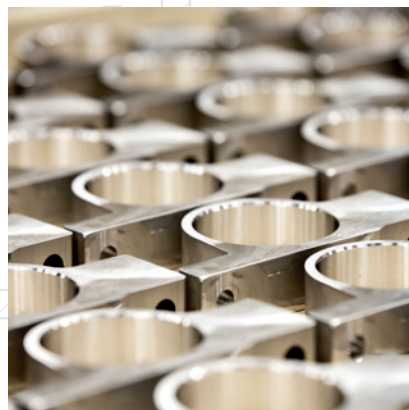
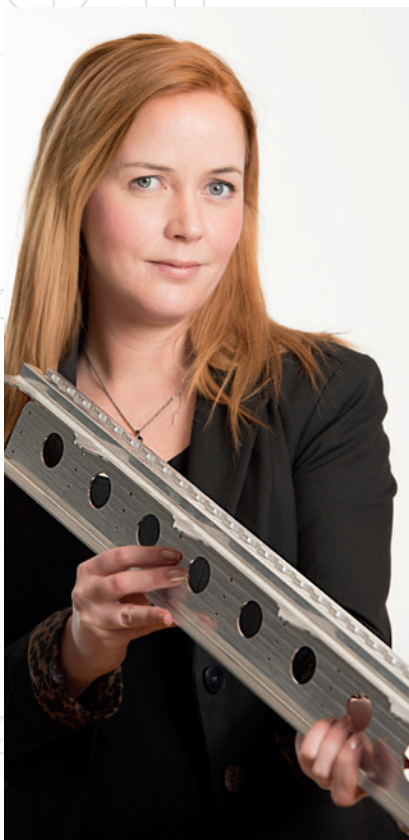


kg/m

ANNUAL REPORT 2014

Profil Gruppen.



CONTENTS

This is ProfilGruppen	3
CEO's review	4–5
Risk management	6–7
ANNUAL REPORT 2014	
Directors' Report	8–10
Five-year summary	10
<i>Financial statements</i>	
Table of contents financial statements	11
Consolidated statement of comprehensive income	12
Consolidated statement of financial position	12
Consolidated statement of changes in equity	13
Consolidated statement of cash flows	13
Parent company income statement	14
Parent company balance sheet	14
Parent company statement of changes in equity	15
Parent company statement of cash flows	15
Notes	16–28
Auditor's report	29
Corporate governance report	
Board of Directors	33
Management	34

WHY ALUMINIUM?

FOR THE ENVIRONMENT

Aluminium is a recyclable metal that can be re-used again and again without deterioration of the material's properties. The metal is thus particularly suitable for recycling. Recycling consumes 95 per cent less energy than the primary production process. In lifecycle analyses aluminium is therefore often shown to be a good choice.

The material has a low weight and is very strong. This means that it can be used for low-weight structures which lead to reduced energy use during transport.

FOR ITS PROPERTIES

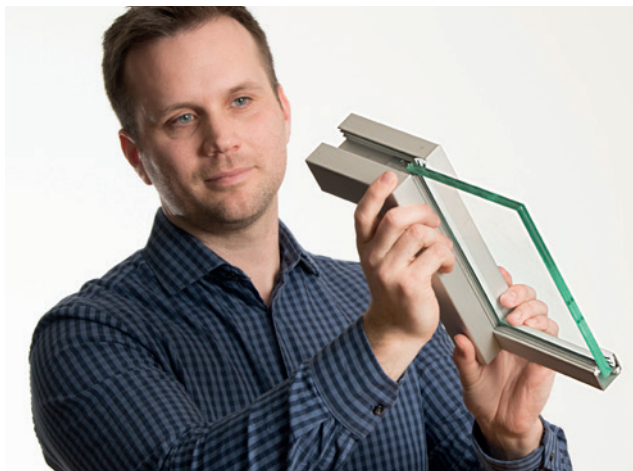
Aluminium is light but also strong. The material offers many options for joining. It is easy to form into the desired shape. It has a high corrosion resistance. It can be used in a wide variety of components thanks to its high heat and electrical conductivity.

BRIEF FACTS ABOUT PROFILGRUPPEN

- ProfilGruppen AB, located in Åseda in Småland, Sweden, develops and manufactures customised aluminium profiles and components.
- Aluminium extrusions are used in many industries, including transport, electronics, telecommunications, construction and interior design.
- Our exports, which account for around half of the company's revenues, go to several European countries, including Norway, Germany and Poland.
- The company is certified under the ISO/TS 16949, ISO 14001 and ISO 50001 standards.
- ProfilGruppen AB was listed on the Stockholm Stock Exchange in June 1997 and is included in the Small Cap list.
- Our vision is for ProfilGruppen to have a strong presence in northern Europe and to be viewed by our customers as one of the leading suppliers of innovative aluminium solutions.

This is PROFILGRUPPEN

ProfilGruppen is an entrepreneurial firm which delivers cost-effective integrated solutions based on extruded aluminium profiles. Our aim is to use our extensive experience and expertise to add value for our customers and shareholders.



PRODUCT DEVELOPMENT

Together with our customer, we create a customised integrated solution in which product and production optimisations are defined. In addition to the technical properties of the product, we incorporate logistical and administrative benefits at an early stage of the process. In our design work we strive for sustainable long-term solutions in which the extrusion product's environmental impact over the course of its lifecycle is factored in.



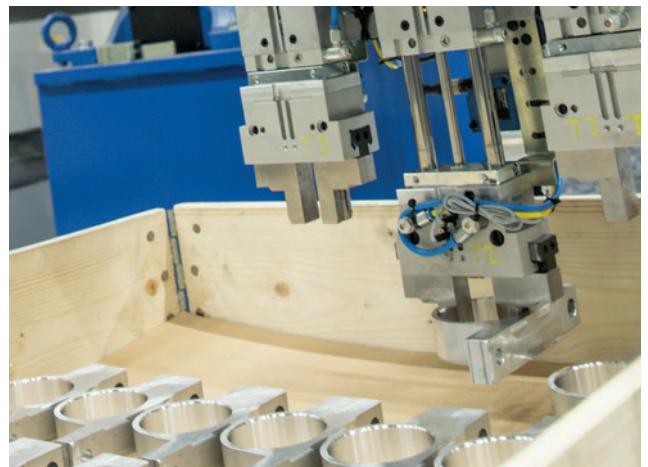
EXTRUSION

Our solutions are based on extruded aluminium profiles. Each extrusion section is created by pressing aluminium ingots through a profile-unique tool matrix. In connection with the extrusion process the extrusion's mechanical properties are assured, after which it is packaged and sent for further processing or directly to the customer.



SURFACE TREATMENT

To create or reinforce a function or appearance, many of the extruded solutions are surface treated. The most common surface treatment methods are anodisation and powder coating, through which colour, corrosion resistance and durability are added to the product. Other surface treatment methods are also used to meet customer requirements.



PROCESSING SERVICES

Although a wide variety of functions can be integrated in the design of an extrusion, further value can be added through processing. We offer a broad range of options for processing extrusions covering everything from straight-forward cutting and punching to advanced milling or bending in fully automated production cells. In some cases we can also assemble the extrusion product and package it for sale to consumers.

A STRONGER PRESENCE

and increased activities in the market

Our results and delivery volumes improved during the year. We have some work left to do before we reach our long-term ambition, but we are on the right path. The prospects for continued growth are good, thanks to high levels of knowledge, commitment and ambition throughout the company.

The major initiative aimed at strengthening our marketing organisation that was launched in 2013 has started to yield fruit and has, perhaps even more importantly, provided a healthy and positive injection to the whole company. Sales of new pressing tools reached new highs during the year, which should be seen as a clear signal that many new customers are on the way in and that many of our existing customers want to strengthen their relationship with us.

Delivery volumes also increased, and the autumn, in particular, was more stable than in the last few years. For the full year we exceeded last year's figure by ten per cent, with the largest increase taking place in our home market, Sweden. By comparison, industry trade group EEA reports that volume growth in the Nordic market as a whole in 2014 was in the order of six per cent.

CHANGES TO THE CUSTOMER PORTFOLIO

In 2014, especially in the autumn, we consciously chose not to pursue a number of existing business relationships. We did so because their profitability has declined over time for a variety of reasons. Instead, we chose to adjust our customer portfolio and focus on new and existing customers for which our profile and knowledge are better suited and which offer a better potential for sustainable long-term profitability. We will continue to drive and develop this theme in 2015.

OUR MARKETING ORGANISATION IS WELL EQUIPPED FOR THE TASK, HAVING A HIGH LEVEL OF AMBITION AND TECHNICAL EXPERTISE.

Thanks to the recruitment in 2013 of a number of new sales representatives and technicians with long experience from the aluminium

extrusion industry, coupled with the experience and knowledge that already existed in the company, we now have a marketing organisation with strong technical expertise and extensive experience.

In 2015 our focus will be on continuing to improve our profitability and on strengthening ProfilGruppen's position in the market. We will do this partly by growing our business with new and existing customers, primarily in Sweden, where we will aim to increase our deliveries and continue to capture market share, as well as in the rest of Scandinavia and among selected customers and markets in northern Europe.

BALANCE BETWEEN MARKETING AND THE PRODUCTION SUPPLY CHAIN

A good balance and communication between our marketing organisation and all stages of the production chain are crucial to our ability to meet the market's and our customers' requirements and needs and to achieving our profitability targets.

In 2015 we will further increase our focus on implementing improvements and efficiencies throughout the organisation, and especially in production. To support this work, we made changes to our production management team in late autumn, notably by creating separate areas of responsibility for extrusion production and processing. We did so in order to create a clearer governance structure for each area that is closer to the day-to-day operations, and to obtain a deeper process knowledge of day-to-day issues as well as matters of a more strategic nature.

Our production organisation has also been reorganised to create a clearer and more transparent delineation of responsibilities, targets and mandates in all areas of operational responsibility. We have



worked on defining priority focus areas and objectives more clearly at each stage of the production chain and on structuring our work on implementing improvements and activities aimed at achieving these objectives and focus areas throughout the organisation.

INCREASED AUTOMATION

In the summer we made an investment of around ten million Swedish kronor to increase the degree of automation in one of our production lines for extrusion production. This is expected to result in improved quality and efficiency in the handling of extrusions in 2015.

In January 2015 we have also launched a broad initiative aimed at reviewing the entire flow of materials and the handling of extrusions throughout the supply chain – from press to finished end product – in order to identify areas of potential improvement for a more productive and cost-effective production and process chain.

PARTNERSHIP AGREEMENT WITH VOLVO CARS

In January 2015 we made our first deliveries to Volvo Car Corporation and their new platform, as planned. An investment in and the construction of a production cell designed specifically for this partnership was completed during the past year. The contract that was signed in 2014 and runs for five years will generate growth in our core business and is the largest deal to date in Profilgruppen's history. We are proud of the trust which Volvo shows in us as a direct supplier and future business partner.

MSEK 40 RIGHTS ISSUE

To strengthen Profilgruppen's financial position, the Board of Directors decided to conduct a rights issue aimed at raising around

MSEK 40 in summer 2014. The proceeds of the issue have been used to reduce the company's debt level and enable further measures aimed at strengthening the company's revenues and competitiveness going forward. The issue was oversubscribed, and we are grateful for the confidence which our owners have shown in us.

NEW CEO

In September the undersigned took up the reins of chief executive of Profilgruppen AB while Kåre Wetterberg, who over the period February to August had served as acting CEO, resumed his role of Chairman of the company.

We have a very good foundation from which to continue to develop the company as well as an exciting market in which to operate, with aluminium as our raw material. With that background and with the expectation of continued progress in our activities in the market and in production, we look forward to an exciting 2015.

The management team would also like to thank all our colleagues and staff for their strong commitment and hard work during the year as well as our shareholders for their support for the company.

Åseda, February 2015

Per Thorsell

Risks and risk management

ProfilGruppen is continually exposed to risks, which may have a greater or lesser impact on the Group's operations. The risks can be divided into operational and financial risks. Operational risks are those that arise in day-to-day activities, such as liability risks or raw material risks. Financial risks, such as currency, liquidity, interest rate, credit and financing risks, are controlled and managed centrally.

The Board of Directors has overall responsibility for ProfilGruppen's risk management. The CEO is responsible for ongoing risk management in accordance with the Board's guidelines. To aid this work, a series of group-wide policies, including a financial policy and a raw material policy, have been drawn up.

OPERATIONAL RISKS

RELIANCE ON CUSTOMERS

We strive to maintain a customer base without customers that are too dominant, as this reduces dependence on individual customers. In 2014 no individual customer accounted for more than ten per cent of revenues. The Group sells to a large number of customers, which inevitably means that some of these will occasionally experience payment problems. Customer credit risk is managed by each customer being assigned a basic limit based on the scope of their business and its content, its rating from Dun & Bradstreet, and a credit assessment carried out by the Group's Credit Controller. During 2014, 86 (85) per cent of the company's customers had a rating between AAA and A.

Concentration of credit risk as at 31 Dec 2014	Number of customers	Per cent of number of customers
Exposure < MSEK 1.0	347	92 %
Exposure MSEK 1.0–5.0	27	7 %
Exposure > MSEK 5	2	1 %
	376	100%

SUPPLIERS

In the supply chain, ProfilGruppen is dependent on a large number of suppliers. The loss of a key supplier may result in costs and problems delivering to our customers. In order to reduce this risk, we have signed delivery agreements with strategic suppliers. In order to ensure that all key input goods are available, we have also developed contact with alternative suppliers.

ProfilGruppen continually evaluates its strategic suppliers to ensure that they meet our customers' requirements with regard to factors such as quality, delivery reliability, financial stability, environment and cost-effectiveness.

SEASONAL AND CYCLICAL FLUCTUATIONS

Our customers are spread across several industries in northern Europe. This industry spread is a deliberate strategy aimed at reducing sensitivity to seasonal and cyclical fluctuations. Most of our major customers operate globally, which means that they, and indirectly ProfilGruppen, are affected by the strength of the global economy.

ProfilGruppen soon feels the effects of any general weakening of the economy, but the same is true of a recovery in economic activity.

RESPONSIBILITY

Our exposure to the car industry, for example, creates liability risk. ProfilGruppen has overall liability to the customer, including for components processed by subcontractors. Future risks are covered by separate agreements and insurance policies. We work together with an external advisor on insurance and risk issues, with regard to matters such as global product and recall liability.

In order to prevent occupational injuries, the Group has an internal reporting system for potentially hazardous situations.

PRODUCTION STOPPAGES

ProfilGruppen continuously carries out accident prevention work according to specified guidelines, with the aim of minimising future production stoppages. Should such an event occur, the Group has consequential loss insurance that covers loss of contribution margins for up to 24 months.

ENVIRONMENTAL RISKS

These risks refer to damage that can be caused to water, soil, air and biological processes by the Group's activities, which also includes the costs of complying with new, stricter environmental directives. The aim is to be well within the ranges specified by legislation. ProfilGruppen is certified under the ISO 14001 standard. The Group's environmental manager is responsible for monitoring the environmental work of the Group.

SKILLS

Skills are developed through internal and external training programmes and by making ProfilGruppen an even more attractive workplace, with a view to retaining personnel and facilitating recruitment of new employees.

IT

IT is becoming an increasingly important component in all processes at the company, which means that demands on availability are also increasing. Stoppages can lead to production losses, invoicing losses or reduced efficiency within various parts of the business. The IT infrastructure is monitored and managed by an external partner in order to ensure expertise and continuity. Redundancy is desirable in all parts of the IT infrastructure, which, along with constant development of the continuity plan, aims to minimise operational disturbances. Internal expertise focuses on business-critical applications.



CAPACITY RISK

The Group is currently a long way from full capacity utilisation in its extrusion manufacturing operation. Within further processing, an external network of suppliers is used. These were responsible for 65 per cent (60) of the total further processing during 2014. At our own facilities machining is largely performed where there are opportunities for a high degree of automation.

