

Year-end report January 1 – December 31, 2013

Åseda, 25 February 2014

Continued weak demand and margin pressure

Forth quarter

- Turnover MSEK 173.1 (161.7), up 7 percent compared to previous year
- Operating profit MSEK -12.5 (6.4). Previous year was affected by positive one time items amounting to MSEK 17.8.
- Net income MSEK -11.5 (9.8)
- Cash flow from ongoing operations MSEK -16.3 (31.2)
- Earnings per share SEK -2.32 (1.99)

Year

- Turnover MSEK 730.0 (786.0), down 7 percent compared to previous year
- Operating profit MSEK -20.0 (30.1), after positive one time items amounting to MSEK 0.9 (27.2).
- Net income MSEK -20.5 (23.0)
- Cash flow from ongoing operations MSEK -10.0 (51.2)
- Earnings per share SEK -4.16 (4.66)

Kåre Wetterberg, acting CEO of ProfilGruppen, comments:

"The demand on the domestic market during forth quarter continued weak, which was compensated with increased sales on the export market. Parts of these sales were made to margin pressure that negatively affected the earnings for the quarter. Our long term work on the market side, with extra focus on Sweden, continues and beginning to show result in form of new customers. A highlight for the company is the order to Volvo Cars, which we recently announced."

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

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Year-end report from ProfilGruppen AB (publ), January 1 – December 31, 2013

Market

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

In the latest forecast from the European Aluminium Association (EAA), the aluminium extrusions market in Europe was assessed to have decreased by approximately 4 percent during 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 1 percent during the fourth quarter and was amounted to approximately USD 1 785 per ton at the end of the quarter, which is 12 percent lower than at the corresponding time previous year. Since the year-end we note a significant increase of the premium for extrusion billets, which makes higher prices necessary.

Turnover

The turnover for the Group 2013 was amounted to MSEK 730.0 (786.0), a decrease by 7 percent compared to the previous year. The delivered volume was 18,750 tonnes (18,700) of aluminium extrusions.

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

Deliveries to the Swedish market increased by 10 percent for the fourth quarter 2013 compared to the corresponding period previous year, which mainly relates to an increase within all segments except for the wholesale sector.

During 2013 the Group manufactured 18,600 tonnes (18,900) of aluminium extrusions.

Comments on profit

The operating loss for 2013 amounted to MSEK -20.0 (30.1), which is equivalent to an operating margin of -2.7 percent (3.8). The result was positively affected by one time items amounting to MSEK 0.9 (27.2), which is remuneration related to a former dispute. The decline in earnings, one time items aside, is explained by a less favourable product mix together with low capacity utilization.

The loss after financial items amounted to MSEK -26.0 (23.0). The loss after tax amounted to MSEK -20.5 (23.0).

Earnings per share totalled SEK -4.16 (4.66). The average number of shares in thousands was 4,933 (4,933).

The return on capital employed amounted to -6.8 percent (10.3).

The fourth quarter

The turnover amounted to MSEK 173.1 (161.7). The delivered volume of aluminium extrusions in the quarter was 4,500 tonnes (3,850), an increase of 17 percent compared to corresponding period

2012. Production was 4,400 tonnes (3,950). The share of exports amounted to 53 percent (49) of volume and 49 percent (47) of turnover.

The operating profit amounted to MSEK -12.5 (6.4). Last years results was positively affected by one-off items amounting to MSEK 17.8.

The loss after financial items amounted to MSEK -14.3 (5.0). Earnings per share totalled SEK -2.32 (1,99)

Investments

Investments during the year amounted to MSEK 15.1 (13.3).

Financing and liquidity

Cash flow from current operations amounted to MSEK -10.0 (51.2) and after investments MSEK -20.9 (44.8). The decrease is explained by weaker profit.

The cash flow from current operations for the forth quarter amounted to MSEK -16.3 (31.2).

The liquidity reserve as of 31 December 2013 amounted to 83.6 MSEK (105.2).

The balance sheet total as of 31 December 2013 was MSEK 451.2 (448.7).

Net debt amounted to MSEK 131.2 (104.8) as of 31 December 2013 and the net debt ratio was 0.83 (0.59).

Personnel

The average number of Group employees during the year was 333 (355). The number of Group employees as of 31 December 2013 totalled 323 (308).

Due to low demand ProfilGruppen reached an agreement during the fall with affected unions regarding reduced capacity and salary cost through a collective reduction of working hours. The action that gave an effect from mid October until the end of 2013 is now completed and all employees has returned to normal working hours.

