

Interim report January 1 – September 30 2012

Åseda, October 22, 2012

Measures taken in a weak market

Third quarter

- Turnover MSEK 169.9 (179.3), down 5 percent compared to previous year
- Operating profit MSEK 1.6 (7.5) after one-off items amounting to net MSEK 5.7. Last year's result was affected by one-off charges of net MSEK -1.5 and insurance compensation of MSEK 12.4.
- Net income MSEK -0.2 (4.3)
- Cash flow from current operations after one-off items MSEK -4.6 (27.4)
- Earnings per share SEK -0.04 (0.87)

First nine months

- Turnover MSEK 624.3 (641.2), down 3 percent from previous year
- Operating profit MSEK 23.7 (16.3) after one-off items amounting to net MSEK 9.3. Last year's result was affected by one-off charges of MSEK -4.9 and insurance compensation of MSEK 15.0.
- Net income MSEK 13.2 (8.1)
- Cash flow from current operations after one-off items MSEK 20.0 (28.1).
- Earnings per share SEK 2.67 (1.65)

Anders Frisinger, President and CEO of ProfilGruppen, says:

"The third quarter has been characterised by weak demand. The strengthening of the Swedish krona has had a negative impact on competitiveness and earnings. In order to safeguard our result we have among other things chosen to reduce the working hours for all employees which will give us an advantage once the demand returns by maintaining the competence in the company.

The announced merger between Sapa and Hydro will create a new market situation.

The final negotiation with the insurance company regarding the fire that hit us last year was carried out in October and is expected to have a positive impact on the fourth quarter's result by approximately MSEK 19."

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 7-15. 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, 2012

Market

The European market for aluminium extrusions has continued to weaken also in the third quarter 2012. In the transportation segment also the automotive sub-segment is affected by the downturn, although the decline is smaller than the decrease of car production itself, thanks to the ongoing material substitution towards aluminium and mix shift towards car models with higher aluminium contents. Compared to the corresponding period previous year, the building and construction segment is showing stable volumes in most markets in northern Europe.

In the latest forecast from the European Aluminium Association (EAA), the market for aluminium extrusions is assessed to have decreased by approximately 10 percent in the first three quarters of 2012 compared to the corresponding period 2011.

The price of aluminium raw material on London Metal Exchange (LME) has increased by 14 percent during the third quarter and amounted to slightly more than USD 2 100 per ton at the end of the quarter, which is however slightly more than five percent lower than at the corresponding time previous year.

Turnover

The turnover of the Group amounted to MSEK 624.3 (641.2), a decrease by 3 percent compared to the previous year. The delivery volume was 14,850 tonnes (14,500) of aluminium extrusions, an increase by 2 percent compared to the previous year.

The share of exports decreased to 49 percent (51) of volume, and 48 percent (50) of turnover.

Turnover per country, MSEK	Q 3 2012	Q 3 2011	Q 1-3 2012	Q 1-3 2011	12 months ongoing	Q 1-4 2011
Sweden	90.0	93.7	320.2	321.4	422.9	424.1
Germany	21.6	22.1	79.0	86.9	104.2	112.1
Norway	16.5	11.8	64.1	44.7	79.5	60.1
Denmark	8.0	5.5	26.2	26.6	32.9	33.3
Poland	10.8	16.1	54.4	67.3	68.0	80.9
United Kingdom	4.0	10.1	21.8	33.5	33.6	45.3
Other countries	19.0	20.0	58.6	60.8	78.7	80.9
TOTAL	169.9	179.3	624.3	641.2	819.8	836.7

Income from the Swedish market decreased by four percent for the third quarter 2012 compared to the corresponding period previous year. Income from the building and construction segment showed a continued increase by approximately 20 percent and the general engineering segment had an increase by nearly 16 percent. However, income from the transportation segment fell by six percent and income from the electrical engineering segment showed a decrease by slightly more than 26 percent, all compared to the corresponding period previous year.