RAW MATERIALS

ProfilGruppen's main raw material is alloyed aluminium ingots. This expense item accounted for 43 per cent (43) of operating expenses in 2014. The raw material is priced in US dollars on the London Metal Exchange (LME) and the price has historically been very volatile. In 2014 the premium for converting raw aluminium into aluminium ingots increased to historically high levels, which to some extent had a negative impact on our profitability.

The purchases are made in Swedish kronor (SEK) and euros (EUR) in order to match the contract currency with customers and so reduce the currency risk. ProfilGruppen applies raw material clauses in customer contracts, which limit the company's sensitivity to fluctuations in the raw material price. Raw material purchases are controlled by the Group's raw material policy. Purchases are made in proportion to expected customer orders.

Raw material purchases for periods longer than six months are made based on definite orders from customers. ProfilGruppen's raw material committee meets once a week and checks that the policy is being followed. The supply of raw materials is ensured through deliveries from three different suppliers. As they all have a global presence, ProfilGruppen is able to guarantee its supply of raw materials, even if European consumption exceeds the production of aluminium in Europe.

ENERGY PRICE

ProfilGruppen consumes approximately 30 GWh of electrical energy per year. In total, energy represents around two per cent of the operating expenses. The Group had secured the price for most of its 2015 consumption by the end of the year.

FINANCIAL RISKS

CURRENCY RISKS

Currency risk means that a fluctuation in the exchange rate has an impact on the Group's results, cash flow or balance sheet.

The foreign subsidiaries have very limited activities, and thus a limited balance sheet, and the Group therefore only protects itself against transaction risk related to currency exposure. The Group has

net inflows in all currencies. The company typically hedges 50-70 per cent of the flow within 6-12 months. This is preferably done through forward contracts.

US dollar fluctuations affect ProfilGruppen's customer prices because raw aluminium is priced in US dollars. Raw material clauses are included in the majority of contracts, which means that exposure can be minimised.

If the exchange rate between the Swedish krona and the most significant currencies moves by ten per cent, and provided that no exchange hedging measures have been taken, the following effects may be seen in the operating profit.

Currency effect

Effect on operating profit from changes in exchange rates equivalent to ten per cent excluding hedging activities.

	2014	2013
EUR	+/- MSEK 10	+/- MSEK 12
DKK	+/- MSEK 1	+/- MSEK 2
NOK	+/- MSEK 2	+/- MSEK 1

INTEREST RISKS

Interest risk is the risk of an impact on the Group's earnings as a result of changes in market interest rates. ProfilGruppen uses interest rate swaps to minimise the risks of such a short-term impact.

According to the financial policy, the interest fixing term is limited to 60 months and at least 30 per cent of the Group's loans must have variable interest rates.

CREDIT RISKS

ProfilGruppen's credit risks arise when investing in financial instruments. To minimise this risk, trading is only permitted with a few counterparties approved by the Board of Directors.

REFINANCING RISK

The company has a permanent need to finance the capital requirements of the business. The company secures its financial requirements through bank loans. The policy is always to have loan promises or agreements for at least twelve months. The current agreement extends over twelve months. The agreement requires certain financial targets to be met. In 2014 the Group significantly reduced its need for external funding by raising MSEK 40.5 from its shareholders in a rights issue.

DIRECTORS' REPORT

The Board of Directors and CEO of ProfilGruppen AB (publ), corporate identity number 556277-8943, hereby submit the annual report and consolidated accounts for the period 1 January – 31 December 2014, which is ProfilGruppen's thirty-fourth year of activity.

ProfilGruppen runs operations in the form of a limited company (publ) and has its registered office in Uppvidinge municipality, Kronoberg county, Sweden. The company address is: Box 36, SE-360 21 Åseda, Sweden.

THE GROUP

ProfilGruppen AB (publ) is the parent company of the ProfilGruppen Group, which develops, manufactures and markets customised aluminium extrusions and components. Sales are conducted mainly through a sales organisation at the head office in Åseda. Design, product development, extrusion manufacture and processing are carried out by ProfilGruppen Extrusions AB.

Processing is also performed in close co-operation with a number of independent companies

Revenue and profit

ProfilGruppen's revenue amounted to MSEK 808.6 (730.0) in 2014, an increase of eleven per cent on the previous year. The delivery volume was 20,550 tonnes (18,750) of aluminium extrusions, an increase of ten per cent compared with the previous year. The share of exports amounted to 48 per cent (53) of the volume, and 46 per cent (49) of the revenue.

The Group posts an operating profit of MSEK 7.1 (-20.0). The result is equivalent to an operating margin of 0.9 per cent (-2.7). The improved operating profit is largely due to an increased delivery volume. The repayment of premiums under a collective group health insurance policy in respect of the financial years 2005 and 2006 had a positive impact on the operating profit of MSEK 2.7.

The target is an operating margin of six per cent over one business cycle.

The profit before tax was MSEK 0.9 (-26.0). The profit after tax was MSEK 4.0 (-20.5). In 2014 the Swedish Tax Agency reviewed ProfilGruppen's tax assessment for 2008, which led to a reduction in the Group's total tax bill of MSEK 3.7. The full reduction was recognised as tax income in 2014 and thus had a positive impact on earnings after tax.

Earnings per share were SEK 0.62 (-3.66). The average in thousands of shares was 6,488 (5,602). The number of shares has been restated (in accordance with IAS 33) in consequence of the rights issue that was completed during the year.

Investments, depreciation and disinvestment.

Investments amounted to MSEK 26.6 (15.1). Total depreciation/amortisation according to plan amounted during the year to MSEK 20.8 (25.5).

Impairment losses of MSEK 0.6 on a property and MSEK 0.3 on processing equipment were recognised in 2014.

Financial position and cash flow

ProfilGruppen's net debt/equity ratio decreased during the year to 0.44 (0.83). The target is to keep the net debt/equity ratio within a range of 0.75-1.00. The return on capital employed amounted to 2.8 per cent (-6.8). The profitability target for capital employed is set at 15 per cent. The Group's

profitability target refers to an average over one business cycle.

The equity ratio amounted to 41.9 per cent (35.0) at the end of the year.

Cash and cash equivalents amounted to MSEK 1.1 (2.3) at the end of the year, while the Group's non-utilised credit facilities, in addition to cash and cash equivalents, totalled MSEK 119.1 (81.3).

The cash flow from current operations was MSEK 27.4 (-10.0) and the corresponding figure after investments was MSEK 12.1 (-20.9). The improved cash flow is primarily due to the improvement in earnings. The balance sheet total as of 31 December 2014 was MSEK 478.6, compared with MSEK 451.2 as of 31 December 2013. A rights issue in 2014 raised MSEK 40.6 for the Group after issue costs.

Market

The most recent forecast from European industry trade group EAA estimated that the market volume for aluminium extrusions in Europe had increased by around one per cent in 2014 compared with 2013. The Nordic market is estimated to have grown by around six per cent. ProfilGruppen's deliveries to the Swedish market increased by about 20 per cent on the previous year. ProfilGruppen increased its market share in Sweden as planned. Market share increased across all industries, although a higher increase was achieved in the construction industry.

Manufacturing

All manufacturing activities are based on the extrusion of aluminium. The company has three extrusion lines and a facility for surface treatment of the extrusions. Group production of aluminium profiles totalled 21 000 tonnes (18 600) in 2014.

The extrusions are processed in different ways. The company's own facilities mainly offer cutting processing and bending, but a wide range of other processing services are sourced from a network of subcontractors.

Development work

Constant improvement of processes and products is an important aspect of the Group's activities. New products and product models for existing or potential customers are created on a daily basis. Close collaboration with the customer helps to broaden knowledge of a customer's products, and constructive ideas can be put forward concerning possible improvements to product properties. During the construction and design phase, ProfilGruppen's technical engineers have excellent opportunities to adapt a product's environmental impact, lifecycle economy and potential for recycling.

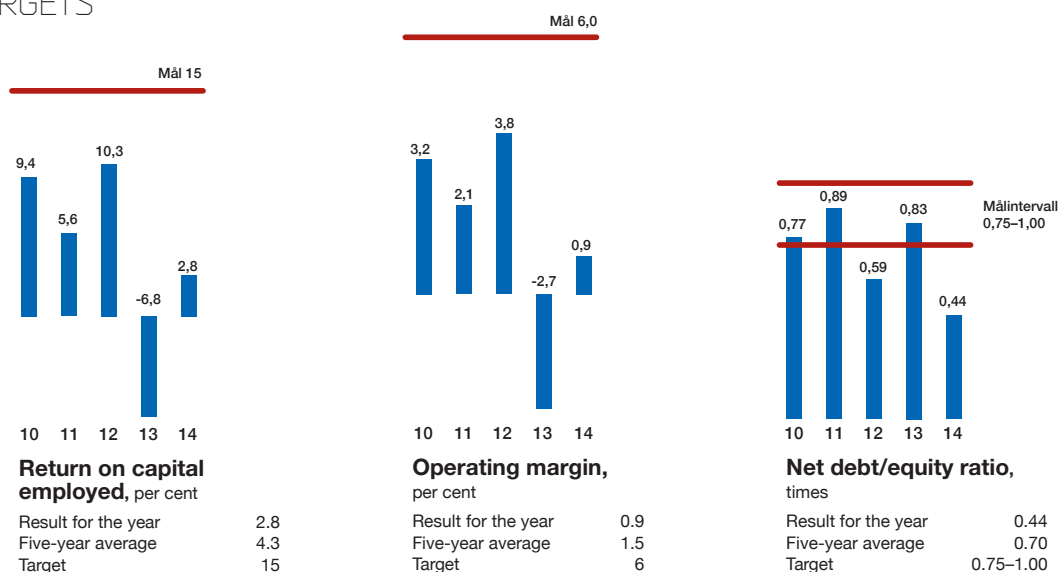
Process development is carried out in partnership with customers, raw material suppliers, and tool and machinery manufacturers.

The costs associated with this work do not normally meet the criteria for reporting as assets, but are recognised as cost of goods sold and selling expenses in the consolidated income statement, see note 6. For each development project there is an assessment of whether or not the costs should be capitalised. During the year no development costs have been capitalised.

Quality

ProfilGruppen Extrusions AB was certified in accordance with the quality assurance system ISO 9002 in 1991. In 1999 ProfilGruppen became the first

FINANCIAL TARGETS



Nordic company in its sector to be certified in accordance with the automotive industry's quality system at the time. Quality standards in the automotive industry are raised continually. The standard which the industry relies on today is ISO/TS 16949, which is based on ISO 9001 and is adapted to the manufacturing industry. Profilgruppen has been certified since 2006.

Environmental information

Profilgruppen contributes to positive environmental development by offering customers aluminium extrusions, which is better from a lifecycle perspective and means that environmentally harmful materials and processes are replaced.

The Group's principal environmental goal is to minimise waste in the manufacturing process. A certain amount of aluminium scrap is a natural by-product of the process but the company is working actively to reduce this share while also seeking to minimise scrap that is due to quality issues. The target for 2014 has been to reduce the share of scrap per kilogram of manufactured products by two percentage points. The outcome was a reduction by 0.3 percentage points.

Cutting energy use was another objective for 2014. Energy use per manufactured aluminium extrusion was at the same level as in the previous year.

Profilgruppen's environmental and energy policy is available on the company's website, www.profilgruppen.se.

Profilgruppen has been certified under the ISO 14001 environmental management system since 1998.

In 2014 the company was certified under the ISO 50001 energy management system with the aim of improving energy efficiency.

The Group conducts operations that require a permit and are subject to notification requirements under the Swedish Environmental Code. Within the Group there are plants for the manufacture of aluminium extrusions and for processing using surface treatment and machining. These activities have an impact on the external environment, mainly in the form of discharges into water and noise. All waste water from activities is purified before being discharged.

In late 2013 the Environmental Inspection Delegation at the Kalmar County Administrative Board granted Profilgruppen a permit under the Swedish Environmental Code to expand its operations in the pressing, machining and surface treatment of aluminium extrusions. The new permit became effective in June 2014.

Risks

Profilgruppen's activities are, like all business activities, exposed to risks, which are described in greater detail in note 19 and on pages 6-7.

Personnel

Anders Frisinger, who was the company's CEO at the beginning of the year, stepped down for family reasons in January and the Chairman of the Board, Kåre Wetterberg, took over as acting CEO. On 1 September 2014 Profilgruppen's new CEO, Per Thorsell, took up his post and Kåre Wetterberg returned to his role as Chairman.

The average number of employees in the Group totalled 331 (333).

Women make up 24 per cent (25) of the Group's total workforce. Staff turnover during the year amounted to 3.8 per cent (3.3). Payroll expenses amounted to MSEK 140.3 (129.5).

Guidelines for remuneration for senior executives

The Board prepares a proposal for guidelines for remuneration of the Group's CEO and other senior executives. The proposal is based on the company's long-term Remuneration Policy, which is evaluated on an ongoing basis. The Board of Directors proposes that the 2015 AGM adopt the following guidelines.

The guidelines cover the Chief Executive Officer and other members of the management team, currently five individuals including the CEO. Total remuneration may consist of a fixed basic salary, variable remuneration, pension and other benefits. Variable remuneration, which is capped at 25 per cent of the fixed salary, is linked to the Group's results and only in specific instances to individual targets. Variable remuneration is conditional on a positive net result for the Group and will be retrospectively adjusted if it has been paid on apparently erroneous grounds. Agreements on pension benefits are arranged individually and the pension costs can amount to a maximum of 30 per cent of the fixed salary. Other remuneration and benefits shall be at market rates and shall help to facilitate the senior executive's opportunities to carry out their work. The employment contracts of members of the management team are generally terminable on six months' notice by either party. The Board may depart from the guidelines if there are special reasons in an individual case.

In connection with the recruitment of Per Thorsell as CEO a departure was made from the general guidelines adopted by the AGM in 2014 as a twelve-month period of notice on the part of the company was agreed.

Shares and shareholders

Largest individual shareholders

Shareholder	Number of shares	Holding, % 2014	Holding, % 2013
Ringvägen Venture AB	1 972 157	26.7	26.4
Lars Johansson	1 073 466	14.5	14.6
Mats Egeholm	533 882	7.2	7.1
Kerstin Egeholm	241 494	3.3	3.2
Nordea Life & Pensions	236 700	3.2	3.2
Försäkringsaktiebolaget, Avanza Pension	180 690	2.4	2.7
Rickard Behm	159 670	2.2	2.1
Mats Jonson	131 132	1.8	1.8
Hanna Kusterer	122 036	1.6	0.0
JPM Chase NA	113 177	1.5	2.8

10 largest individual shareholders	4 764 404	64.4	63.9
Other shareholders	2 634 371	35.6	36.1
Total	7 398 775	100.0	100.0

December 2014

In 2014 ProfilGruppen conducted an underwritten rights issue as a result of which the share capital increased from SEK 24 662 585 to SEK 36 993 875. The number of shares increased by 2 466 258 from 4 932 517 shares to 7 398 775 shares. Each share in the company corresponds to one vote.

The ownership interests that exceed ten per cent are Ringvågen Venture AB's 26.7 per cent, Lars Johansson's 14.5 per cent, and Mats and Kerstin Egeholm's 10.5 per cent.

Other share-related information to be provided in the Directors' Report for a listed company in accordance with the Annual Accounts Act can be found in note 15.

Corporate governance

The work of the Board of ProfilGruppen AB is regulated by the formal work plan, which is established annually at the Board meeting following election at the Annual General Meeting. In 2014 the Remuneration Committee as well as the Audit Committee consisted of all members of the Board of Directors. Prior to the 2015 AGM, the Nominating Committee will be responsible for proposing Board members and auditors, as well as fees for the Board, committees and auditors. More information on the work of the Board and corporate governance at ProfilGruppen is available in the corporate governance report in this annual report and at www.profilgruppen.se.

Outlook for 2015

The outlook for 2015 is characterised by continued macroeconomic uncertainty.