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 2014

The outlook for 2014 is characterised by continued macroeconomic uncertainty.

Dividends

The board suggests that no dividends for year 2013 is made.

Significant events after the balance sheet date

January 29th 2014 it was announced that the president and CEO for ProfilGruppen Anders Frisinger had notified his resignation for family reasons. He left the company February 1st 2014. Kåre Wetterberg earlier Chairman of ProfilGruppen, stepped in as interim President the same day. He in return is temporarily replaced as Chairman by Board Member Bengt Stillström.

In February 2014 Skatteverket informed that the taxation 2008 was reviewed and ProfilGruppen accordingly has received a deduction of tax to the amount of MSEK 3.7. The amount will have a positive effect on tax in the first quarter 2014.

Annual General Meeting 2014

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

Dates for financial information

Financial information concerning 2014 will be provided quarterly.

Interim report, first quarter April 23 2014, 08.00 CET

Interim report, second quarter July 30 2014, 08.00 CET

Interim report, third quarter October 28 2014, 08.00 CET

Annual report

The annual report for 2013 will be available in the company's reception and on the company's website March 18th 2014 at the latest.

Åseda, February 25 2014

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

The Year-end report has not been audited.

Statement of comprehensive income

The Group, MSEK	Q 4 2013	Q 4 2012	Q 1-4 2013	Q 1-4 2012*
Net turnover	173.1	161.7	730.0	786.0
Cost of goods sold	-167.7	-156.2	-686.8	-716.5
Gross margin	5.4	5.5	43.2	69.5
Other operating revenues	0.0	20.8	0.9	30.5
Selling expenses	-11.7	-12.7	-39.3	-40.5
Administrative expenses	-6.2	-7.2	-24.8	-29.4
Operating profit/loss	-12.5	6.4	-20.0	30.1
Financial income	0.0	0.1	0.3	0.4
Financial expenses	-1.8	-1.5	-6.3	-7.5
Net financial income/expense	-1.8	-1.4	-6.0	-7.1
Income after financial items	-14.3	5.0	-26.0	23.0
Tax	2.8	4.8	5.5	0.0
Net income for the period	-11.5	9.8	-20.5	23.0
Other comprehensive income				
Items that will subsequently be reclassified to net income				
Changes in hedging reserve	-1.8	-0.5	-1.3	-1.5
Translation differences	0.2	0.0	0.0	-0.2
Other, reported directly against equity	0.2	0.0	0.0	0.0
Total	-1.4	-0.5	-1.3	-1.7
Items that will subsequently not be reclassified to net income				
Revaluation of defined benefit obligation	1.0	0.1	1.0	0.1
Comprehensive income for the period	-11.9	9.4	-20.7	21.4
Earnings per share (before and after dilution), SEK	-2.32	1.99	-4.16	4.66
Average number of shares, thousands	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	-0.4	0.0	0.0
Land and buildings	1.0	1.1	3.8	3.8
Machinery and equipment	5.9	7.2	21.7	24.3
Total	6.9	7.9	25.5	28.1
of which write-down	0.0	0.7	0.0	0.7

Statement of financial position

The Group, MSEK	31 December 2013	31 December 2012*
Assets		
Fixed assets		
Intangible fixed assets	10.0	10.0
Tangible fixed assets	207.3	218.7
Financial fixed assets	1.7	2.2
Total fixed assets	219.0	230.9
Current assets		
Inventories	107.7	106.0
Current receivables	122.2	110.1
Liquid assets	2.3	1.7
Total current assets	232.2	217.8
Total assets	451.2	448.7
Shareholders' equity and liabilities		
Shareholders' equity	158.1	178.8
Long-term liabilities		
Interest-bearing liabilities	55.6	61.6
Interest-free liabilities	24.1	29.9
Total long-term liabilities	79.7	91.5
Short-term liabilities		
Interest-bearing liabilities	77.9	44.9
Interest-free liabilities	135.5	133.5
Total short-term liabilities	213.4	178.4
Total shareholders' equity and liabilities	451.2	448.7
Pledged assets and contingent liabilities		
Property mortgages	84.8	84.8
Floating charges	170.0	174.0
Shares in subsidiaries	110.7	207.7
Trade receivables pledged as collateral	83.7	91.4
Guarantees for other companies	0.7	0.7
Guarantee commitments FPG/PRI	0.2	0.2

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

Statement of changes in equity

The Group, MSEK	Q 4 2013	Q 4 2012	Q 1-4 2013	Q 1-4 2012
Opening balance	170.0	169.4	178.8	157.4
Dividend	0.0	0.0	0.0	0.0
Comprehensive income for the period	-11.9	9.4	-20.7	21.4
Closing balance	158.1	178.8	158.1	178.8

Financial instruments, valued at fair value

in statement of financial position

The Group, MSEK	31 December 2013
Short-term receivables	
Currency derivatives	0.6
Short-term non interest-bearing liabilities	
Interest rate derivatives	2.1
Currency derivatives	2.5

Both interest rate- and currency derivatives are primarily used for hedge and are valued on level 2 according to IFRS 13.