Income from the export markets decreased by slightly less than seven percent for the third quarter compared to the corresponding period last year. However, deliveries to Denmark and Norway increased by as much as 45 and 40 percent respectively, related to strong demand from individual customers in the transportation segment. Deliveries to the United Kingdom and Poland decreased by 60 and 33 percent respectively, mainly related to the phasing out of a former customer. The deliveries to Germany stayed relatively stable with a decrease just over two percent compared to previous year.

Turnover per sector, MSEK	Q 3 2012	Q 3 2011	Q 1-3 2012	Q 1-3 2011	12 months ongoing	Q 1-4 2011
Electrical engineering	30.0	38.5	110.8	128.4	145.2	162.8
Transportation	55.6	60.9	223.1	222.0	289.9	288.8
Building and construction	31.5	25.1	99.8	93.2	129.4	122.8
Domestic and office equipment	14.4	16.3	48.2	57.1	67.3	76.2
General engineering	24.5	24.8	92.1	92.2	121.1	121.2
Other industries	13.9	13.7	50.3	48.3	66.9	64.9
TOTAL	169.9	179.3	624.3	641.2	819.8	836.7

Income from the building and construction segment shows a substantial increase, slightly more than 25 percent, for the third quarter compared to the corresponding period previous year. However, deliveries to the transportation segment show a decrease by slightly less than nine percent while deliveries to the electrical engineering have decreased by 22 percent. The general engineering segment shows relatively stable development with a decrease of just over one percent.

During the period, the Group manufactured 14,950 tonnes (14,300) of aluminium extrusions.

Comments on profit

The operating profit/loss for the first nine months amounted to MSEK 23.7 (16.3), which is equivalent to an operating margin of 3.8 percent (2.5). This year's result has been positively affected by one-off items of net MSEK 9.3. Last year's result was affected by one-off costs of MSEK -4.9 and insurance compensation of MSEK 15.0, which formed an installment for the production loss caused by the fire in the second quarter 2011.

The profit/loss after financial items amounted to MSEK 18.0 (11.1). The profit/loss after tax amounted to MSEK 13.2 (8.1).

Earnings per share totalled SEK 2.67 (1.65). The average number of shares in thousands was 4,933 (4,933).

The return on capital employed amounted to 9.8 percent (7.0).

The third quarter

Turnover amounted to MSEK 169.9 (179.3). The delivery volume in the quarter was 4,100 tonnes (4,000) of aluminium extrusions, and production was 4,000 tonnes (3,750). The share of exports amounted to 47 percent (47) of volume, and 43 percent (50) of turnover.

The operating profit for the third quarter amounted to MSEK 1.6 (7.5). The result was positively affected by one-off items amounting to net MSEK 5.7. Previous year was affected by one off costs amounting to MSEK -1.5 and insurance compensation amounting to MSEK 12.4.

The profit after financial items amounted to MSEK -0.3 (5.8). Earnings per share totalled SEK -0.04 (0.87)

Other events during the third quarter

As stated in the press release 24 September Torgny Prior, representing Prior & Nilsson Fond och Kapitalförvaltning, resigned from the company's Nomination Committee, which is otherwise

unchanged. The change was prompted by Prior & Nilsson Fond och Kapitalförvaltning's divestment of its entire holding in ProfilGruppen.

Events after the financial period

The final negotiation with the insurance company regarding the fire that hit ProfilGruppen last year was carried out in October and is expected to have a positive impact on the fourth quarter's result by approximately MSEK 19.

On 1 October the number of temporary workers was reduced by 25. At the same time an agreement on reduction of working hours for both white collar and blue collar employees was made.

Investments

Investments during the first three quarters amounted to MSEK 10.7 (23.5).

Financing and liquidity

Cash flow from current operations including one-off items amounted to MSEK 20.0 (28.1) and cash flow after investments was MSEK 7.0 (4.1).

The cash flow from current operations one-off items amounted for the third quarter amounted to MSEK -4.6 (27.4).