THE PARENT COMPANY

Rental income and payments for services from companies in the Group account for 98 per cent of revenues in the parent company ProfilGruppen AB. Purchases from Group companies consist of payments for services.

The parent company has no employees (one person).

Dividend

In light of the Group's results, the Board is proposing that no dividend be paid for the 2014 financial year.

The Board and the CEO propose that standing profits available as per the balance sheet, of SEK 77,448,495, be appropriated in the following manner:

Dividend to shareholders	SEK 0
To be carried forward	SEK 77 448 495
Total profits according to balance sheet	SEK 77 448 495

The annual report

Details of the company's and the Group's profits and overall financial position may be found in the following income statement and balance sheet with the notes to these accounts.

The consolidated income statement and balance sheet and the parent company's income statement and balance sheet for 2014 are to be submitted for approval at the Annual General Meeting on 26 March 2015.

FIVE-YEAR SUMMARY

		2010	2011	2012 ³	2013	2014
Net sales/Revenue	MSEK	901.4	836.7	786.0	730.0	808.6
Profit/loss before depreciation/amortisation and impairment	MSEK	62.2	48.6	58.2	5.5	28.9
Operating profit/loss	MSEK	29.2	17.7	30.1	-20.0	7.1
Operating margin	%	3.2	2.1	3.8	-2.7	0.9
Profit/loss before tax	MSEK	21.9	10.6	23.0	-26.0	0.9
Profit margin	%	2.4	1.3	2.9	-3.6	0.1
Return on equity	%	10.1	4.5	13.6	-12.2	2.2
Return on capital employed	%	9.4	5.6	10.3	-6.8	2.8
Cash flow from current operations	MSEK	18.4	21.6	51.2	-10.0	27.4
Investments	MSEK	7.8	31.2	13.3	15.1	26.6
Liquidity reserve	MSEK	105.2	68.0	105.2	83.6	120.2
Net debt	MSEK	128.2	144.1	104.8	131.2	88.9
Interest-bearing liabilities and interest-bearing provisions	MSEK	171.3	146.0	106.5	133.5	90.0
Net debt/equity ratio	times	0.77	0.89	0.59	0.83	0.44
Balance sheet total	MSEK	545.2	513.1	448.7	451.2	478.6
Equity ratio	%	30.7	31.5	39.9	35.0	41.9
Capital turnover rate	times	2.9	2.6	2.6	2.5	2.8
Proportion of risk-bearing capital	%	39.2	39.6	46.5	40.4	46.8
Interest coverage ratio	times	3.9	2.4	4.0	-3.1	1.1
Employees						
Average number of employees		378	391	355	333	331
Number of positions at year-end		386	371	308	323	324
Staff turnover	%	1.9	6.9	18.9	3.3	3.8
Average age	years	44	45	46	46	47
Salary costs including social security contributions	MSEK	204.8	213.5	181.0	183.6	195.3
Revenue per employee (average)	SEK thousand	2,385	2,140	2,214	2,192	2,443
Profit/loss before tax per employee (average)	SEK thousand	58	27	65	-78	3
Per share						
Average number of shares ^{1) 4)}	thousands	5,602	5,602	5,602	5,602	6,488
Earnings per share ⁴⁾	SEK	2.79	1.33	4.10	-3.66	0.62
Cash flow from current operations per share ⁴⁾	SEK	3.29	3.86	9.14	-1.78	4.23
Net asset value per share ⁴⁾	SEK	29.87	28.81	31.93	28.22	27.07
Dividend per share ²⁾	SEK	1.50	0.00	0.00	0.00	0.00

¹⁾ There is no dilution.

²⁾ For 2014 this refers to the dividend distribution proposed by the board.

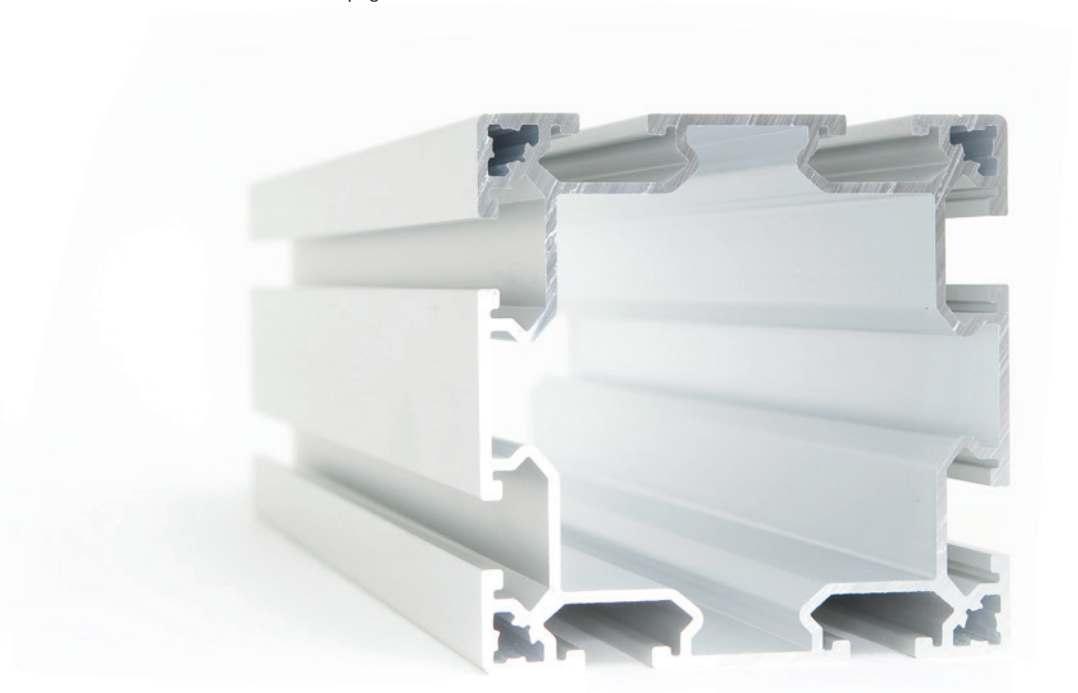
³⁾ Figures for 2012 have been restated with regard to new accounting principles.

⁴⁾ The number of shares has been restated in accordance with IAS 33 after the rights issue that was completed in 2014.

For definitions, see the last page of the annual report.

FINANCIAL STATEMENTS

Consolidated statement of comprehensive income	page	12
Consolidated statement of financial position	page	12
Consolidated statement of changes in equity	page	13
Consolidated statement of cash flows	page	13
Parent company income statement	page	14
Parent company balance sheet	page	14
Parent company statement of changes in equity	page	15
Parent company statement of cash flows	page	15
Notes		
Note 1	Accounting principles	pages 16–20
Note 2	Segments	page 21
Note 3	Other operating revenue and expenses	page 21
Note 4	Employees and personnel costs	pages 21–22
Note 5	Auditors' fees and expenses	page 22
Note 6	Operating expenses by function of expense	page 23
Note 7	Financial items	page 23
Note 8	Appropriations and untaxed reserves	page 23
Note 9	Taxes	page 23
Note 10	Intangible fixed assets	page 24
Note 11	Tangible fixed assets	page 24
Note 12	Financial fixed assets	page 25
Note 13	Inventories	page 25
Note 14	Trade receivables	page 25
Note 15	Equity	page 25
Note 16	Earnings per share	page 25
Note 17	Interest-bearing liabilities	pages 25–26
Note 18	Prepaid and accrued expenses and income	page 26
Note 19	Financial instruments	pages 26–27
Note 20	Pledged assets and contingent liabilities	page 27
Note 21	Participations in Group companies	page 28
Note 22	Statement of cash flows	page 28
Note 23	Related parties and transactions	page 28
Auditor's report	page	29



Consolidated statement of comprehensive income

(MSEK)	Note	2014	2013
Revenue	2	808.6	730.0
Cost of goods sold		-732.2	-686.8
Gross profit		76.4	43.2
Other operating revenue	3	2.7	0.9
Selling expenses		-44.8	-39.3
Administrative expenses		-26.5	-24.8
Other operating expenses	3	-0.7	0.0
Operating profit/loss	4, 5, 6	7.1	-20.0
Financial income	7	0.9	0.3
Financial expense	7	-7.1	-6.3
Net financial income/expense		-6.2	-6.0
Profit/loss before tax		0.9	-26.0
Tax	9	3.1	5.5
Profit/loss for the year		4.0	-20.5
Other comprehensive income			
Items that will be reclassified to net earnings			
Change in hedging reserve		-0.7	-1.5
Change in translation reserve		0.0	0.0
Other		0.0	0.1
Deferred tax on the above items		0.2	0.2
Total items that will be reclassified to net earnings		-0.5	-1.2
Items that will not be reclassified to net earnings			
Restatement of defined benefit obligations		-2.3	1.3
Deferred tax on the above items		0.5	-0.3
Total items that will not be reclassified to net earnings		-1.8	1.0
Comprehensive income for period		1.7	-20.7
Earnings per share before and after dilution, SEK	16	0.62	-3.66

Revenue for the Group refers to the revenue source sale of goods.

Consolidated statement of financial position

(MSEK)	Note	31 Dec 2014	31 Dec 2013
Assets			
Intangible fixed assets	10	10.0	10.0
Tangible fixed assets	11	209.2	207.3
Financial fixed assets:	12	1.5	17
Total fixed assets		220.7	219.0
Inventories	13	127.0	107.7
Trade receivables	14	107.4	94.7
Prepaid expenses and accrued income	18	4.3	5.2
Current tax assets		4.7	10.1
Other receivables		13.4	12.2
Cash and cash equivalents	22	1.1	2.3
Total current assets		257.9	232.2
Total assets	2	478.6	451.2
Equity			
Share capital		37.0	24.7
Other paid-up capital		29.6	1.4
Reserves		-3.7	-3.2
Retained earnings incl. profit/loss for the year		137.4	135.2
Total equity	15	200.3	158.1
Liabilities			
Long-term interest-bearing liabilities	17, 19	34.3	35.7
Provisions for pensions	4	21.3	19.9
Deferred tax liabilities	9	23.4	24.1
Total long-term liabilities		79.0	79.7
Current interest-bearing liabilities	17, 19	34.4	77.9
Trade payables		108.3	86.4
Current tax liabilities		0.2	0.5
Other liabilities		11.3	10.4
Accrued expenses and deferred income	18	45.1	38.2
Total current liabilities		199.3	213.4
Total liabilities		278.3	293.1
Total equity and liabilities		478.6	451.2

For pledged assets and contingent liabilities, see note 20.

Consolidated statement of changes in equity

	Share capital	Other paid-up	Translation reserve	Hedging reserve	Retained earnings incl. profit/loss for the year	Total equity	Number of shares
Consolidated equity (MSEK)							
Opening 1 Jan 2013	24.7	1.4	0.0	-1.9	154.6	178.8	4,932,517
Comprehensive income							
Profit/loss for the year					-20.5	-20.5	
Other comprehensive income			0.0	-1.3	1.1	-0.2	
Transactions with shareholders							
Dividend					0.0	0.0	
Closing 31 Dec 2013	24.7	1.4	0.0	-3.2	135.2	158.1	4,932,517
Opening 1 Jan 2014	24.7	1.4	0.0	-3.2	135.2	158.1	4,932,517
Comprehensive income							
Profit/loss for the year			4.0	4.0			
Other comprehensive income			0.0	-0.5	-1.8	-2.3	
Transactions with shareholders							
Rights issue	12.3	28.2				40.5	2,466,258
Dividend					0.0	0.0	
Closing 31 Dec 2014	37.0	29.6	0.0	-3.7	137.4	200.3	7,398,775

For further information on the components of equity, see Note 15.

Consolidated statement of cash flows

(MSEK)	Note	2014	2013
Current operations	22		
Profit/loss after financial items		0.9	-26.0
Adjustment for non-cash items		22.5	28.9
Paid income tax		7.8	-7.5
Cash flow from current operations prior to change in working capital		31.2	-4.6
Cash flow from changes in working capital			
Inventories ¹		-19.4	-1.7
Operating receivables ¹		-13.7	-4.6
Operating liabilities ²		29.3	0.9
Cash flow from current operations		27.4	-10.0
Investment activities			
Acquisition of tangible fixed assets		-15.6	-12.0
Sale of tangible fixed assets		0.3	0.6
Acquisition of financial assets		0.0	0.5
Cash flow from investment activities		-15.3	-10.9
Financing activities			
Rights issue		40.5	0.0
Loans raised ³		-46.0	33.4
Repayment of loans		-6.3	-11.0
Repayment of leasing liabilities		-1.6	-1.0
Cash flow from financing activities		-13.4	21.4
Cash flow for the year		-1.3	0.5
Cash and cash equivalents, opening balance		2.3	1.7
Translation differences in liquid assets		0.1	0.1
Cash and cash equivalents, closing balance		1.1	2.3
Interest paid and dividends received			
Interest paid		-6.9	-6.4
Interest received		0.9	0.3
Dividend		0.0	0.0

1) increase - / decrease +

2) increase + / decrease -

3) includes change in bank overdraft facility utilised

Parent company income statement¹

(MSEK)	Note	2014	2013
Revenue		25.9	24.2
Cost of goods sold		-6.1	-3.7
Gross profit		19.8	20.5
Administrative expenses		-7.5	-4.6
Other operating revenue	3	0.0	0.9
Other operating expenses		0.0	0.0
Operating profit/loss	4, 5	12.3	16.8
Income from participations in subsidiaries	7	0.0	80.0
Impairment of participations in subsidiaries	7	0.0	-35.0
Interest income and similar income and expense items	7	0.5	0.1
Interest expenses and similar income and expense items	7	-1.0	-2.9
Profit/loss after financial items		11.8	59.0
Appropriations	8	-11.3	-9.2
Profit/loss before tax		0.5	49.8
Tax	9	3.6	-4.3
Profit/loss for the year		4.1	45.5

1) The parent company income statement also constitutes the parent company statement of comprehensive income. Rental income and payments for services from Swedish companies in the Group account for 98 per cent of revenues in the parent company. For dividend per share, refer to note 16.

