	-3.1	-0.2	-2.1	2.9	-0.9	2.9
Return on equity, %	-9.6	-0.5	-6.9	10.7	0.5	13.6
Return on capital employed, %	-5.3	2.2	-3.4	10.3	-0.2	10.3
Cash flow from operating activities, MSEK	19.9	-4.6	6.3	20.0	37.5	51.2
Investments, MSEK	4.6	2.4	12.6	10.7	15.2	13.3
Liquidity reserve, MSEK	-	-	98.7	75.4	-	105.2
Net debt, MSEK	-	-	111.6	142.9	-	104.8
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	113.7	145.2	-	106.5
Net debt/equity ratio	-	-	0.66	0.84	-	0.59
Total assets, MSEK	-	-	478.7	513.3	-	448.7
Equity ratio, %	-	-	35.5	33.0	-	39.9
Capital turnover	2.3	2.2	2.6	2.7	2.4	2.6
Proportion of risk-bearing capital, %	-	-	41.3	41.8	-	46.5
Interest coverage ratio	-2.7	0.9	-1.6	4.0	-0.1	4.0
Average number of employees	339	379	334	367	331	355
Net turnover per employee (average), TSEK	507	448	1 667	1 701	2 171	2 214
Income after fin, per employee (average), TSEK	-16	-1	-35	49	-20	65
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	-0.85	-0.04	-1.83	2.67	0.16	4.66
Equity per share, SEK	-	-	34.73	35.15	-	37.05

*Restated to the new IAS 19, see page 8.

Definitions are given in ProfilGruppen's Annual Report 2012. 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 18.1 (16.8) and comprised by payments for rents and services from companies in the Group. Profit/loss after financial items amounted to MSEK 55,5 (19.0). The result of the period has been affected by received dividend amounting to MSEK 80.0 (0.0), as well as an impairment of shares in subsidiary to the amount of MSEK 35.0.

There were no investments made in the parent company during the first three months. As of the end of the year 2012 one of the company's properties is leased out. In accordance to the agreement the tenant has the right to purchase the property at any time but the property is still in the Balance sheet of the parent company.

The parent company's interest-bearing liabilities amounted to MSEK 26.0 (35.9) as of 30 September 2013. 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 2012 annual report.

No significant related transactions apart from above mentioned transactions with subsidiaries have been implemented during the period.