The balance sheet total as of 30 September 2012 was MSEK 513.3 (551.9).

Net debt amounted to MSEK 137.5 (133.0) as of 30 September 2012 and the net debt/equity ratio was 0.79 (0.83).

Personnel

The average number of Group employees during the period was 367 (391). The number of Group employees as of 30 September 2012 totalled 349 (384).

Significant risks and uncertain factors

The company's risks and risk management have not changed significantly since the publishing of the 2011 annual report.

Outlook for 2012

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

Change in company management

Anders Frisinger assumed the position as new President and CEO 1 July 2012 in accordance with a press release from 5 March 2012.

Year-end report and Annual General Meeting

The Year-end report for 2012 will be published 26 February 2013 at 14.00 CET.

The AGM 2013 will take place 11 April 2013 at 15.00 CET. All shareholders will then be welcome at Folkets Hus in Åseda.

The Nomination Committee for the AGM 2013 consists of Lars Johansson (chairman), Carl Östring, Gunnel Smedstad and Eva Färnstrand. 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-360 70 Åseda, Sweden, by February 15, 2013 at the latest.

Åseda, October 22, 2012

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

**Auditor's Review Report on interim financial statements for ProfilGruppen AB (publ) Org
no 556277-8943**

To the Board of Directors / Managing Director of ProfilGruppen AB (publ).

Introduction

We reviewed the accompanying balance sheet of ProfilGruppen AB (publ) for the period from January 1, 2012 to September 30, 2012 and the related summary of income, changes in equity and cash-flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity", issued by the Swedish Federation of Authorized Public Accountants. A review of interim financial information 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 consequently does 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 accompanying interim financial information does not give a true and fair view, the financial position of the entity as at September 30, 2012, and its financial performance and its cash flows for the nine-month period then ended, for the group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Växjö, October 22, 2012
Ernst & Young AB

Kerstin Mouchard
Certified Public Accountant

Statement of comprehensive income

The Group, MSEK	Q 3 2012	Q 3 2011	Q 1-3 2012	Q 1-3 2011	12 months ongoing	Q 1-4 2011
Net turnover	169.9	179.3	624.3	641.2	819.8	836.7
Cost of goods sold	-159.6	-169.7	-560.3	-572.3	-742.6	-754.6
Gross margin	10.3	9.6	64.0	68.9	77.2	82.1
Other operating revenues	5.8	47.2	9.7	47.2	20.7	58.2
Selling expenses	-7.9	-13.5	-27.8	-42.4	-40.0	-54.6
Administrative expenses	-6.6	-14.2	-22.2	-35.8	-30.8	-44.4
Other operating expenses	0.0	-21.6	0.0	-21.6	-2.0	-23.6
Operating profit/loss	1.6	7.5	23.7	16.3	25.1	17.7
Financial income	0.1	0.2	0.3	0.3	0.3	0.3
Financial expenses	-2.0	-1.9	-6.0	-5.5	-7.9	-7.4
Net financial income/expense	-1.9	-1.7	-5.7	-5.2	-7.6	-7.1
Income after financial items	-0.3	5.8	18.0	11.1	17.5	10.6
Tax	0.1	-1.5	-4.8	-3.0	-4.9	-3.1
Net income for the period	-0.2	4.3	13.2	8.1	12.6	7.5
Other comprehensive income						
Changes in hedging reserve	-0.7	-2.4	-1.0	-7.5	0.5	-6.0
Translation differences	-0.2	0.0	-0.2	0.1	-0.3	0.0
Other, reported directly against equity	0.0	0.0	0.0	0.0	0.0	0.0
Comprehensive income for the period	-1.1	1.9	12.0	0.7	12.8	1.5
Earnings per share (before and after dilution), SEK	-0.04	0.87	2.67	1.65	2.53	1.51
Average number of shares, thousands	4 933	4 933	4 933	4 933	4 933	4 933
Depreciation and write- down of fixed assets						
Intangible fixed assets	0.1	0.0	0.4	0.0	0.4	0.0
Land and buildings	0.7	2.0	2.7	4.0	3.7	5.0
Machinery and equipment	4.3	5.9	17.1	20.0	23.0	25.9
Total	5.1	7.9	20.2	24.0	27.1	30.9
of which write-down	0.0	2.7	0.0	2.7	0.0	2.7