Parent company balance sheet

(MSEK)	Note	31 Dec 2014	31 Dec 2013
Assets			
Tangible fixed assets	11	84.8	88.7
Financial fixed assets: Participations in subsidiaries	21	73.9	73.9
Total fixed assets		158.7	162.6
Receivables from Group companies		24.7	0.8
Prepaid expenses and accrued income	18	0.0	0.1
Other receivables		0.1	0.2
Current tax assets		0.1	2.9
Total current receivables		24.9	4.0
Cash and bank balances	22	0.4	0.4
Total current assets		25.3	4.4
Total assets		184.0	167.0
Equity capital and liabilities			
Restricted equity			
Share capital		37.0	24.7
Non-restricted equity			
Share premium reserve		29.5	1.3
Retained earnings		73.3	27.8
Profit/loss for the year		4.1	45.5
Total equity	15	143.9	99.3
Untaxed reserves	8	14.8	19.0
Deferred tax liabilities	9	3.3	3.2
Long-term interest-bearing liabilities to credit institutions	17, 19	1.7	6.7
Interest-bearing liabilities to credit institutions	17, 19	17.6	17.6
Non-interest bearing liabilities			
Trade payables		0.1	0.5
Liabilities to Group companies		0.0	18.4
Other liabilities		0.6	0.6
Accrued expenses and deferred income	18	2.0	1.7
Total current liabilities		20.3	38.8
Total equity and liabilities		184.0	167.0
Pledged assets for liabilities to credit institutions	20		
Property mortgages		78.6	78.6
Shares in subsidiaries		73.9	73.9
Contingent liabilities			
Guarantees for Group companies		34.7	34.6

Parent company statement of changes in equity

(MSEK)	Restricted equity	Non-restricted equity		Total equity
	Share capital	Share premium reserve	Retained earnings	
Equity 1 Jan 2013	24.7	1.3	27.8	53.8
Profit/loss for the year			45.5	45.5
Total changes in wealth, excl. transactions with owners	0.0	0.0	45.5	45.5
Dividend			0.0	0.0
Closing equity 31 Dec 2013	24.7	1.3	73.3	99.3
Equity 1 Jan 2014	24.7	1.3	73.3	99.3
Profit/loss for the year			4.1	4.1
Total changes in wealth, excl. transactions with owners	0.0	0.0	4.1	4.1
Rights issue	12.3	28.2		40.5
Dividend			0.0	0.0
Closing equity 31 Dec 2013	37.0	29.5	77.4	143.9
Proposed dividend for the financial year 2014			0.0	0.0

Parent company statement of cash flows

(MSEK)	Note	2014	2013
Current operations	22		
Profit/loss after financial items		11.8	59.0
Adjustment for non-cash items		4.3	-41.3
Paid income tax		6.2	-4.1
Cash flow from current operations prior to change in working capital		22.3	13.6
Cash flow from changes in working capital			
Operating receivables ¹		-23.8	-0.1
Operating liabilities ²		-18.4	10.4
Cash flow from current operations		-19.9	23.9
Investment activities			
Acquisition of tangible fixed assets		-0.1	-0.2
Cash flow from investment activities		-0.1	-0.2
Financing activities			
Rights issue		40.5	0.0
Group contributions		-15.5	-14.4
Dividend to shareholders		0.0	0.0
Loans raised ³		0.0	0.2
Repayment of loans		-5.0	-9.5
Cash flow from financing activities		20.0	-23.7
Cash flow for the year		0.0	0.0
Cash and cash equivalents, opening balance		0.4	0.4
Cash and cash equivalents, closing balance		0.4	0.4
Interest paid and dividends received			
Interest paid		-0.5	-2.8
Interest received		0.5	0.1
Dividends received		0.0	80.0

1) increase - / decrease +

2) increase + / decrease -

3) includes change in bank overdraft facility utilised

NOTES

1 ACCOUNTING PRINCIPLES

Compliance with set standards and legislation

The consolidated accounts have been drawn up in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as approved by the EC Commission for application within the EU. In addition, RFR 1 Supplementary Accounting Regulations for Groups has also been applied.

Unless otherwise stated under the heading The parent company's accounting principles, the same principles are applied to the parent company as to the Group. Any deviations that occur are due to restrictions in the ability to apply IFRS to the parent company as a result of the Swedish Annual Accounts Act (ÅRL) and the Act on Safeguarding of Pension Obligations (Tryggandelagen) and, in some instances, are for tax purposes.

Assumptions during preparation of the parent company's and the Group's financial statements

The parent company's functional currency is Swedish krona, which is the reporting currency for both the parent company and the Group. The financial statements are therefore presented in Swedish krona (SEK). All amounts, unless stated otherwise, are rounded off to the nearest million kronor. Assets and liabilities are recognised at historical cost, with the exception of certain financial assets and liabilities that are measured at fair value. Financial assets and liabilities measured at fair value comprise derivative instruments or available-for-sale financial assets.

The accounting principles set out below for the Group have been applied consistently to those periods included in the consolidated financial statements, unless otherwise stated below. The Group's accounting principles have been applied consistently to any reporting and consolidation of subsidiaries.

Revised accounting principles

The accounting principles applied are consistent with those that were applied the previous year with the exceptions indicated below.

This year the Group has introduced the following standards, amendments and interpretations that entered into force in 2014 and which are approved by the EU and considered relevant to the Group.

- IAS 32 Financial instruments: Presentation – amendment. The amendment consists in clarifications on which items can be netted.
- IAS 36 Impairment – Amendment. The amendment relates to changes to disclosure requirements on recoverable amounts and has not affected the consolidated financial statements.
- IAS 39 Financial instruments: Recognition and measurement - Amendment. The amendment introduces relief by allowing the continued use of hedge accounting even when a derivative which constitutes a hedge instrument is transferred to a central counterparty under certain conditions. The amendment has not affected the consolidated financial statements.
- IFRS 10 Consolidated Financial Statements. The amendment describes how to determine whether a controlling interest exists and thus whether a company should be consolidated. The approach has not had an impact on which companies are consolidated.
- IFRS 12 Disclosure of Interests in Other Entities specifies requirements for material qualitative and quantitative disclosures on subsidiaries and similar entities. The disclosures have not had a material impact on the consolidated financial statements. The amendment has not affected the consolidated financial statements.

In 2014 the Group has not applied any standard, amendment or interpretation with the possibility for early adoption.

The following standards, amendments and interpretations are applicable from 1 January 2015 or later and are expected to affect the consolidated accounts.

- IFRS 9 Financial Instruments. This standard takes effect for financial years beginning on 1 January 2018 or later and replaces the current standard, IAS 39. It has not yet been adopted by the EU. The standard changes the measurement categories for financial instruments. It will also require further disclosures on hedge accounting. Pending approval by the EU, ProfilGruppen has not evaluated the effects of the standard.
- IFRS 15 Revenue from Contracts with Customers. The standard becomes effective on 1 January 2017 but has not yet been adopted by the EU. The standard contains a model for identification of revenue linked to customer contracts and points in time for recognition of such revenue. The standard may affect the recognition of revenue in the Group but the potential effect has not yet been evaluated.
- IFRIC 21 Levies. The EU has postponed the initial application to financial years beginning on 17 June 2014 or later. The interpretation clarifies when to recognise a liability for a levy (covered by IAS 37) and may affect the allocation of levies to accounting periods in the consolidated financial statements.
- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – amendment. The amendment becomes effective for financial years beginning on 1 January 2016 or later. The standard forbids revenue-based depreciation of property, plant and equipment. The amendment will not have any impact on ProfilGruppen's financial reporting.
- IAS 19 Employee benefits – Amendment. This standard will be applied for financial years beginning on 1 July 2014 or later. It introduces a change in respect of the accounting of employees' or third parties' contributions to defined benefit plans linked to employment. The amendment introduces a difference in the accounting depending on whether the contribution is contingent on the number of years of employment or not. The amendment is not expected to affect the consolidated accounts.
- Annual Improvements to IFRSs 2010-2012 Cycle & Annual Improvements to IFRSs 2011-2013. The amendments have been adopted by the EU and take effect for financial years beginning on 1 July 2014 or later.
- Annual Improvements to IFRSs 2012-2014. These amendments are expected to become effective for financial years beginning on 1 January 2016 or later. They have not yet been adopted by the EU but are expected to be adopted in 2015.

Important estimates and assessments

Drawing up the financial statements in accordance with IFRS requires the company's management to make assessments, estimates and assumptions that affect the application of the accounting principles as well as the reported amounts. Any estimates and assumptions are based on historical experience and a number of other factors that under current circumstances appear reasonable. The result of these estimates and assumptions is then used to determine the carrying amounts of assets and liabilities that cannot be clarified by other means or sources. The actual outcome may differ from these estimates and assessments.

The following important assessments have been made when applying the Group's accounting principles.

Inventories

Inventories are measured at the lower of cost and net realisable value, which usually means measurement at cost. See also the heading Inventories.

The net realisable value is to some extent an assessment based on forecasts from customers but also on historical data.

Doubtful trade receivables

On each closing date the Group assesses whether there is any indication of the need for provisions for credit risks. The assessment is made individually per customer, initially in consultation between the sales customer manager and the Group's Credit Controller.

In cases where the customer's financial situation makes it likely that payments will not be made, the possibilities are also assessed to secure payment via credit insurance or from bankruptcy estate. Following the best possible assessment, a provision is made corresponding to the receivable that risks being lost.

Goodwill impairment test

When calculating the recoverable amount of cash-generating units for assessment of any need for impairment of goodwill, several assumptions about future conditions and parameter estimates have been made. See note 10.

Pension assumptions

To calculate pension assumptions, management has made estimates of the discount rate and other parameters. The assessment of these parameters is based on expectations. If the actual values of the parameters were to differ from the expected values an actuarial gain or loss will be recognised in other comprehensive income in the consolidated financial statements. For a sensitivity analysis of the most significant of these assumptions, see Note 4.

Classification etc.

Fixed assets and long-term liabilities consist largely of amounts that are expected to be recovered or paid more than twelve months after the closing date.

Current assets and current liabilities essentially consist of amounts that are expected to be recovered or paid within twelve months of the closing date.

For each balance-sheet item that includes amounts expected to be recovered or paid both within and after twelve months from the closing date, this information is provided in a note to the relevant balance-sheet item.

Consolidation principles

Subsidiaries

Subsidiaries are companies over which the parent company has a controlling influence. Controlling influence means having the right, directly or indirectly, to shape a company's financial and operative strategies for the purpose of achieving economic benefits. When determining whether or not a controlling influence exists, potential voting shares that can be utilised or converted without delay must also be considered.

Subsidiaries are recognised according to the acquisition method of accounting. This means that the acquisition of a subsidiary is regarded as a transaction where the Group indirectly acquires the subsidiary's assets and assumes responsibility for its liabilities and contingent liabilities. The cost to the Group is established through an acquisition analysis in connection with the acquisition. The analysis determines both the cost of the participations or business and the fair value on the acquisition date of acquired identifiable assets and assumed liabilities and contingent liabilities. The cost of shares in subsidiaries and the business comprises the actual values as of the date of transfer of assets, arisen or assumed liabilities and issued equity instruments that have been submitted as remuneration in exchange for the acquired

net assets. In the event of business acquisitions where the acquisition cost exceeds the net value of acquired assets and assumed liabilities and contingent liabilities, the difference is recognised as goodwill. When the difference is a negative one, this is recognised directly in the income statement.

The financial statements of subsidiaries are included in the consolidated accounts from the acquisition date until the date the controlling influence ceases.

Elimination through consolidation

Intra-Group receivables and liabilities, revenue or expenses and unrealised gains or losses that arise through intra-Group transactions between Group companies are eliminated in their entirety during preparation of the consolidated accounts.

Foreign currency

Transactions in a foreign currency

Transactions in a foreign currency are converted to the functional currency at the exchange rate on the transaction day. Functional currencies are the currencies in the primary economic environments where companies in the Group operate. Monetary assets and liabilities in foreign currencies are converted to the functional currency at the closing date rate. Exchange rate differences that arise during conversion are recognised in the income statement. Non-monetary assets and liabilities that are recognised at historical cost are converted at the exchange rate on the transaction day. Non-monetary assets and liabilities that are recognised at fair value are converted to the functional currency at the exchange rate in effect at the time the fair value is measured, at which point exchange rate changes are recognised together with other changes in the value of the asset or liability.

Financial reports concerning foreign operations

Assets and liabilities in foreign operations are translated to Swedish kronor at the closing rate. Revenue and expenses from a foreign operation are converted to Swedish krona at an average exchange rate that is an approximation of the rates on each transaction day. Translation differences that arise through currency conversion for foreign operations are recognised directly in other comprehensive income.

Income

The Group's revenue essentially consists of sales of goods. Revenue from the sale of goods is recognised as revenue once the Group has transferred the essential risks and benefits associated with ownership of the goods to the purchaser on delivery and does not exercise any real control over the goods sold. The revenue is recognised at the fair value of what was received or will be received less discounts allowed. Revenue is not recognised if it is likely that the Group will not gain from the economic benefits.

Financial income and expenses comprise interest income from bank balances and receivables and interest expenses on loans, dividend income, exchange rate differences, unrealised and realised profits on derivative instruments used within financial activities.

Dividend income is recognised once the right to receive payment has been determined. Borrowing costs directly attributable to the purchase, construction or production of a qualified asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised and included in the cost of the asset. Other borrowing costs are accounted for in accordance with the effective interest method.

Financial income and expenses

Financial income and expenses comprise interest income from bank balances and receivables and interest expenses on loans, dividend income, exchange rate differences, unrealised and realised profits on financial investments and derivative instruments used within financial activities.

Dividend income is recognised once the right to receive payment has been determined. Borrowing costs directly attributable to the purchase, construction or production of a qualified asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised and included in the cost of the asset. Other borrowing costs are accounted for in accordance with the effective interest method.

Financial instruments

Financial instruments recognised in the statement of financial position include, on the asset side, cash and cash equivalents, trade receivables and derivatives. Items regarded as liabilities and equity include trade payables, loans and derivatives.

IAS 39 classifies financial instruments into categories. Classification depends on the intended purpose of the acquisition of the financial instrument. The management determines the classification on the original acquisition date.

A financial asset or financial liability is taken up in the accounts when the company becomes party to the instrument's contractual terms. Any liability is taken up once the other party has performed their contractual obligations for which payment is required, even if no invoice has been received.

A financial asset is removed from the balance sheet once the rights as per the contract are realised or fall due, or the company loses control of them. The same applies to part of a financial asset. A financial liability is removed from the balance sheet once the obligation under the contract has been fulfilled or has otherwise expired. The same applies to part of a financial liability. The acquisition and sale of financial assets is recognised on the trade date, which is the day on which the company commits itself to acquire or sell the asset, except in those instances when the company acquires or sells listed securities, which are instead recognised on the settlement date.

Financial instruments are initially recognised at cost, corresponding to the fair value of the instrument. Subsequent measurement then depends on how instruments are classified in accordance with the following.

Financial assets and liabilities are netted and the net amount is recognised in the balance sheet only when there is a legal right of netting the carrying amounts and an intention to settle them by a net amount or to simultaneously realise the asset or liability. The legal right must not depend on future events and must be legally binding for the company and the counterparty both in case of normal business activities and in the event of default, insolvency or bankruptcy.

The fair value of financial assets and liabilities is calculated based on the hierarchy described in IFRS 13. A majority of ProfilGruppen's financial assets and liabilities are measured in accordance with Level 2 of this hierarchy, i.e. based on observable inputs such as market prices. For additional information, see note 19.

On each reporting date, the company assesses whether there are any objective indications that a financial asset or a group of financial assets is in need of impairment.

The IAS 39 categories used by the Group are as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. Receivables arise when companies provide money, goods or services direct to the debtor with no intention of trading the receivable. Assets in this category are measured at amortised cost. Amortised cost is determined based on the effective interest rate as calculated on the acquisition date.

Trade receivables belong to the Loans and receivables category. Trade receivables are taken up in the balance sheet once an invoice has been issued. Trade receivables are expected to have a short maturity, so the value is recognised without discounting. Trade receivables are recognised at the amount they are expected to accrue after deductions for doubtful receivables that have been assessed individually. Impairment of trade receivables is recognised in the operating expenses. Trade receivables in foreign currencies are converted to the functional currency at the closing date rate.

Other financial liabilities

Financial liabilities that are not held for trading are measured at amortised cost. Amortised cost is determined based on the effective interest rate as calculated when the liability was taken up. This means that surplus and deficit values, such as direct financing and issue expenses, are allocated over the term of the liability by applying the effective interest method.

Assets and liabilities measured at fair value through profit or loss

All derivatives are recognised at fair value in the balance sheet. Value changes are recognised in profit/loss for the year for fair value hedges for which an effective hedge relationship cannot be shown to exist. For cash

flow hedges, value changes are recognised in comprehensive income pending the hedged item being recognised in profit/loss for the year. Hedge accounting is described in greater detail below.

Cash and cash equivalents

Liquid assets comprise cash funds and instantly accessible balances with banks and similar institutions, as well as short-term liquid investments with a term from the acquisition date of less than three months, which are exposed to only a minor risk of value fluctuations.

Liabilities

Liabilities are classified as Other financial liabilities. Long-term liabilities have an expected maturity of more than one year, while current liabilities have a maturity of less than one year.

Trade payables

Trade payables belong to the Other financial liabilities category. Trade payables are taken up once an invoice has been received. Trade payables have a short expected maturity and are measured without discounting.

Derivatives and hedge accounting

The Group's derivative instruments have been procured in order to hedge the risks associated with interest and currency exposure to which the Group will be subjected. An embedded derivative is recognised separately unless it is closely related to its host contract. A derivative is recognised initially at fair value, meaning that transaction costs burden the profit/loss for the year. After the initial reporting, the derivative instrument is measured at actual value and value changes are reported as described below.