Statement of cash flows

The Group, MSEK	Q 4 2013	Q 4 2012	Q 1-4 2013	Q 1-4 2012
Operating cash flow ¹⁾	-7.0	10.4	-4.6	39.6
Working capital changes	-9.3	20.8	-5.4	11.6
Cash flow from operating activities	-16.3	31.2	-10.0	51.2
Cash flow from investing activities	-1.0	6.6	-10.9	-6.4
Cash flow from financing activities	17.5	-38.9	21.4	-44.5
Cash flow for the period	0.2	-1.1	0.5	0.3
Liquid assets, opening balance	2.0	2.4	1.7	1.9
Translation differences in liquid assets	0.1	0.4	0.1	-0.5
Liquid assets, closing balance	2.3	1.7	2.3	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:

	Q 1-4 2012	
Consolidated Statement of comprehensive income, MSEK		
Items that will subsequently not be reclassified to net income:		
Revaluation of defined benefit obligation		0.1
	31 December 2012	1 January 2012
Consolidated financial position, MSEK		
Increase of defined benefit obligation	5.0	5.4
Decrease of deferred tax liabilities	-1.1	-1.4
Decrease of equity	3.9	4.0

Key ratios

The Group	Q 4 2013	Q 4 2012	Q 1-4 2013	Q 1-4 2012*
Net turnover, MSEK	173.1	161.7	730.0	786.0
Income before depreciation, MSEK	-5.6	14.3	5.5	58.2
Operating income/loss, MSEK	-12.5	6.4	-20.0	30.1
Operating margin, %	-7.2	4.0	-2.7	3.8
Income after financial items, MSEK	-14.3	5.0	-26.0	23.0
Profit margin, %	-8.3	3.1	-3.6	2.9
Return on equity, %	-28.0	22.6	-12.2	13.6
Return on capital employed, %	-17.3	8.7	-6.8	10.3
Cash flow from operating activities, MSEK	-16.3	31.2	-10.0	51.2
Investments, MSEK	2.5	2.6	15.1	13.3
Liquidity reserve, MSEK	-	-	83.6	105.2
Net debt, MSEK	-	-	131.2	104.8
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	133.5	106.5
Net debt/equity ratio	-	-	0.83	0.59
Total assets, MSEK	-	-	451.2	448.7
Equity ratio, %	-	-	35.0	39.9
Capital turnover	2.4	2.2	2.5	2.6
Proportion of risk-bearing capital, %	-	-	40.4	46.5
Interest coverage ratio	-6.9	4.1	-3.1	4.0
Average number of employees	335	321	333	355
Net turnover per employee (average), TSEK	517	504	2 192	2 214
Income after fin, per employee (average), TSEK	-43	15	-78	65
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	-2.32	1.99	-4.16	4.66
Equity per share, SEK	-	-	32.05	36.26

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

Definitions are given in ProfilGruppen's Annual Report. 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 24.2 (23.0) and comprised by 98 percent of payments for rents and services from companies in the Group. Profit after financial items amounted to MSEK 44.6 (19.0). The periods result was 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 (0.0). A Group contribution was given to a subsidiary of net MSEK 14.4 without an equivalent revaluation of the company's value.

No investments were made in the parent company during the year. As of the end of 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 24.3 (33.7) as of 31 December 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.