Statement of financial position

The Group, MSEK	30 September 2012	30 September 2011	31 December 2011
Assets			
Fixed assets			
Intangible fixed assets	13.6	10.0	10.0
Tangible fixed assets	230.7	243.6	244.1
Financial fixed assets	0.2	0.2	0.2
Total fixed assets	244.5	253.8	254.3
Current assets			
Inventories	115.7	115.3	115.6
Current receivables	150.7	180.4	141.3
Liquid assets	2.4	2.4	1.9
Total current assets	268.8	298.1	258.8
Total assets	513.3	551.9	513.1
Shareholders' equity and liabilities			
Shareholders' equity	173.4	160.6	161.4
Long-term liabilities			
Interest-bearing liabilities	59.4	71.9	67.9
Interest-free liabilities	46.4	46.5	42.0
Total long-term liabilities	105.8	118.4	109.9
Short-term liabilities			
Interest-bearing liabilities	80.4	63.5	78.1
Interest-free liabilities	153.7	209.4	163.7
Total short-term liabilities	234.1	272.9	241.8
Total shareholders' equity and liabilities	513.3	551.9	513.1
Pledged assets and contingent liabilities			
Property mortgages	84.8	84.8	84.8
Floating charges	174.0	174.0	174.0
Shares in subsidiaries	193.4	205.8	195.9
Trade receivables pledged as collateral	107.6	121.0	101.4
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 2012	Q 3 2011	Q 1-3 2012	Q 1-3 2011	Q 1-4 2011
Opening balance	174.5	158.7	161.4	167.3	167.3
Dividend	0.0	0.0	0.0	-7.4	-7.4
Comprehensive income for the period	-1.1	1.9	12.0	0.7	1.5
Closing balance	173.4	160.6	173.4	160.6	161.4

Statement of cash flows

The Group, MSEK	Q 3 2012	Q 3 2011	Q 1-3 2012	Q 1-3 2011	12 months ongoing	Q 1-4 2011
Operating cash flow ¹⁾	2.5	12.8	29.2	31.7	33.5	36.0
Working capital changes	-7.1	14.6	-9.2	-3.6	-20.0	-14.4
Cash flow from operating activities	-4.6	27.4	20.0	28.1	13.5	21.6
Cash flow from investing activities	-2.4	-18.8	-13.0	-24.0	-18.4	-29.4
Cash flow from financing activities	7.6	-37.3	-5.6	-45.1	6.1	-33.4
Cash flow for the period	0.6	-28.7	1.4	-41.0	1.2	-41.2
Liquid assets, opening balance	2.5	31.0	1.9	43.2	2.4	43.2
Translation differences in liquid assets	-0.7	0.1	-0.9	0.2	-1.2	-0.1
Liquid assets, closing balance	2.4	2.4	2.4	2.4	2.4	1.9