In order to meet the requirements for hedge accounting as per IAS 39, an unambiguous link to the hedged item is required. It must also be the case that hedging effectively protects the hedged item, that hedge documentation must be created and that effectiveness is measurable. Gains and losses associated with hedging are recognised in profit/loss for the year at the same time as gains and losses are recognised for hedged items.

In cases where the conditions for hedge accounting are no longer fulfilled, the derivative instrument is recognised at fair value with the value change through profit/loss for the year.

Transaction exposure – cash flow hedges

Currency exposure regarding future forecast flows is hedged through currency futures. The currency future that protects the forecast flow is recognised in the balance sheet at fair value. The value changes are recognised directly in other comprehensive income until the hedged flow reaches the profit/loss for the year, when the hedging instrument's cumulative value changes are transferred to profit/loss for the year in order to meet and match the profit or loss effects of the hedged transaction. The hedged flows can be both contracted and forecast transactions.

When the hedged future cash flow concerns a transaction that is set up as an asset in the balance sheet, the hedging reserve is dissolved when the hedged item is recognised in the balance sheet.

When a hedging instrument falls due, is sold, liquidated or redeemed, or the company modifies identification of the hedge relationship before the hedged transaction has occurred and the forecast transaction is still expected to occur, the reported cumulative gain or loss in the hedging reserve remains as equity and is recognised in a similar way to that above when the transaction occurs. If the hedged transaction is no longer expected to occur, or if it is no longer effective, the hedging instrument's cumulative gains or losses are immediately dissolved against profit/loss for the year in accordance with the principles described above for derivative instruments.

Hedging of the Group's fixed interest – cash flow hedges

Interest rate swaps are used to hedge interest risks. These interest rate swaps are measured at fair value in the balance sheet. In the profit/loss for the year, the interest coupon part is continuously recognised as interest income or interest expense; any other value change in the interest rate swap is recognised in other comprehensive income, provided the criteria for hedge accounting and effectiveness are met.

Tangible fixed assets

Owned assets

Tangible fixed assets are reported as assets in the balance sheet if it is likely that future financial advantages will be available to the company and the cost of the asset can be calculated in a reliable way. Tangible fixed assets are recognised for the Group at cost after deductions for accumulated depreciation and any impairment losses. The cost includes the purchase price and expenses directly attributable to the asset in order to acquire it

in a condition where it can be utilised in accordance with the aim of the acquisition. Principles for impairment losses are dealt with below.

The cost of fixed assets produced in-house includes material costs, expenditure on employee remuneration, if applicable, other manufacturing costs that are thought to be directly attributable to fixed assets, as well as estimated expenditure on disassembly and removal of assets and restoration of the site or area where required.

Tangible fixed assets that comprise elements with different useful lives are treated as separate components of tangible fixed assets. The carrying amount of a tangible fixed asset is removed from the balance sheet when the asset is scrapped or sold off or when no future economic benefits are expected from use or scrapping/selling of the asset. Any gain or loss arising from the sale or scrapping of an asset comprises the difference between the sales price and the asset's carrying amount less direct selling expenses. Gains and losses are reported as other operating income/expense.

Leased assets

Leases where the Group assumes or transfers all essential risks and benefits associated with a fixed asset are classified as finance leases. When the Group is the lessee the asset is capitalised and a corresponding interest-bearing current or long-term liability is recognised in the statement of financial position. The capitalised value is subject to planned depreciation/amortisation in the same way as purchased assets.

Leasing of assets where the Group does not assume all significant risks and benefits is classified as an operating lease and is not capitalised but the lease payments are recognised as a current expense.

Depreciation methods

Depreciation is performed linearly over the asset's estimated useful life. The Group applies component depreciation, which means that the components' assessed useful life forms the basis for depreciation, see Note 11. Real estate is divided chiefly into land and buildings. No depreciation is performed for land, the useful life of which is judged to be indeterminable.

An asset's residual value and useful life are assessed annually.

Intangible assets

Goodwill

Goodwill represents the difference between the cost for the business acquisition and the actual value of acquired assets, assumed liabilities and contingent liabilities.

Goodwill is measured at cost minus any cumulative impairment losses. Goodwill is divided among cash-generating units and is tested annually for impairment. Goodwill is not amortised.

Research and development

Expenditure on research that aims to secure new scientific or technical knowledge is reported as a cost as it occurs.

Expenditure on development, where the results of any research or other knowledge are utilised to bring about new or improved products or processes, is recognised as an asset in the balance sheet if the product or process is technically or commercially useful and the company has sufficient resources to follow up the development and then use or sell the intangible asset. The carrying amount includes all directly attributable costs, for example, for materials and services and employee remuneration. Other expenditure on development is recognised in the income statement as an expense as it occurs. During the year no development costs have been capitalised.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Inventories comprise a raw material portion (aluminium) and a processing portion.

The cost of the raw material portion is determined using the first in, first out method. In individual cases a fixed raw material to the customer relating to raw materials held in stock at the balance sheet date may result in a departure from the first in, first out method, as it is not possible to distinguish the customer's raw material from that which was last received. In the case cost is defined as the customer's fixed price.

For company-produced semi-finished and finished goods the cost of the processing portion is defined as direct production costs plus a reasonable portion of indirect production costs. During measurement, consideration is paid to normal capacity utilisation.

The net realisable value is the estimated sales price for the current operation after deductions for estimated costs for preparation and bringing about a sale.

Impairment

The reported values of the Group's assets, with the exception of inventories and deferred tax claims, are reviewed on each closing date to assess whether there is any indication of impairment. If an impairment indicator exists, the asset's recoverable amount is calculated. The valuation of assets that are exempt as per the above is tested as per the relevant standard. For goodwill, the recoverable amount is calculated annually.

If it is not possible to establish essentially independent cash flows for an individual asset, the assets must be grouped for impairment testing at the lowest level at which it is possible to identify essentially independent cash flows (a cash-generating unit). An impairment loss is recognised when an asset or cash-generating unit's carrying amount exceeds the recoverable amount. An impairment loss burdens the profit/loss for the year.

The recoverable amount is the higher of the fair value less selling expenses and value in use. When calculating the value in use, future cash flows are discounted using a discount factor that takes into consideration risk-free interest and the risk that is associated with the specific asset.

Impairment test of financial assets

On each reporting date, the company assesses whether there is any objective indication of impairment of a financial asset or a Group of assets.

Objective evidence consists partly of observable circumstances that have arisen and that have a negative impact on the ability to recover the cost, and partly of a significant or protracted decrease in the fair value of an investment in a financial investment classified as an available-for-sale financial asset.

On impairment of an equity instrument classified as an available-for-sale financial asset, cumulative changes in value previously recognised in other comprehensive income are transferred to profit/loss for the year.

The recoverable amount of assets belonging to the Held-to-maturity investments and Loans and receivables categories, which are recognised at amortised cost, is calculated as the present value of future cash flows discounted by the effective rate that applied when the asset was recognised for the first time. Assets with a short maturity are not discounted. An impairment loss burdens the profit/loss for the year.

Reversal of impairment

An impairment loss is reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the assumptions on which the calculation of the recoverable amount was based. However, goodwill impairment losses are never reversed. A reversal is only performed to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that would have been recognised, less depreciation/amortisation where appropriate, if no impairment had been made.

Impairment of held-to-maturity investments or loans and receivables that are recognised at amortised cost are reversed if a later increase in the recoverable amount can objectively be attributed to an event that occurred after the impairment.

Impairment of equity instruments classified as available-for-sale financial assets, which were previously reported in profit/loss for the year, may not be reversed later through profit/loss for the year. The impaired value is the value on which subsequent revaluations are based, which are recognised directly in other comprehensive income. Impairment of interest-bearing instruments, classified as available-for-sale financial assets, is reversed through the income statement if the fair value increases and the increase can objectively be attributed to an event that occurred after impairment.

Employee benefits

Defined-contribution pension schemes

Obligations regarding contributions to defined-contribution pensions are reported as an expense in the income statement as they occur.

Defined-benefit pensions

Commitments for old-age pensions and family pensions for salaried employees in Sweden are met through insurance with Alecta. In accordance with UFR 6, this is a multi-employer defined-benefit pension plan. The company has not had access to such information that makes it possible to report this pension as a defined-benefit scheme. The pension plan as per ITP that is met through insurance with Alecta is therefore reported as a defined-contribution pension.

In Norway, all employees are covered by defined-benefit pension schemes. In Sweden, some employees are covered by defined-benefit pensions; however, there are no new earned pension entitlements in these schemes.

The Group's net obligation regarding defined-benefit pensions is calculated separately for each pension scheme by estimating future benefits earned by employees through their employment during both current and earlier periods; this benefit is discounted to a present value and the fair

value of any plan assets is deducted. The discount rate is the interest rate on a risk-free investment in an active market with a maturity corresponding to the plan's pension obligations. The calculation is performed by qualified actuaries using the projected unit credit method.

When the benefits associated with a pension improve, the proportion of the increased benefit that is attributed to employees' employment during earlier periods is recognised as an expense in the profit/loss for the year on a straight-line basis over the average period until the benefits are earned completely. If the benefit is earned completely, an expense is recognised directly in profit/loss for the year.

When there is a difference in how the pension expense is established in a legal entity and group, a provision or claim is reported in relation to special employer's contributions based on this difference. The provision or claim is not calculated as a present value.

Remuneration following notice

A provision is reported in connection with the termination of employment of personnel only if the company is demonstrably obliged to terminate employment before the normal date or when remuneration is paid in order to encourage voluntary redundancy. In instances where the company terminates employment, a detailed plan is to be drawn up that as a minimum contains details of workplaces, positions and the approximate number of personnel affected, as well as remuneration for each personnel category or position and an implementation schedule.

Provisions

A provision is reported in the balance sheet when the Group has an existing legal or informal obligation as a result of an event that has occurred, and it is likely that an outflow of financial resources will be required to regulate the obligation, and a reliable assessment of the amount can be made. Where the effect of the date of payment is important, provisions are calculated through discounting of the expected future cash flow at a rate of interest before tax that reflects current market assessments of the time value of money and, where applicable, the risks associated with the liability.

Taxes

Income tax consists of both deferred and paid tax. Income tax is recognised in profit/loss for the year unless the underlying transaction is recognised directly in other comprehensive income, in which case the related tax effect is recognised in the same way.

Current tax is tax that must be paid or received in relation to the current year, with application of the tax rates that have been adopted or adopted in practice as of the closing date; this also includes adjustment of current tax attributable to earlier periods.

Deferred tax is calculated in accordance with the balance sheet method based on temporary differences in the carrying amount of assets and liabilities and the value for tax purposes. A temporary difference that occurred during initial recognition of goodwill is not taken into consideration, and neither are temporary differences attributable to participations in subsidiaries that are not expected to be reversed within the foreseeable future. The valuation of deferred tax is based on how carrying amounts of assets or liabilities are expected to be realised or regulated.

Deferred tax is calculated with application of the tax rates and tax rules that have been adopted or adopted in practice as of the closing date. Deferred tax assets regarding deductible temporary differences and tax loss carry-forwards are recognised only to the extent it is likely these can be utilised. The value of deferred tax assets is reduced when it is assessed to be no longer likely that these can be utilised.

Any additional income tax that arises through dividends is recognised at the same time as the dividend is recognised as a liability.

Contingent liabilities (guarantees)

A contingent liability is recognised when there is a possible obligation arising from events whose occurrence is dependent only on one or more uncertain future events, or there is a commitment that is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required.

PARENT COMPANY'S ACCOUNTING PRINCIPLES

The parent company has drawn up its annual accounts in accordance with the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RFR 2 Accounting for Legal Entities. RFR 2 means that the parent company in the annual accounts for the legal entity must apply all IFRS and amendments approved by the EU, provided this is possible within the framework of the Annual Accounts Act and with regard to the connection between accounting and taxation. The recommendation states which exemptions from and additions to IFRS are to be made.

The accounting principles mentioned below for the parent company have been applied consistently in all periods recorded in the parent company's financial reports.

Revised accounting principles

RFR 2 specifies rules on the recognition of Group contributions based on one of two options: the main rule or the alternative rule. The chosen rule must be applied consistently in all Group companies. Under the main rule, the parent company recognises Group contributions received from subsidiaries as financial income and Group contributions paid to subsidiaries as an increase in participations in Group companies. Under the alternative rule, both received and paid Group contributions are recognised in appropriations. In 2014 ProfilGruppen changed its principle from use of the main rule to the alternative rule, under which Group contributions are accounted for as appropriations. The amendment has been applied retroactively for the comparative figures recognised in the annual accounts.

RFR 2 was updated in January 2014 and the amendments have been applied as of the financial year 2014. As a result of the amendments, disclosures are always made on concluded guarantees and similar obligations and in situations where the company is a member having unlimited liability of another company.

Dividends

RFR 2 specifies rules on the recognition of Group contributions based on one of two options: the main rule or the alternative rule. The chosen rule must be applied consistently in all Group companies. Under the main rule, the parent company recognises Group contributions received from subsidiaries as financial income and Group contributions paid to subsidiaries as an increase in participations in Group companies. Under the alternative rule, both received and paid Group contributions are recognised in appropriations. In 2014 ProfilGruppen changed its principle from use of the main rule to the alternative rule, under which Group contributions are accounted for as appropriations. The amendment has been applied retroactively for the comparative figures recognised in the annual accounts.

RFR 2 was updated in January 2014 and the amendments have been applied as of the financial year 2014. As a result of the amendments, disclosures are always made on concluded guarantees and similar obligations and in situations where the company is a member having unlimited liability of another company.

Employee benefits

The parent company complies with the provisions in the Act on Safeguarding of Pension Obligations and the regulations of the Swedish Financial Supervisory Authority, as this is a condition for tax deductibility. The parent company does not have any defined-benefit pension schemes.

Taxes

The parent company reports untaxed reserves including deferred tax liability. In the consolidated accounts, untaxed reserves are divided up into deferred tax liability and equity.

Group contributions and shareholders' contributions for legal entities

The parent company reports Group contributions and shareholders' contributions in accordance with the statement from the Swedish Financial Reporting Board and applies its main rule, under which Group contributions are accounted for as appropriations.

2 SEGMENTS

Information on operating segments

The Group's chief operating decision-maker, as well as the Board and management, follow the outcome of activities on a consolidated basis with no breakdown by segment or branches. The chief operating decision-maker uses the company's aggregate operating profit or loss as the basis for decisions about resource allocation and assessing performance. ProfilGruppen thus consists of only one segment. For financial information on the segment, please refer to the statement of comprehensive income and the statement of financial position, note 11 (for investments and depreciation/amortisation) and note 22 (for cash flow effects).

Information on geographic markets

Sales are made mainly to customers in Europe, where market conditions are similar. Goods are sold for export partly through sales staff who are integrated in the Swedish organisation and based in Sweden and partly through a small number of sales representatives who report directly to the Swedish export organisation but are employed in integrated sales companies in each export market. In the first instance, the Group's opportunities and risks are not affected by the location of our customers, but conditions do differ somewhat on the home and export markets. Information on external sales refers to geographical areas grouped according to customer location. Information on the markets' carrying amounts for assets and investments in fixed assets is grouped according to where the assets are located.

External sales by market	2014	2013
Sweden	427.2	369.4
Germany	104.0	88.1
Norway	81.2	85.8
Other exports	196.2	186.7
	808.6	730.0
Assets		
Sweden	472.7	442.3
Exports	5.9	8.9
	478.6	451.2
Investments in fixed assets		
Sweden	26.6	15.1
Exports	0.0	0.0
	26.6	15.1

No customer accounted for more than ten per cent of revenues in 2014 (unchanged).