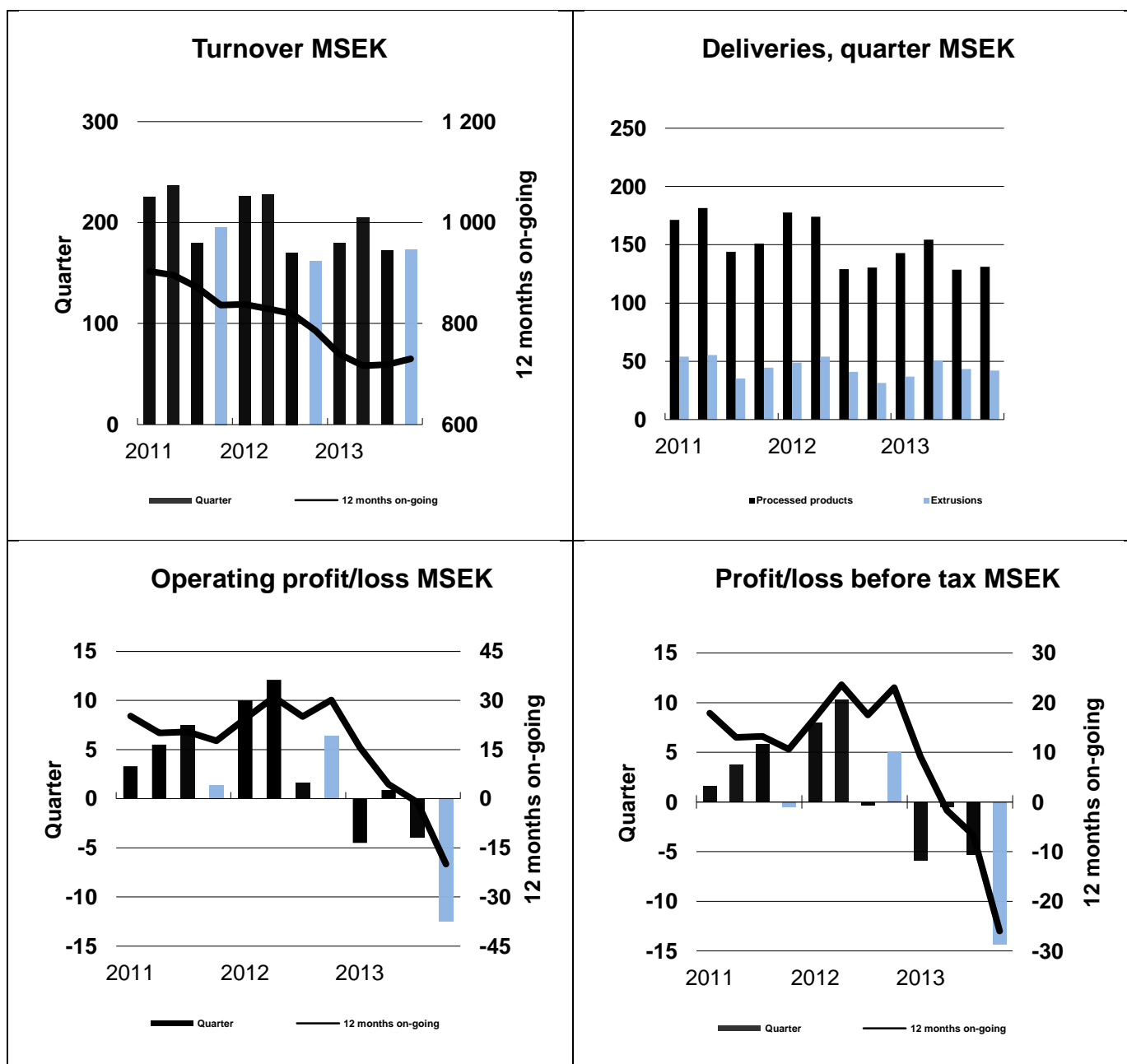
Income Statement – the parent company

Parent Company, MSEK	Q 4 2013	Q 4 2012	Q 1-4 2013	Q 1-4 2012
Turnover	6,1	6,2	24,2	23,0
Cost of goods sold	-1,1	-1,0	-3,7	-3,6
Gross Margin	5,0	5,2	20,5	19,4
Other operating revenues	0,0	0,0	0,9	9,4
Administrative expenses	-1,3	-1,7	-4,6	-5,1
Operating income	3,7	3,5	16,8	23,7
Result from shares in group companies	0,0	0,0	80,0	0,0
Interest income	0,0	0,0	0,1	0,3
Impairment of shares in group companies	-14,4	0,0	-49,4	0,0
Interest expenses	-0,2	-3,5	-2,9	-5,0
Income after financial items	-10,9	0,0	44,6	19,0
Appropriations	5,2	-1,0	5,2	-1,0
Income before tax	-5,7	-1,0	49,8	18,0
Tax	-1,9	0,9	-4,3	-4,2
Net income for the period	-7,6	-0,1	45,5	13,8