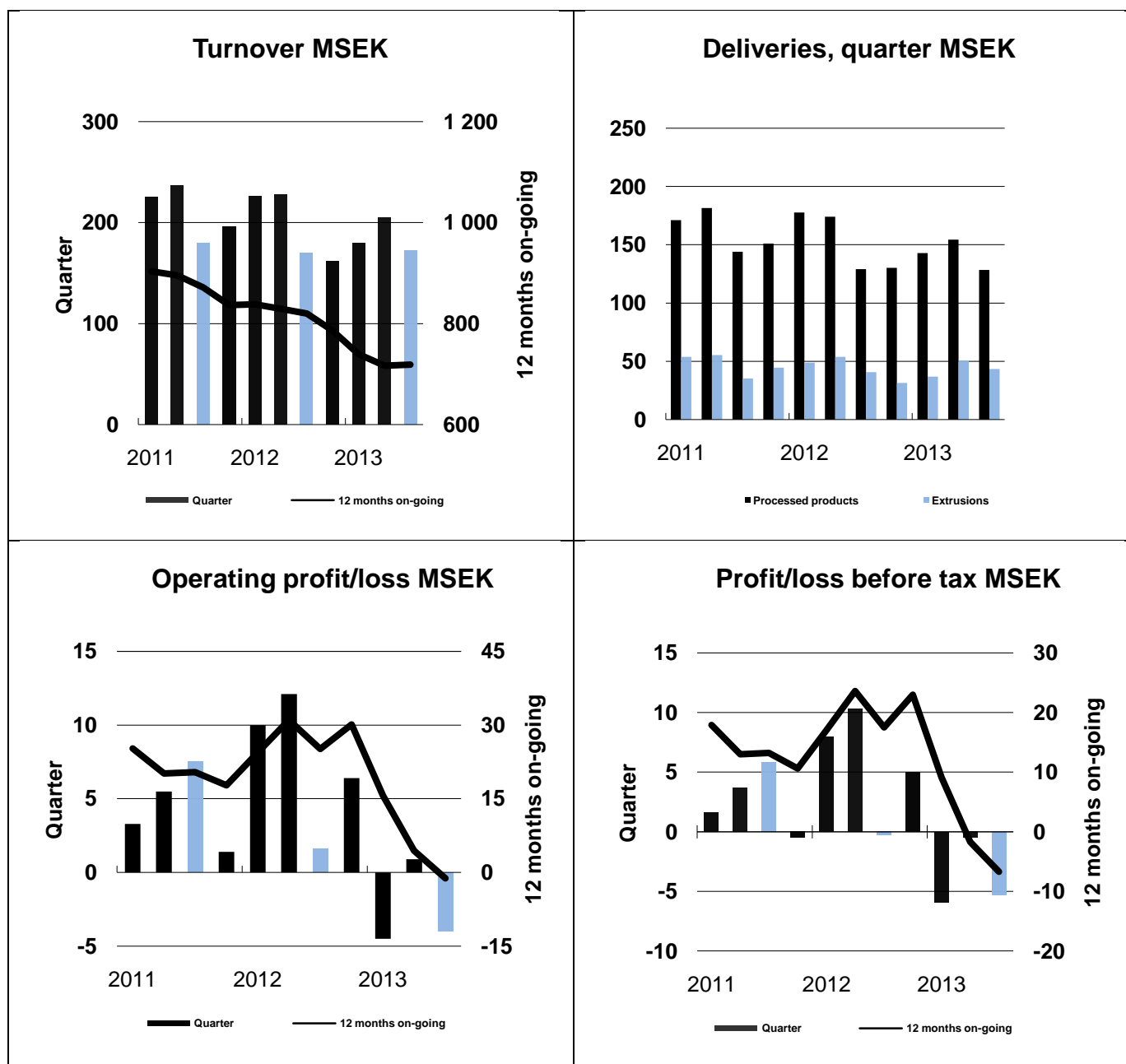
Income Statement – the parent company

Parent company, MSEK	Q 3 2013	Q 3 2012	Q 1-3 2013	Q 1-3 2012	Q 1-4 2012
Turnover	6.1	6.1	18.1	16.8	23.0
Cost of goods sold	-0.7	-0.7	-2.6	-2.6	-3.6
Gross margin	5.4	5.4	15.5	14.2	19.4
Other operating revenues	0.0	5.7	0.9	9.4	9.4
Administrative expenses	-1.0	-1.7	-3.3	-3.4	-5.1
Other operating expenses	0.0	0.0	0.0	0.0	0.0
Operating income	4.4	9.4	13.1	20.2	23.7
Result from shares in group companies	45.0	0.0	45.0	0.0	0.0
Interest income	0.1	0.1	0.1	0.3	0.3
Interest expenses	-0.9	-0.5	-2.7	-1.5	-5.0
Income after financial items	48.6	9.0	55.5	19.0	19.0
Appropriations	0.0	0.0	0.0	0.0	-1.0
Income before tax	48.6	9.0	55.5	19.0	18.0
Tax	-0.8	-2.4	-2.4	-5.1	-4.2
Net income for the period	47.8	6.6	53.1	13.9	13.8