3 OTHER OPERATING REVENUE AND EXPENSES

	Group		Parent company	
Other operating revenue	2014	2013	2014	2013
Repayment of insurance premiums from Fora	2.7	0.0	0.0	0.0
Compensation from disputes	0.0	0.9	0.0	0.9
	2.7	0.9	0.0	0.9

4 EMPLOYEES AND PERSONNEL COSTS

	2014		2013	
Average number of employees	Total	Men	Total	Men
Parent company	1	1	1	1
Group companies in Sweden	328	248	328	244
Group companies outside Sweden				
Denmark, sales company	0	0	1	1
Norway, sales company	1	1	2	2
Germany, sales company	1	1	1	1
	2	2	4	4
Total Group	331	251	333	249

Gender distribution of the Board and management

The Board of ProfilGruppen AB (the parent company) is made up of 86 per cent (86) men. The Group's management team (including CEO) at the end of the year was made up of 80 per cent (86) men. The Group's other company boards and management teams are made up of 92 per cent (90) men.

Salaries, other remuneration and payroll overheads

	2014		2013	
	Salaries and other remuneration	Payroll overheads (pension expenses)	Salaries and other remuneration	Payroll overheads (pension expenses)
Parent company	3.0	1.5 (0.6) ¹	2.5	1.4 (0.5) ¹
Group companies	137.3	53.5 (14.1)	127.0	52.7 (14.5)
Total Group	140.3	55.0 (14.7) ²	129.5	54.1 (15.1) ²

1) Of which MSEK 0.6 (0.5) relates to the Board and CEO of the parent company.

2) Of which MSEK 0.7 (1.3) relates to the Board and CEO in the Group's different companies.

	2014		2013	
Salaries and other remuneration, divided between Board, CEO and other employees	Board of Directors and CEO	Other employees	Board of Directors and CEO	Other employees
Parent company	3.0	0.0	2.5	0.0
Group companies in Sweden	0.6	134.2	0.0	122.8
Group companies outside Sweden				
Denmark, sales company	0.0	0.0	0.4	0.4
Norway, sales company	1.0	0.7	1.2	0.8
United Kingdom, sales company	0.0	0.0	0.3	0.0
Germany, sales company	0.0	0.8	0.0	1.1
	1.0	1.5	1.9	2.3
Total Group	4.6	135.7	4.4	125.1

Profit sharing

There was no profit-sharing plan in 2014. In 2013 employees were eligible for remuneration based on the consolidated profit after financial items. However, no profit-sharing took place.

Pensions

	Group		Parent company	
Cost of defined-contribution plans recognised in income statement	2014	2013	2014	2013
as cost of goods sold	6.5	6.7	0.0	0.0
as selling expenses	4.0	3.4	0.0	0.0
as administrative expenses	3.4	3.4	0.6	0.5
	13.9	13.5	0.6	0.5

For the coming year payments to defined contribution pension plans are estimated at MSEK 11.9.

Defined-benefit pension schemes

For salaried employees in Sweden the defined benefit pension obligations for retirement and family pensions are secured through an insurance policy with Alecta. As per a statement from the Swedish Financial Reporting Board, UFR 3, this is a multi-employer defined-benefit pension plan. For the financial year 2014 the company has not had access to information that would enable it to account for its proportionate share of the plan's obligations, assets and expenses. It has therefore not been possible to report the plan as a defined benefit plan. The ITP2 pension plan that is secured through an insurance policy with Alecta is therefore accounted for as a defined contribution pension. The premium for defined benefit retirement and family pensions is calculated individually and depends on factors such as salary, previously earned pension and expected remaining period of service. Expected fees in the next reporting for ITP2 insurance policies with Alecta are MSEK 2.3 (2.5).

The collective funding ratio comprises the market value of Alecta's assets as a percentage of insurance commitments calculated in accordance with Alecta's actuarial methods and assumptions, which do not correspond to IAS 19. The collective funding ratio is normally permitted to vary within a range of 125 and 155 per cent. If Alecta's collective consolidation level were to fall below 125 per cent or exceed 155 per cent it would be necessary to take measures to create conditions under which the level can return to the normal range. In case of a low consolidation level one measure that can be taken is to raise the agreed price for new subscriptions and an increase in the existing benefits. A high consolidation level can be addressed by introducing premium reductions. At the end of 2014, Alecta's surplus in the form of the collective funding ratio amounted to 143 per cent (148).

There are other defined-benefit pension schemes that provide benefits for retiring employees, both for employees in Sweden and for employees in Norway. There are no new earned pension entitlements for the Swedish scheme. The parent company does not have any defined-benefit plans.

As a result of the change of accounting principles in 2013 previously unrecognised actuarial gains and losses started to be included in net debt in respect of defined benefit pension plans in the statement of financial position. The change in actuarial gains or losses is recognised through other comprehensive income.

Wholly or partly funded obligations	Group				
	2014	2013	2012	2011	2010
Obligation balance, 1 January	25.9	25.6	19.5	22.3	20.3
Change as at 1 January due to change of accounting principles		-	4.3	-	-
Change due to change of line in balance sheet for employer's contribution	0.0	2.6	1.1	-	-
Cost for pensions earned during the year	0.1	0.8	1.1	1.0	1.0
Interest expense	0.9	0.7	0.7	0.7	0.7
Outgoing payments	-1.8	-0.8	-0.7	-0.7	-0.6
Actuarial gains/losses	0.0	0.0	-0.7	0.3	1.4
Actuarial gains/losses recognised through other comprehensive income	-1.7	-2.4	0.2	0.2	0.0
Translation differences	0.0	-0.6	0.1	0.0	-0.5
Obligation balance 31 December of which, unrecognised actuarial losses	23.4	25.9	25.6	23.8	22.3
	-	-	-	4.3	4.0
Plan assets balance, 1 January	6.0	7.2	7.0	6.9	7.2
Expected return on plan assets	0.2	0.1	0.3	0.3	0.3
Costs	0.0	0.0	-0.1	-0.1	0.0
Incoming payments	-0.2	0.6	0.2	0.1	0.5
Actuarial gains/losses	0.0	0.0	-0.3	-0.2	-0.6
Actuarial gains/losses recognised through other comprehensive income	-3.9	-1.2	0.0	0.0	0.0
Translation differences	0.0	-0.7	0.1	0.0	-0.5
Plan assets balance, 31 December	2.1	6.0	7.2	7.0	6.9
Net debt recognised in the balance sheet relating to defined benefit pension plans	21.3	19.9	18.4	12.5	11.4
Cost recognised in profit/loss for the year of which selling expenses	0.8	1.6	1.7	1.8	1.5
of which administrative expenses	0.2	1.1	0.2	0.2	1.0
of which financial expenses	0.0	0.0	1.0	1.2	0.0
Cost recognised in other comprehensive income of which caused by experience-based adjustments	2.3	-1.3	-0.4	-	-
of which caused by changed assumptions	0.1	0.2	-	-	-
	2.2	-1.5	-	-	-

Sensitivity analysis for estimated net debt at balance sheet date

Change in obligation for discount rate -0.5 percentage points	1,8
Change in obligation for discount rate +0.5 percentage points	-1,7
Change in obligation for inflation assumption -0.5 percentage points	-1,4
Change in obligation for inflation assumption +0.5 percentage points	1,6
Change in obligation for duration assumption -1 year	-0,7
Change in obligation for duration assumption +1 year	0,7

The most important actuarial assumptions as of the closing day

	Sweden		Norway	
	2014	2013	2014	2013
Discount rate	2.8%	4.0%	3.0%	4.1%
Long-term inflation assumption	1.5%	2.0%	-	-
Expected return on plan assets	-	-	3.0%	4.1%
Future salary increases	-	-	3.3%	3.8%
Future increases in pensions	1.5%	2.0%	3.0%	3.5%
Staff turnover	-	-	0.0	0.0
Expected remaining employment period	9.3 years	10.60 years	8.7 years	7.0 years
Average remaining term of the obligation	26 years	27 years	27 years	22 years
Average life expectancy, women	90 years	90 years	89 years	89 years
Average life expectancy, men	88 years	88 years	86 years	86 years

The discount rate for the Norwegian plan is based on the market yield on mortgage bonds with a maturity corresponding to the remaining term of the obligation, 27 years. For the Swedish plan the discount rate has been based on the market yield on mortgage bonds with a maturity corresponding to the remaining term of the obligation, in this case 26 years.

Plan assets only exist in the Norwegian scheme and consist chiefly of interest-bearing securities, which account for 71 per cent (73). Other assets are shares 7 per cent (9), real estate 14 per cent (18) and other 8 per cent (0).

The actual return on plan assets in the Norwegian plan in 2014 is not known (2013: 4.5 per cent).

Our best estimate of payments to defined benefit pension plans in 2015 is MSEK 3.7.

Guidelines for remuneration for senior executives

The members of the Board receive remuneration in accordance with the decisions of the Annual General Meeting.

The Board prepares a proposal for guidelines for remuneration of the Group's CEO and other senior executives. The guidelines are based on

the company's long-term Remuneration Policy, which was revised in February 2014.

The 2014 Annual General Meeting adopted a set of guidelines for the CEO and other members of management, a group comprising seven persons at the time of the AGM. The decision encompasses principles as follows. Total remuneration may consist of a fixed basic salary, variable remuneration, pension and other benefits. The variable remuneration, which can amount to a maximum of 25 per cent of the fixed salary, is linked partly to the profit (max. 15 per cent of the fixed salary) and partly to defined individual targets (max. 10 per cent of the fixed salary). Variable remuneration is conditional on a positive net result for the Group and will be retrospectively adjusted if it has been paid on apparently erroneous grounds. Agreements on pension benefits are arranged individually and the pension costs can amount to a maximum of 30 per cent of the fixed salary. Other remuneration and benefits shall be at market rates and shall help to facilitate the senior executive's opportunities to carry out their work. The employment contracts of members of the management team are generally terminable on six months' notice by either party. The Board may depart from the guidelines if there are special reasons in an individual case.

The guidelines which the Board intends to propose to the 2015 AGM are presented in the Directors' Report.

Directors' fees and other remuneration to senior executives, SEK thousand

		2014	2013
Kåre Wetterberg	Chairman	142	340
Mats Egeholm	Board member	125	125
Susanna Hilleskog	Board member	125	125
Bengt Stillström	Chairman	198	
	Board member	52	125
Thomas Widstrand	Board member	125	125
Employee representatives	two members and two deputies	-	-
Total fees		767	840

During the year the Chairman of the Board has also billed the company for SEK 1,437,000 (0) for services performed as acting CEO during the period February to August, during which period he did not receive any Directors' fees.

The CEO of ProfilGruppen AB, who stepped down on 31 January 2014, received SEK 1,521,000 (1,653,000) in fixed and variable remuneration, including benefits, during his active period and notice period. The CEO who took up the post on 1 September received equivalent remuneration of SEK 559,000 (0) during the year. The company has also contracted a temporary CEO, who received a total fee of SEK 1,437,000 (0).

Other senior executives, totalling six people, including those who have joined and left during the period, have received SEK 5,567,000 (5,747,000) in fixed and variable remuneration, including benefits.

During the year, the cost for variable remuneration, excluding social security contributions, to executive management (seven persons) amounted to a total of SEK 39 (seven persons, SEK 0), of which SEK 0 (0) was paid out to the CEO.

The current CEO's employment contract is terminable on six months' notice by the CEO and on twelve months' notice by the company. One other senior executive has a contract terminable on twelve months' notice by the company. Other senior executives' contracts are terminable on six months' notice.

Pension benefits and pension agreements for senior executives

For the CEO a defined benefit pension provision of 30 per cent of his total salary has been made. The annual pension costs for the departing CEO amounted to SEK 468 000 (438 000), excluding special employer's contributions of SEK 114 000 (106 000). The annual pension costs for the CEO elect amounted to SEK 160 000 (0 000), excluding special employer's contributions of SEK 39 000 (0 000). There are no agreements on early retirement.

Other senior executives during the year, six people (seven), are covered by the pension plan for salaried employees in Sweden (ITP). The annual pension costs for these people amounted to SEK 1,202,000 (1,395,000), excluding employer's contributions of SEK 292,000 (339,000). The pensions are transferable and so are not conditional on future employment.

There are no other agreements on severance pay.

AUDITORS' FEES AND EXPENSES

	Group		Parent company	
	2014	2013	2014	2013
Ernst & Young AB				
Audit assignments	0.6	0.6	0.0	0.0
Other assignments	0.3	0.1	0.0	0.0
Other auditors				
Audit assignments	0.1	0.2	-	-

6 OPERATING EXPENSES BY FUNCTION OF EXPENSE

	Group	
	2014	2013
Raw materials	346.3	320.0
Personnel costs	195.3	183.6
Depreciation and amortisation	20.8	25.5
Impairment of tangible and intangible fixed assets	0.9	0.0
Other operating expenses	240.9	221.8
	804.2	750.9

Exchange rate differences attributable to trade receivables have increased revenue by MSEK 2.0 (increased by 1.2). Exchange rate differences attributable to trade payables have increased costs of goods sold by MSEK 0.1 (increased 0.2).

Other operating expenses include lease payments for the Group of MSEK 4.0 (3.6). The total sum of future non-redeemable leasing payments amounts to MSEK 4.3, of which MSEK 2.4 is due within one year. The remaining MSEK 1.9 falls due in one to five years. Leasing costs comprise operating lease contracts concerning IT equipment and company cars. The parent company is not a lessee.

The cost of developing products and the business amounts to MSEK 6.6 (7.7) and is included in the operating expenses divided into personnel costs and other operating expenses. During the year, none of these costs have been capitalised in accordance with IAS 38.

7 FINANCIAL ITEMS

	Group	
	2014	2013
Interest income	0.9	0.3
Financial income	0.9	0.3
Interest portion of pension expenses for the year	0.6	0.5
Interest expenses, other	4.8	4.7
Other expenses	1.7	1.1
Financial expenses	7.1	6.3
	Parent company	
	2014	2013
Dividends from subsidiaries	0.0	80.0
Interest income, Group companies	0.5	0.1
Financial income	0.5	80.1
Impairment of shares in subsidiaries	0.0	35.0
Interest expenses, Group companies	0.2	1.8
Interest expenses, other	0.8	1.1
Financial expenses	1.0	37.9

The dividend as well as the impairment of shares in subsidiaries in the previous year refer to the subsidiary company ProfilGruppen Extrusions AB.