¹⁾ Cash flow from operating activities after one-off items and 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	Q3 2012	Q3 2011	Q 1-3 2012	Q 1-3 2011	12 months ongoing	Q 1-4 2011
Net turnover, MSEK	169.9	179.3	624.3	641.2	819.8	836.7
Income before depreciation, MSEK	6.7	15.4	43.9	40.3	52.2	48.6
Operating income/loss, MSEK	1.6	7.5	23.7	16.3	25.1	17.7
Operating margin, %	0.9	4.2	3.8	2.5	3.1	2.1
Income after financial items, MSEK	-0.3	5.8	18.0	11.1	17.5	10.6
Profit margin, %	-0.2	3.2	2.9	1.7	2.1	1.3
Return on equity, %	-0.4	10.8	10.5	6.6	7.5	4.5
Return on capital employed, %	2.2	9.8	10.3	7.0	8.3	5.6
Cash flow from operating activities, MSEK	-4.6	27.4	20.0	28.1	13.5	21.6
Investments, MSEK	2.4	18.6	10.7	23.5	18.4	31.2
Liquidity reserve, MSEK	-	-	75.4	101.6	-	68.0
Net debt, MSEK	-	-	137.5	133.0	-	144.1
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	139.8	135.4	-	146.0
Net debt/equity ratio	-	-	0.79	0.83	-	0.89
Total assets, MSEK	-	-	513.3	551.9	-	513.1
Equity ratio, %	-	-	33.8	29.1	-	31.5
Capital turnover	2.2	2.3	2.7	2.7	2.7	2.6
Proportion of risk-bearing capital, %	-	-	42.8	37.5	-	39.6
Interest coverage ratio	0.9	4.2	4.0	3.0	3.2	2.4
Average number of employees	379	395	367	391	369	391
Net turnover per employee (average), TSEK	448	454	1 701	1 639	2 222	2 140
Income after fin, per employee (average), TSEK	-1	15	49	28	47	27
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	-0.04	0.87	2.67	1.65	2.53	1.51
Equity per share, SEK	-	-	35.15	32.57	-	32.72

Definitions are given in ProfilGruppen's Annual Report 2011. 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 16.8 (18.6) and comprised payments for rents and services from companies in the Group. Profit/loss after financial items amounted to MSEK 19.0 (7.9).

There were no investments made in the parent company during the first nine months. During the same period last year investments amounting to MSEK 3.0 were made in real estate. The parent company's interest-bearing liabilities amounted to MSEK 35.9 (45.0) as of 30 September 2012. 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 2011 annual report.