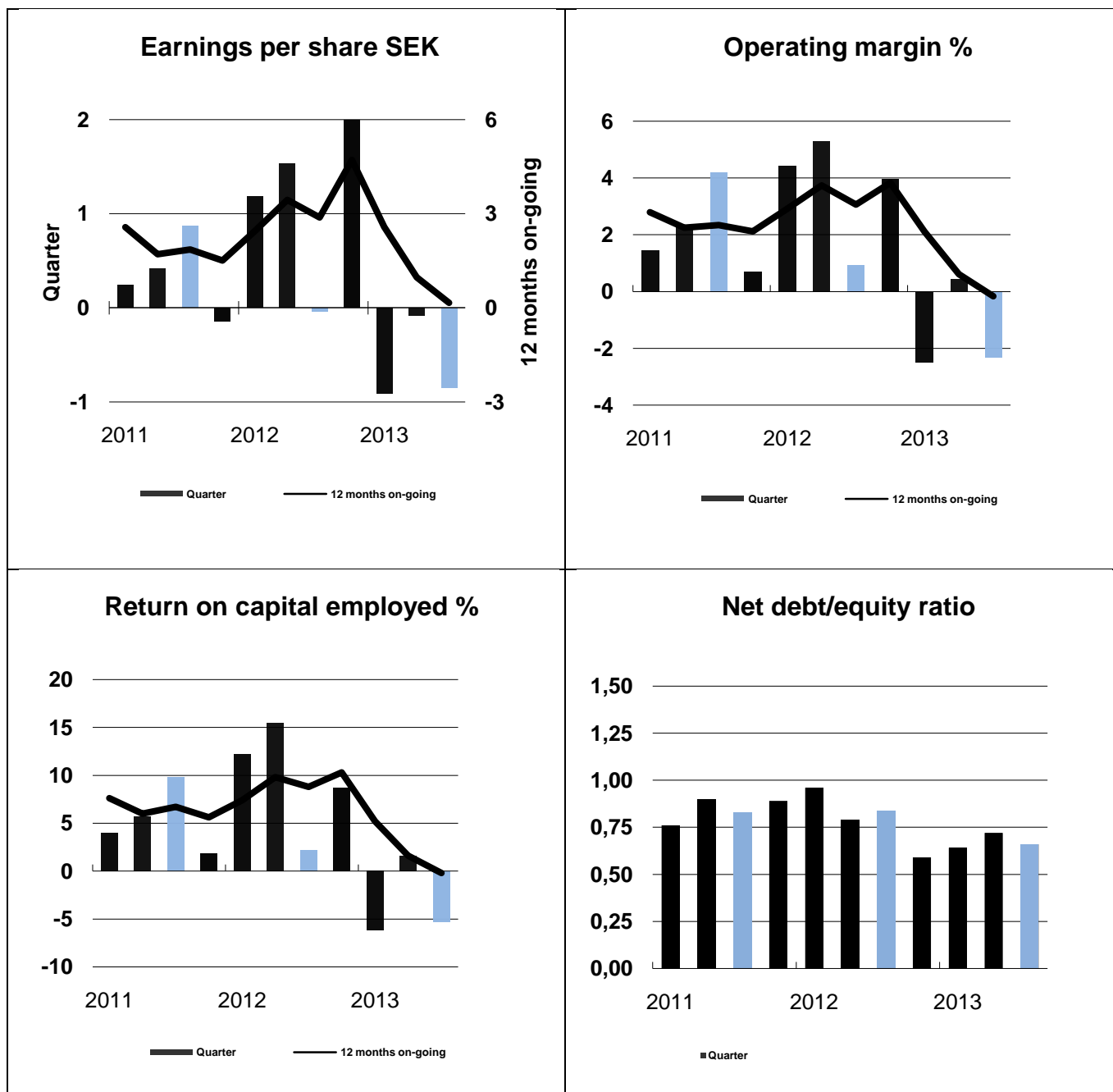
Balance sheet – the parent company

Parent company, MSEK	30 September 2013	30 September 2012	31 December 2012
Assets			
Tangible assets			
Tangible fixed assets	89.4	92.8	91.8
Financial assets	73.9	108.9	108.9
Total fixed assets	163.3	201.7	200.7
Current assets			
Current receivables	3.0	3.7	1.0
Cash and bank balances	0.4	0.4	0.4
Total current assets	3.4	4.1	1.4
Total assets	166.7	205.8	202.1
Equity and liabilities			
Equity	106.9	54.0	53.8
Untaxed reserves	24.1	23.1	24.1
Provisions for taxes	3.1	3.4	3.0
Long-term liabilities	9.0	18.5	16.3
Current liabilities	23.6	106.8	104.9
Total equity and liabilities	166.7	205.8	202.1

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 2012 49 percent 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 also takes place at the company's own facilities.
- 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.