8 APPROPRIATIONS AND UNTAXED RESERVES

	Appropriations		Untaxed reserves	
Parent company	2014	2013	2014	2013
Accumulated depreciation above plan				
Allocated (+) / dissolved (-)				
buildings	0.0	0.0	0.1	0.1
equipment	-0.2	-0.2	1.9	2.1
	-0.2	-0.2	2.0	2.2
Tax allocation reserves				
Allocated (+) / dissolved (-) per tax year				
2007	0.0	-5.0	0.0	0.0
2008	-4.0	0.0	0.0	4.0
2009	0.0	0.0	2.7	2.7
2010	0.0	0.0	4.2	4.2
2011	0.0	0.0	5.8	5.8
2012	0.0	0.0	0.0	0.0
	-4.0	-5.0	12.8	16.8
Group contributions	15.5	14.4	-	-
	11.3	9.2	14.8	19.0

TAXES

	Group		Parent company	
Reported tax expense	2014	2013	2014	2013
Current tax	0.5	0.3	0.0	4.1
Deferred tax relating to temporary differences	0.1	-5.8	0.1	0.2
Review of earlier year's tax assessment	-3.7	0.0	-3.7	0.0
Total reported tax expense	-3.1	-5.5	-3.6	4.3

	Group		Parent company	
Reconciliation effective tax, per cent	2014	2013	2014	2013
Tax as per applicable tax rate for the parent company	22	-22	22	22
Effect of review of earlier year's tax assessment	-418	0	-737	0
Standard interest on tax allocation reserve	55	1	11	0
Other non-tax-deductible expenses and taxable income	-3	0	-16	-15
Reported effective tax	-344	-21	-720	7

Change in reported deferred tax liability	01-01-2014	Recognised through profit/loss for the year	Recognised through comprehensive income	31-12-2014
---	------------	---	---	------------

Group				
Tangible fixed assets	18.4	1.5	0.0	19.9
Pension provisions	-0.5	0.0	-0.5	-1.0
Tax allocation reserves	7.1	-1.4	0.0	5.7
Items recognised in hedging reserve	-0.8	0.0	-0.2	-1.0
Other	-0.1	0.0	0.0	-0.2
	24.1	0.1	-0.7	23.4

Parent company				
Tangible fixed assets	3.2	0.1	0.0	3.3
Other	0.0	0.0	0.0	0.0
	3.2	0.1	0.0	3.3

	01-01-2014	Recognised through profit/loss for the year	Recognised through comprehensive income	31-12-2014
--	------------	---	---	------------

Group				
Tangible fixed assets	22.0	-3.6	0.0	18.4
Pension provisions	-0.9	0.1	0.3	-0.5
Tax allocation reserves	9.9	-2.8	0.0	7.1
Items recognised in hedging reserve	-0.5	0.0	-0.3	-0.8
Other	-0.6	0.5	0.0	-0.1
	29.9	-5.8	0.0	24.1

Parent company				
Tangible fixed assets	3.0	0.2	0.0	3.2
Other	0.0	0.0	0.0	0.0
	3.0	0.2	0.0	3.2

10 INTANGIBLE FIXED ASSETS

	Group	
	2014	2013
Goodwill		
Accumulated cost		
At beginning of year	12.8	12.8
New acquisitions	0.0	0.0
Sales	0.0	0.0
At beginning of year	12.8	12.8
Acc. impairment losses		
At beginning of year	2.8	2.8
Impairment losses for the year	0.0	0.0
At end of year	2.8	2.8
Carrying amount at end of year	10.0	10.0

Impairment test for cash-generating units containing goodwill

ProfilGruppen tests the value of goodwill at least once a year and when there is an indication of impairment. The impairment test for goodwill is based on a calculation of the value in use. Goodwill is attributable to the activities of ProfilGruppen Extrusions AB, which is also the cash-generating unit tested. A cash flow statement has been used as the basis for the valuation and the first three years are based on the adopted budget and strategic plans. The margin is expected to improve as a result of increased demand and measures to improve efficiency. The cash flows forecast after the first three years are based on an annual growth rate of 2.0 per cent (2.0), which in turn is based on the expected rate of GDP growth, which the market for extrusions normally follows. The new present value of forecast cash flows has been estimated using a discount rate of 13.9 per cent before tax (15), which has been calculated using a weighted average cost of capital.

A sensitivity analysis of the impairment test has been made, showing that reasonable changes in the discount rate, weighted average cost of capital, rate of growth and gross margin calculation parameters do not result in an impairment loss.

	Group		Parent company	
	2014	2013	2014	2013
Machinery and equipment				
Accumulated cost				
At beginning of year	462.5	453.0	5.4	5.2
New acquisitions	20.9	13.0	0.0	0.2
Reclassifications	1.6	2.3	0.0	0.0
Translation differences	0.1	0.0	0.0	0.0
Sales and disposals	-5.6	-5.8	0.0	0.0
At end of year	479.5	462.5	5.4	5.4
Acc. depreciation according to plan				
At beginning of year	345.1	328.3	2.8	2.5
Sales and disposals	-2.7	-4.9	0.0	0.0
Translation differences	0.1	0.0	0.0	0.0
Amortisation for the year according to plan	17.1	21.7	0.4	0.3
At end of year	359.6	345.1	3.2	2.8
Acc. impairment losses				
At beginning of year	13.7	13.7	0.0	0.0
Impairment losses for the year	0.3	0.0	0.0	0.0
At end of year	14.0	13.7	0.0	0.0
Carrying amount at end of year	105.9	103.7	2.2	2.6

An impairment loss of MSEK 0.3 on machining equipment was recognised in 2014.

The Group possesses machinery held through finance lease contracts with a carrying amount of MSEK 14.0 (6.5).

The Group's accumulated cost includes capitalised interest of MSEK 3.1 (3.1). No interest has been capitalised during this year or the previous year. Equipment belonging to the parent company refers to land equipment and permanent equipment.

The cost of the fixed assets that are fully depreciated but are still used in the business is MSEK 285.8 (228.1).

	Group		Parent company	
	2014	2013	2014	2013
Construction in progress and advance payments regarding tangible fixed assets				
At beginning of year	2.2	2.5	0.0	0.0
Reclassifications	-1.6	-2.3	0.0	0.0
New acquisitions	5.6	2.0	0.0	0.0
Carrying amount at end of year	6.2	2.2	0.0	0.0
Total reported value, tangible fixed assets	209.2	207.3	84.8	88.7

	Group		Parent company	
	2014	2013	2014	2013
Useful lives				
Buildings and land				
Real estate, depending on component	30–50 years		30–50 years	
Permanent equipment	10–40 years		10–40 years	
Land improvements	20 years		20 years	
Land equipment	10 years		10 years	
Machinery and equipment				
Extrusion presses	20 years			
Anodising equipment and other press equipment	10–15 years			
Spare parts for machinery	5–10 years			
Processing and measuring machinery	5–7 years			
Equipment	5–10 years			
Means of transport	5 years			
IT investments	4 years			
Depreciation is on a straight-line basis, based on expected useful life.				

	Group		Parent company	
	2014	2013	2014	2013
Depreciation by function				
Cost of good sold	20.6	25.2	3.4	3.4
Selling expenses	0.1	0.2	0.0	0.0
Administrative expenses	0.1	0.1	0.0	0.0
	20.8	25.5	3.4	3.4

11 TANGIBLE FIXED ASSETS

	Group		Parent company	
	2014	2013	2014	2013
Buildings and land				
Accumulated cost				
At beginning of year	160.9	160.9	129.5	129.5
New acquisitions	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0	0.0
Sales and disposals	0.0	0.0	0.0	0.0
At end of year	160.9	160.9	129.5	129.5
Acc. depreciation according to plan				
At beginning of year	59.5	55.7	43.4	40.4
Sales and disposals	0.0	0.0	0.0	0.0
Depreciation for the year according to plan	3.7	3.8	2.9	3.0
Impairment losses for the year	0.6	0.0	0.6	0.0
At end of year	63.8	59.5	46.9	43.4
Carrying amount at end of year	97.1	101.4	82.6	86.1
of which buildings	90.6	94.7	76.5	80.0
land	3.0	3.0	2.6	2.6
land improvements	3.5	3.7	3.5	3.5

An impairment loss of MSEK 0.6 (0.0) on a building in the parent company was recognised in 2014.

A property owned by the Group is let out under a finance lease. In the table above the property is accounted for as sold in 2012.

12 FINANCIAL FIXED ASSETS

Of financial fixed assets, MSEK 1.4 (1.5) refers to a lease receivable.

The receivable arose in 2012 when a contract for the lease of property was concluded. The contract runs over ten years. The lessee has an option to purchase the property at any time during the term of the lease. The intention is that the property will be purchased after five years. The net present value of future lease payments is MSEK 5.7. A provision for doubtful receivables has been made and a receivable of MSEK 1.4 has been recognised in the balance sheet.

Financial lease receivables, due date	Group	
	2014	2013
Within one year	0.5	0.5
Between one and five years	2.9	2.3
Later than five years	2.3	2.4
	5.7	5.2

13 INVENTORIES

	Group	
	2014	2013
Raw materials and consumables	40.6	40.8
Work in progress	67.3	53.9
Finished products and goods for resale	19.1	13.0
	127.0	107.7

14 TRADE RECEIVABLES

Trade receivables are reported as net following deductions for doubtful receivables. Doubtful receivables are assessed individually. During the year a provision of MSEK 0.1 (0.4) for expected bad debts was made while bad debts provisions of MSEK 0.2 from previous years have been recovered.

Realised bad debts amounted to MSEK 0.0 (0.3) and arose in connection with insolvency affecting customers.

For other information on customer credits, see note 19.

15 EQUITY

Specification of reserves	2014	2013
Translation reserve, opening balance	0.0	0.0
Translation differences for the year	0.0	0.0
Translation reserve, closing balance	0.0	0.0
Hedging reserve, opening balance	-3.2	-1.9
Cash flow hedges	-2.6	-3.4
Reversal of cash flow hedges through profit or loss	1.9	1.9
Change due to changed tax rate in Sweden	0.0	-0.1
Tax attributable to hedges for the year	0.2	0.3
Hedging reserve, closing balance	-3.7	-3.2
Total reserves	-3.7	-3.2

Share capital and votes

All shares have a fair value of SEK 5 per share. All shares are fully paid up.

All existing shares are series B shares and have equal rights to a share in the company's assets and profits. A rights issue was completed in 2014 as a result of which the number of shares increased by 2 466 258 from 4 932 517 shares to 7 398 775 shares. The share capital has increased from SEK 24 662 585 to SEK 36 993 875.

First refusal and conversion

There is no pre-emption clause in the articles of association.

Other paid-up capital

This item refers to equity that has been put up by the owners. This includes a portion of share premium reserves transferred to the statutory reserve as at 31 December 2005. Any future transfers to the share premium reserves will also be accounted for as paid-up capital. The rights issue in 2014 added SEK 28 165 231 to the share premium reserve in the parent company, after deduction of issue costs.

Translation reserve

The translation reserve includes all exchange rate differences that arise during translation of financial reports from foreign operations which have prepared their reports in a currency other than that used in the Group's financial reports. The parent company and the Group prepare their financial reports in Swedish krona.

Hedging reserve

The hedging reserve contains the effective share of the accumulated net change in actual value of a cash flow hedging instrument attributable to hedging transactions that have not yet occurred.

Own shares and repurchases

No individual shares are owned by the company itself or its subsidiaries and the repurchase of individual shares is currently not relevant. There are no programmes of convertibles or options that involve the dilution of share capital.

Dividend

After the closing date the Board has proposed that no dividend be paid for 2014. The calculated average number of shares in 2014 is 6 488 045 (5 601 930). The dividend is subject to approval by the Annual General Meeting on 26 March 2014.

During the year no dividend was paid.

Parent company

Restricted funds

Restricted funds refers to share capital and other restricted equity. Restricted funds are not available for dividend payment.

Non-restricted equity

The balanced profit is formed by the preceding year's non-restricted equity after any dividend has been paid. Retained earnings, together with the profit for the year, make up the total non-restricted equity, i.e. the sum available for dividends to shareholders.

EARNINGS PER SHARE

The calculation of earnings per share is based on the consolidated profit/loss for the year, attributable to the parent company's shareholders, amounting to MSEK 4.0 (-20.5) and a weighted average number of shares in 2014 amounting to 6,488,045 (5,601,930), which is calculated in accordance with IAS 33, taking account of the rights issue that was completed in 2014. There is no dilution.

INTEREST-BEARING LIABILITIES

	Group			
	Long-term		Current	
Interest-bearing liabilities	2014	2013	2014	2013
Bank loans	23.8	30.4	0.0	0.0
Overdraft facility	-	-	30.9	76.5
Financial lease liabilities	10.5	5.3	3.5	1.4
	34.3	35.7	34.4	77.9

The parent company's liabilities to credit institutions comprise bank loans, of which MSEK 17.6 (17.6) are bank overdraft facilities. Of the bank loans, MSEK 0.0 (0.0) is due for payment more than five years after the closing date.

All loans, excluding bank overdraft facilities, are regarded as long-term liabilities. This is due to the fact that they build on an original maturity of more than 12 months. The intention is to refinance them in the long term and a promise of such refinancing exists. The lender agreement contains key figures that the company must meet, see note 19.

Trade receivables of MSEK 96.1 (83.7) have been pledged as collateral for bank loans and the overdraft facility.

Interest-bearing liabilities by currency	Group		Parent company	
	2014	2013	2014	2013
SEK	67.4	95.7	19.3	24.3
EUR	0.0	13.9	0.0	0.0
DKK 0.0	2.4	0.0	0.0	
NOK 0.0	0.0	0.0	0.0	
GBP 1.3	1.6	0.0	0.0	
USD 0.0	0.0	0.0	0.0	
	68.7	113.6	19.3	24.3

Finance lease liabilities, due dates	Group	
	2014	2013
Within 1 year	3.5	1.4
Between 1 and 5 years	10.5	5.2
Later than five years	0.0	0.1
	14.0	6.7

The Group's finance lease payments amounted to MSEK 1.7 (1.5) during the year.

18 PREPAID, ACCRUED AND DEFERRED EXPENSES AND INCOME

Prepaid expenses and accrued income	Group		Parent company	
	2014	2013	2014	2013
Prepaid salaries	1.1	1.1	0.0	0.0
Other prepaid expenses	3.2	4.1	0.0	0.1
	4.3	5.2	0.0	0.1

Accrued expenses and deferred income	Group		Parent company	
	2014	2013	2014	2013
Holiday pay and other personnel expenses	40.6	34.8	1.0	0.5
Accrued Board fees	0.6	0.6	0.6	0.6
Other 3.9	2.8	0.4	0.6	
	45,1	38,2	2,0	1,7

19 FINANCIAL INSTRUMENTS

The Group's financial instruments include bank loans, trade payables, finance leases and derivatives, which may constitute a liability or asset depending on the fair value of the instrument. The purpose of the liabilities is to fund the Group's operations. The Group's financial instruments also include assets in the form of trade receivables and cash and cash equivalents generated in the operations. The Group's derivatives may also constitute assets at the closing date.

As a result of its activities, the Group is exposed to various types of financial risk. Financial risk refers to fluctuations in the company's profit and cash flow as a result of changes in exchange rates, interest rates, raw material prices and refinancing and credit risks.

The company's Board of Directors examines and approves policies for handling these risks as described below. The Group's central finance department is responsible for handling financial transactions and risks in accordance with established policies.

Currency risks

Currency risks primarily arise when the Group sells products on export. Sales in foreign currencies represent about half of all revenue. The currency in which the greatest share of export sales is done is EUR, but since raw materials are in part purchased in EUR, exposure is considerably reduced.

At ProfilGruppen around 50-70 per cent of contracted and forecast currency flows for a period of six to twelve months must be hedged by forward transactions. Hedge accounting is used for the forward contracts, and during the year, no (no) amounts for ineffective hedges have been recognised in the income statement. The effects of the forward contracts in the income statement can be found on the revenue line, MSEK -5.4 (0.4), and the financial expenses line, MSEK -0.2 (0.2).

Receivables in a foreign currency amounted as of 31 December to MSEK 36.2 (36.9) and liabilities in a foreign currency to MSEK 37.0 (37.0). Of the liabilities in a foreign currency MSEK 20.0 (17.9) are interest-bearing, see note 17.

The transaction exposure below is based on an estimated payment surplus 12 months ahead from 31 December 2014.

Currency	Estimated net inflow, MSEK	Hedged portion (per cent)	Average forward rate
EUR	97	57	9.12 SEK/EUR
DKK	13	80	1.23 SEK/DKK
NOK	17	30	1.09 SEK/NOK

Translation exposure associated with the Group's overseas sales companies, which consists of each company's equity and liabilities to the parent company, is marginal.

Where a flow is unsecured, changes in exchange rates affect profit before tax as per the following.

EUR	Change +/- 10%	+/- MSEK 10
DKK	Change +/- 10%	+/- MSEK 1
NOK	Change +/- 10%	+/- MSEK 2

Interest risk

Interest risk that arises through variations in the market rate is limited by the use of interest rate swaps, which aim to change the underlying interest structure of the net debt. There are interest rate swaps for 100 per cent (100) of the long-term interest-bearing liabilities. During reporting, hedge accounting is applied when there is an effective link between a hedged loan and an interest rate swap. The table below shows the time of interest fixation and the interest rate for the Group's long-term liabilities.

Fixed term year	Long-term interest-bearing liabilities, MSEK	Interest rate (per cent)
2015	0.0	-
2016	0.0	-
2017	0.0	-
2018 –	34.3	3.3

Of the above, MSEK 1.7 consists of the parent company's interest-bearing liabilities at an average interest rate of 3.3 per cent.