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

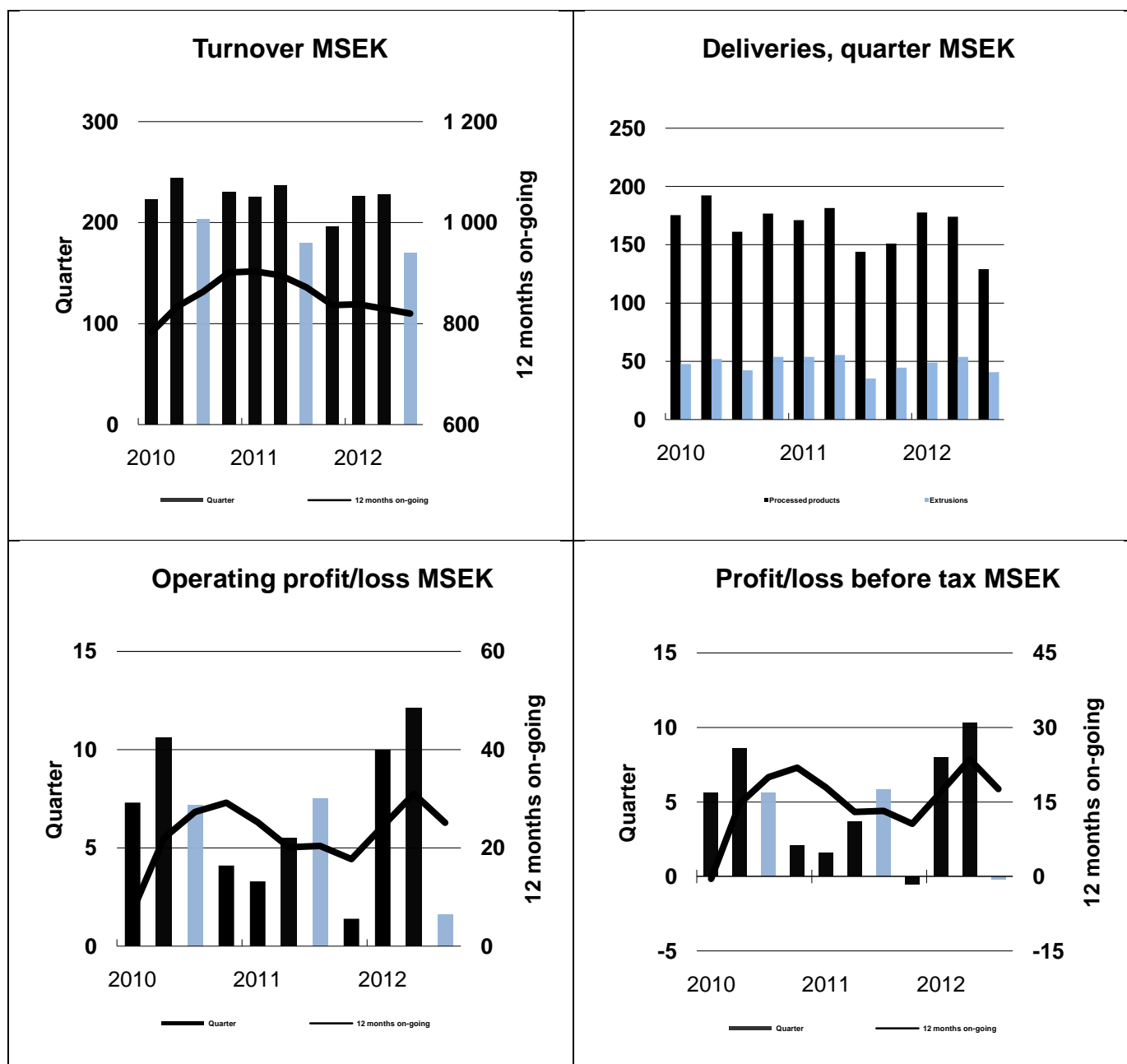
Income Statement – the parent company

Parent company, MSEK	Q 3 2012	Q 3 2011	Q 1-3 2012	Q 1-3 2011	Q 1-4 2011
Turnover	6.1	6.1	16.8	18.6	24.3
Cost of goods sold	-0.7	-0.7	-2.6	-2.6	-4.8
Gross margin	5.4	5.4	14.2	16.0	19.5
Other operating revenues	5.7	1.4	9.4	1.4	2.8
Administrative expenses	-1.7	-1.9	-3.4	-7.0	-8.4
Other operating expenses	0.0	-1.3	0.0	-1.3	0.0
Operating income	9.4	3.6	20.2	9.1	13.9
Interest income	0.1	0.0	0.3	0.0	4.0
Interest expenses	-0.5	-0.4	-1.5	-1.2	-5.2
Income after financial items	9.0	3.2	19.0	7.9	12.7
Appropriations	0.0	0.0	0.0	0.0	1.7
Income before tax	9.0	3.2	19.0	7.9	14.4
Tax	-2.4	-0.9	-5.1	-2.2	-3.9
Net income for the period	6.6	2.3	13.9	5.7	10.5