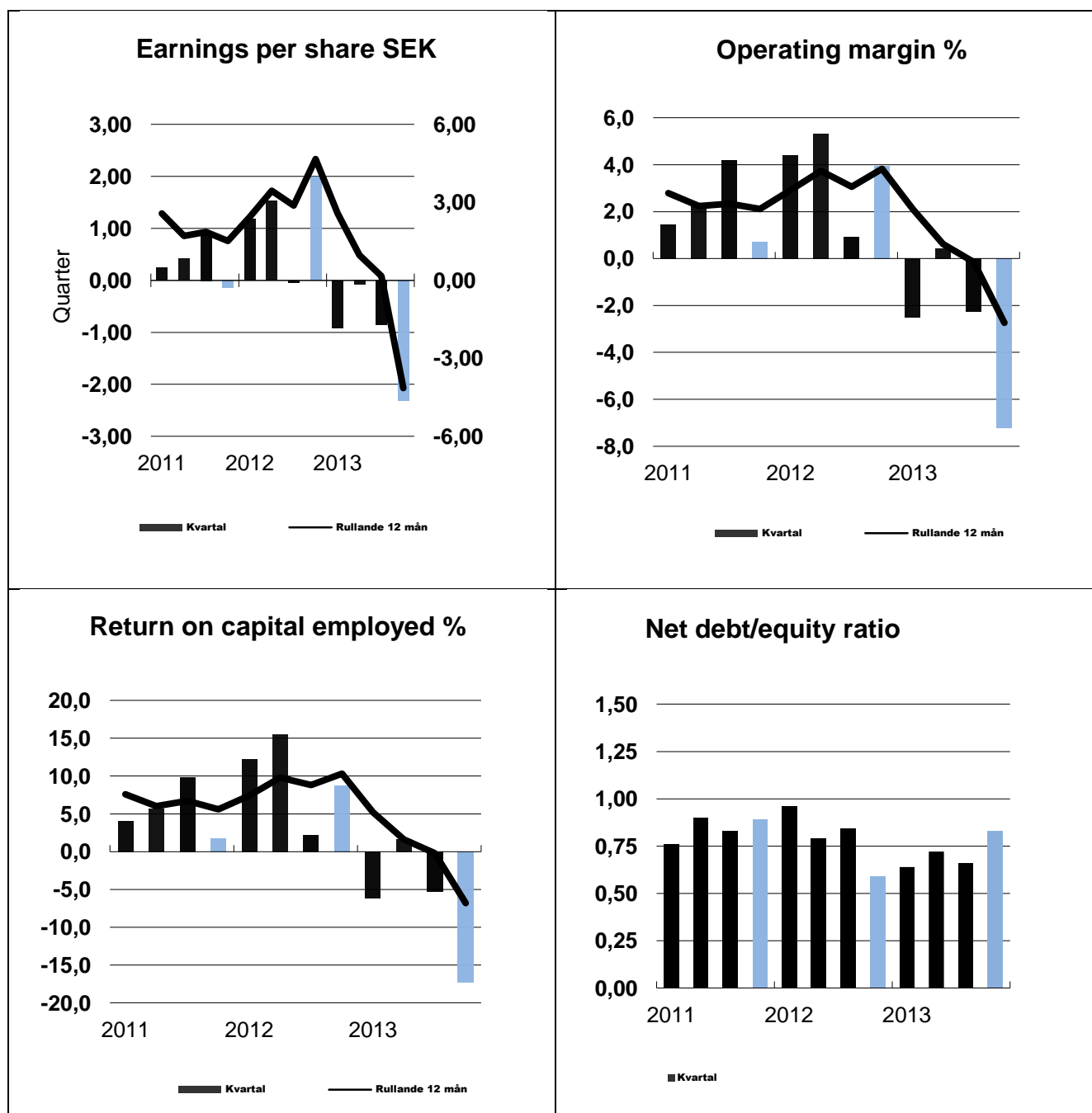
Balance sheet – the parent company

Parent company, MSEK	31 December 2013	31 December 2012
Assets		
Tangible assets		
Tangible fixed assets	88.7	91.8
Financial assets	73.9	108.9
Total fixed assets	162.6	200.7
Current assets		
Current receivables	4.0	1.0
Cash and bank balances	0.4	0.4
Total current assets	4.4	1.4
Total assets	167.0	202.1
Equity and liabilities		
Equity	99.3	53.8
Untaxed reserves	19.0	24.1
Provisions for taxes	3.2	3.0
Long-term liabilities	6.7	16.3
Current liabilities	38.8	104.9
Total equity and liabilities	167.0	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 2013 the share of export was 49 percent.
- 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.