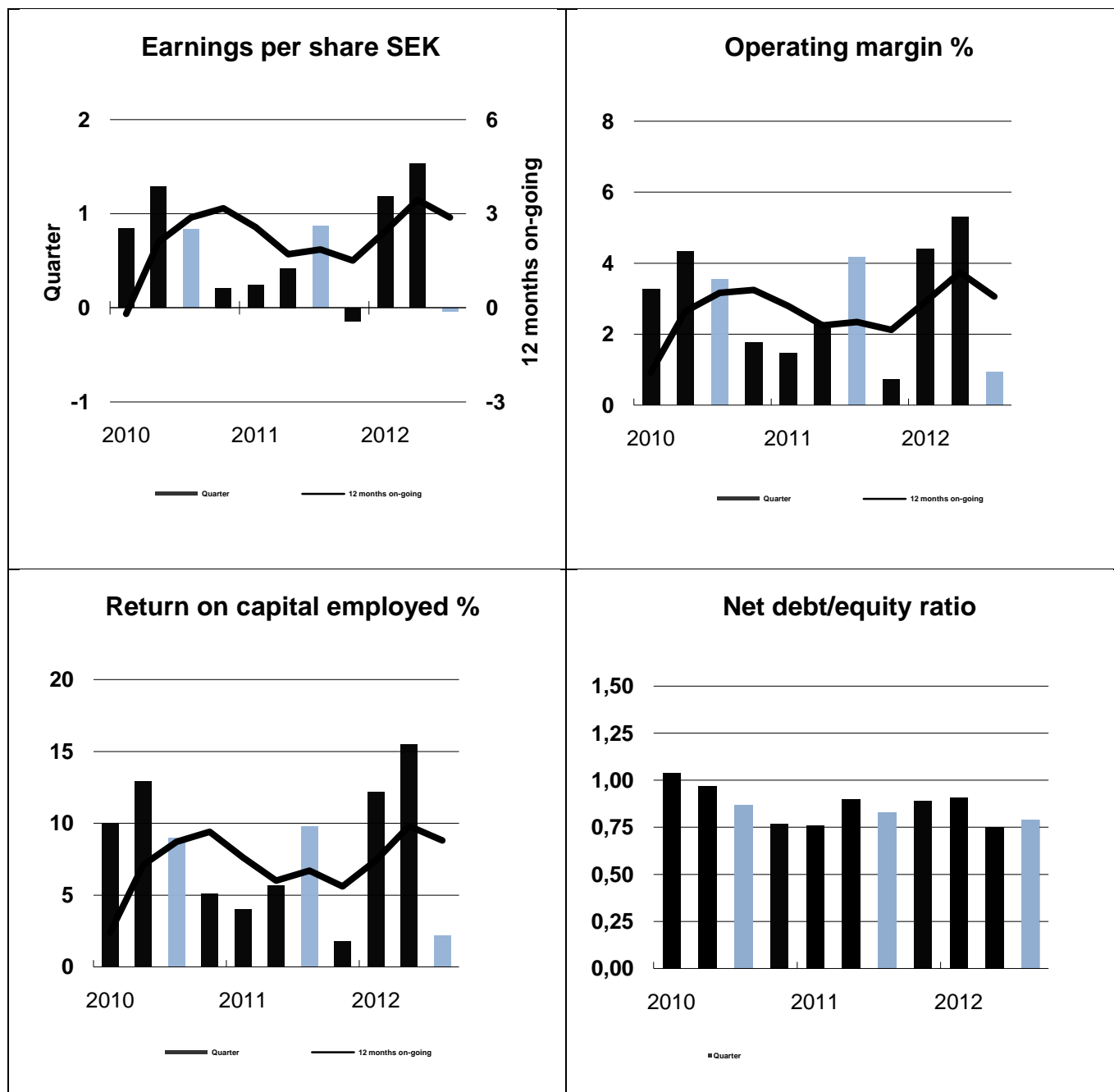
Balance sheet – the parent company

Parent company, MSEK	30 September 2012	30 September 2011	31 December 2011
Assets			
Tangible assets			
Tangible fixed assets	92.8	93.9	95.3
Financial assets	108.9	108.9	108.9
Total fixed assets	201.7	202.8	204.2
Current assets			
Current receivables	3.7	5.1	1.4
Cash and bank balances	0.4	0.4	0.4
Total current assets	4.1	5.5	1.8
Total assets	205.8	208.3	206.0
Equity and liabilities			
Equity	54.0	35.3	40.0
Untaxed reserves	23.1	24.8	23.1
Provisions for taxes	3.4	2.9	3.3
Long-term liabilities	18.5	28.0	25.8
Current liabilities	106.8	117.3	113.8
Total equity and liabilities	205.8	208.3	206.0

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.