If interest rates were to rise by one percentage point in 2015 compared with 2014 the interest expense on the company's long-term liabilities would, in the absence of interest rate hedges, increase by MSEK 0.3.

Market risks

Market risks consist primarily of declining demand and changes in raw material prices. ProfilGruppen's production is characterised by a high proportion of fixed costs, meaning activities are highly volume-dependent. Small variations in demand thus have a relatively large impact on profit. Aluminium prices have historically shown significant mobility. The price risk that does exist is minimised by including raw material clauses in contracts with customers. The raw material policy means that raw materials are mainly purchased in proportion to orders in hand. Raw material purchases for periods longer than six months are made based on definite orders from customers. Raw materials are purchased in Swedish krona or euro. Follow-ups and checks are performed by a raw materials group made up of representatives from the purchasing, finance and marketing organisations at management level.

Credit risks

Customer credits in ProfilGruppen must be handled in accordance with the Group's credit policy. The company's management is responsible for ensuring that the credit policy is familiar to all parties involved in the sales process and for it being adapted where necessary.

Once a customer's creditworthiness has been analysed, credit sales may be allowed in accordance with the policy's decision levels where all credits above SEK 1,000,000 require the approval of the CFO and CEO in unison. For information on the creditworthiness of the company's customers, see the following table, which shows the share of companies in each rating class (source: Dun & Bradstreet).

Credit rating	All customers	Swedish customers	All Swedish limited companies
AAA	29%	45%	7%
AA	42%	26%	18%
A	15%	15%	41%
N	2%	3%	9%
B	7%	8%	16%
C	5%	3%	9%

Maximum exposure to credit risks as of 31 December 2014 amounts to MSEK 109.1 (96.8). The largest individual receivable amounts to 8 per cent (12) of the total credit risk. The distribution of the credit risk is shown in the following table.

Concentration of credit risk as at 31 Dec 2013	Number of customers	Per cent of number of customers
Exposure < MSEK 1.0	347	92%
Exposure MSEK 1.0–5.0	27	7%
Exposure > MSEK 5	2	1%
	376	100%

Of the total trade receivables, 5.3 per cent (6.3) are matured claims. 4.2 per cent (3.5) have been due for 30 days or less, while 1.1 per cent (2.7) have been due for more than 30 days.

Liquidity risks

No significant liquidity risks are included in the company's financial instruments.

In addition to the Group's cash and cash equivalents, on the closing date there were unutilised credit facilities to a value of MSEK 119.1 (81.3).

For due dates for interest-bearing liabilities, refer to note 17. The agreement with lenders contains key figures that the company is required to meet. These had been met at 31 December 2014.

Maturity analysis

financial liabilities	On demand	<3 mths	3–12 mths	1–5 yrs	>5 yrs
Interest-bearing liabilities	30.8	1.6	3.9	17.8	14.6
Other liabilities	26.0	128.4	2.7	2.5	0.0
Derivatives	0.0	0.2	1.4	3.5	0.0
Total at 31 Dec 2014	56.8	130.2	8.0	23.8	14.6
Interest-bearing liabilities	76.5	3.3	4.6	13.1	16.1
Other liabilities	21.5	104.0	2.7	2.2	0.0
Derivatives	0.0	0.2	2.3	2.1	0.0
Total at 31 Dec 2013	98.0	107.5	9.6	17.4	16.1

Carrying amount and fair value of financial instruments

Class	Group				Category
	Carrying amount		Fair value		
	2014	2013	2014	2013	
Financial assets	1.5	1.7	1.5	1.7	Loan receivables and trade receivables
Trade receivables	107.4	94.7	107.4	94.7	Loan receivables and trade receivables
Accrued income	0.0	0.0	0.0	0.0	Loan receivables and trade receivables
Other receivables	13.4	12.2	13.4	12.2	Loan receivables and trade receivables
of which forward contracts	0.2	0.6	0.2	0.6	Assets measured at fair value through profit or loss
Cash and cash equivalents	1.1	2.3	1.1	2.3	Available-for-sale financial assets
Interest-bearing liabilities	68.7	113.6	68.7	113.6	Other financial liabilities
Trade payables	108.3	86.4	108.3	86.4	Other financial liabilities
Accrued expenses	45.1	38.2	45.1	38.2	Other financial liabilities
Other liabilities	11.3	10.4	11.3	10.4	Other financial liabilities
of which forward contracts	1.6	2.5	1.6	2.5	Liabilities measured at fair value through profit or loss
of which interest rate swaps	3.5	2.1	3.5	2.1	Liabilities measured at fair value through profit or loss

Class	Parent company				Category
	Carrying amount		Fair value		
	2014	2013	2014	2013	
Accrued income	0.0	0.0	0.0	0.0	Loan receivables and trade receivables
Cash and cash equivalents	0.4	0.4	0.4	0.4	Available-for-sale financial assets
Receivables from Group companies	24.7	0.8	24.7	0.8	Loan receivables and trade receivables
Interest-bearing liabilities	19.3	24.3	19.3	24.3	Other financial liabilities
Liabilities to Group companies	0.0	18.4	0.0	18.4	Other financial liabilities
Accrued expenses	2.0	1.7	2.0	1.7	Other financial liabilities
Other liabilities	0.6	0.6	0.6	0.6	Other financial liabilities

No reclassification between categories has been carried out during the year.

Forward contracts have been measured at observable market prices at the balance sheet date, i.e. in accordance with Level 2 under IFRS 13.

Valuation models or techniques for discounted cash flows are used to determine the rate for interest rate swaps. The discount rate used is a market-based rate for similar instruments on the closing date. The value thus agrees with Level 2 under IFRS 13.

Capital administration

The main goal of the Group's capital administration is to maintain a high credit rating and a well-balanced capital structure. In order to retain or change the capital structure, the Group can adjust the dividend to the shareholders, return capital to the shareholders or conduct a new issue.

The goal for the capital structure is to have a net debt/equity ratio of 0.75–1.00 on average over one business cycle. The net debt/equity ratio is defined as interest-bearing liabilities and provisions less cash and cash equivalents in relation to equity. The debt/equity ratio at the end of the year amounted to 0.44 (0.83).

	Group	
	2014	2013
Interest-bearing liabilities	68.7	113.6
Interest-bearing provisions	21.3	19.9
Cash and cash equivalents	-1.1	-2.3
Total net debt	88.9	131.2
Equity	200.3	158.1
Reserves in equity	3.7	3.2
Equity to administrate	204.0	161.3
Total capital to administrate	292.9	292.5
Net debt/equity ratio	0.44	0.83

PLEGDED ASSETS AND CONTINGENT LIABILITIES

20

	Group		Parent company	
	2014	2013	2014	2013
Pledged assets for own liabilities to credit institutions				
Property mortgages	84.8	84.8	78.6	78.6
Floating charges	170.0	170.0	0.0	0.0
Pledged trade receivables	96.1	83.7	0.0	0.0
Shares in subsidiaries	116.6	110.7	73.9	73.9
Contingent liabilities				
Guarantees for Group companies	-	-	34.7	34.6
Guarantees for other companies	0.7	0.7	0.0	0.0
Guarantee commitments FPG/PRI	0.2	0.2	0.0	0.0

Company	Org.no.	No. of shares	Share, per cent	Equity incl. portion of untaxed reserves	Carrying amount 2013
Subsidiaries					
Bergströms Utveckling AB	556568-6440	1,000	100	0.1	0.1
ProfilGruppen Extrusions AB	556206-5119	940,000	100	95.2	73.7
ProfilGruppen Manufacturing AB	556262-3990	1,000	100	1.9	0.1
					73.9

Second tier subsidiaries**Subsidiaries of Bergströms Utveckling AB**

ProfilGruppen Components AB	556248-8949	1 000	100
-----------------------------	-------------	-------	-----

Subsidiaries of ProfilGruppen Extrusions AB

ProfilGruppen			
ProfilGruppen GmbH, Germany	-	-	100
ProfilGruppen Norge AS, Norway	-	100	100

The Boards of all the Swedish companies, including the parent company, have their registered offices in Uppvidinge Municipality.

No changes in ownership have occurred during the year. The sales companies in Denmark and the United Kingdom were liquidated during the year.

Bergströms Utveckling AB and ProfilGruppen Components AB were dormant at year-end.

The parent company has associated relations which involve a decisive influence over its subsidiaries, see note 21. For information on liabilities to and receivables from subsidiaries, see the parent company balance sheet. The parent company's revenue comprises revenues for services and rents, of which 98 per cent is earned from subsidiaries. These rents are determined based on market terms.

Out of the total votes of ProfilGruppen AB the Board members Bengt Stillström and Mats Egeholm control 26.7 per cent (26.4) and 10.5 per cent (10.3), respectively. The other Board members together control 0.03 per cent (0.1) of the votes. One of the Board's deputies holds 0.7 per cent (0.7) of the votes. Senior executives control a total of 0.1 per cent (0.7) of the votes in ProfilGruppen AB.

For salaries and other remuneration, as well as costs and obligations related to pensions and similar benefits for the Board, CEO and other senior executives, see note 4.

The undersigned affirm that the Group and annual accounts have been prepared in accordance with the IFRS international accounting standards as adopted by the EU and with generally accepted accounting principles and provide a fair representation of the Group's and the company's position and profits and that the Group Directors' Report and the Directors' Report provide a fair summary of the development of the Group's and company's activities, position and profits and describe significant risks and factors of uncertainty that the companies that form part of the Group face.

ÅSEDA, 20 FEBRUARY 2015

Kåre Wetterberg
Chairman of the Board

Per Thorsell
CEO

Mats Egeholm
Board member

Susanna Hilleskog
Board member

Kurt Nilsson
Board member
Employee representative

Ulf Näslund
Board member
Employee representative

Bengt Stillström
Board member

Thomas Widstrand
Board member

Our auditor's report was submitted on 20 February 2015
Ernst & Young AB

Johan Thuresson, Authorised public accountant

No cash and cash equivalents other than cash and bank balances exist; therefore, the definition of cash and cash equivalents is the same in both the statement of cash flows and the balance sheet.

Adjustment for non-cash items	Group		Parent company	
	2014	2013	2014	2013
Depreciation, amortisation and impairment of assets	21,7	25,5	4,0	3,4
Capital gain/loss on sale of fixed assets	0.0	0.0	0.0	0.0
Dividends received from subsidiaries	-	-	0.0	-80.0
Impairment of shares in subsidiaries	-	-	0.0	35.0
Unrealised exchange rate differences	0.5	0.5	0.0	0.0
Provisions for pensions	1.4	2.6	0.0	0.0
Other income and expense items not affecting liquidity	-1.1	0.3	0.3	0.3
	22.5	28.9	4.3	-41.3
Investments in tangible fixed assets				
Capitalised in balance sheet	26.5	15.1	0.1	0.2
Acquired through finance leases	-10.9	-3.3	0.0	0.0
Unpaid	-0.9	-0.9	0.0	0.0
Investments from previous years, paid this year	0.9	1.1	0.0	0.0
	15.6	12.0	0.1	0.2
Translation differences in cash and cash equivalents				
Exchange rate gains (+)/-losses (-) in opening cash and cash equivalents	-0.4	0.2	0.0	0.0
Exchange rate gains (+)/-losses (-) in change in cash and cash equivalents	0.5	-0.1	0.0	0.0
	0,1	0,1	0,0	0,0

A rights issue was completed during the year. The issue raised SEK 40.5 million in new capital after deduction of issue costs.

AUDITOR'S REPORT

To the Annual General Meeting of ProfilGruppen AB, corp. ID no. 556277-8943

Report on the annual accounts and the consolidated accounts

We have conducted an audit of the annual accounts and consolidated accounts of ProfilGruppen AB (publ) for 2014. The company's annual accounts and consolidated accounts are included in the printed version of this document on pages 8–28.

Responsibility of the Board of Directors and the CEO for the annual accounts and the consolidated accounts

The Board and the CEO are responsible for preparing annual accounts that give a true and fair view in accordance with the Swedish Annual Accounts Act and consolidated accounts that give a true and fair view in accordance with International Financial Reporting Standards, as approved by the EU, and the Swedish Annual Accounts Act, and for the internal control the Board and CEO deem necessary in order to prepare annual accounts and consolidated accounts that are free from material misstatement, whether intentional or accidental.

Responsibility of the auditor

Our responsibility is to express an opinion on the annual accounts and the consolidated accounts based on our audit. We have conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that we comply with the requirements of professional ethics and plan and carry out our audit in order to obtain reasonable assurance that the annual accounts and the consolidated accounts are free from material misstatement.

An audit includes using various methods to obtain audit evidence supporting the amounts and disclosures in the annual accounts and the consolidated accounts. The auditor determines which measures are to be carried out, among other things by assessing the risks of material misstatement in the annual accounts and consolidated accounts, whether intentional or accidental. When making this risk assessment, the auditor considers those elements of internal control that are relevant to how the company prepares its annual accounts and consolidated accounts in order to give a true and fair view with the intention of designing audit procedures that are adapted to the circumstances, but not with the intention of providing a statement on the effectiveness of the company's internal control. An audit also includes an assessment of the appropriateness of the accounting principles applied and of the reasonableness of the assumptions made by the Board and the CEO in the report, as well as an assessment of the overall presentation of the annual accounts and consolidated accounts.

We consider the audit evidence we have obtained to be adequate and appropriate to form the basis for our opinion.

Opinion

It is our opinion that the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and provide in all material respects a true and fair view of the financial position of the parent company at 31 December 2014 and of its financial result and cash flows for

the year in accordance with the Swedish Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and provide in all material respects a true and fair view of the financial position of the Group at 31 December 2014 and of its financial result and cash flows for the year in accordance with the International Financial Reporting Standards, as adopted by the EU, and the Swedish Annual Accounts Act. The Directors' report is consistent with the various sections of the annual accounts and the consolidated accounts.

We therefore recommend that the Annual General Meeting adopt the income statements and balance sheets for the parent company and the Group.

Report on other requirements under law and other statutes

In addition to our audit of the annual accounts and consolidated accounts, we have also reviewed the proposed allocation of the company's profit or loss, as well as the administration of the Board of Directors and the CEO of ProfilGruppen AB (publ) for the 2014 financial year.

Responsibility of the Board of Directors and the CEO

The Board of Directors is responsible for the proposed allocation of the company's profit or loss, and the Board of Directors and CEO are responsible for administration in accordance with the Swedish Companies Act.

Responsibility of the auditor

Our responsibility is to express an opinion, with reasonable certainty, on the proposed allocation of the company's profit or loss and on the administration on the basis of our audit. We have conducted our audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion concerning the Board's proposed allocation of the company's profit or loss, we have examined whether the proposal complies with the Swedish Companies Act.

As a basis for our opinion concerning discharge from liability, we have, in addition to our audit of the annual accounts and the consolidated accounts, examined significant decisions, actions taken and the circumstances of the company in order to be able to determine the liability, if any, to the company of any Board member or the CEO. We also examined whether any Board member or the CEO has, in any other way, acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association.

We consider the audit evidence we have obtained to be adequate and appropriate to form the basis for our opinion.

Opinion

We recommend that the Annual General Meeting allocate the profit in accordance with the proposal in the Directors' report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

MALMÖ, 20 FEBRUARY 2015
Ernst & Young AB

Johan Thuresson, Authorised public accountant

CORPORATE GOVERNANCE REPORT of ProfilGruppen 2014

ProfilGruppen is a Swedish public company, whose shares are listed on the Stockholm Stock Exchange on the Small Cap list. Corporate governance at ProfilGruppen is therefore based on the Swedish Corporate Governance Code (the Code), the Companies Act, the Annual Accounts Act, the rules and regulations of the Stockholm Stock Exchange, the Articles of Association, adopted formal work plans, and other applicable laws and regulations.

DEVIATIONS FROM THE SWEDISH CORPORATE GOVERNANCE CODE

One deviation from the Code has been made. The deviation relates to the Nominating Committee and is explained under "Nominating Committee" below.

GENERAL SHAREHOLDERS' MEETINGS IN 2014

The Annual General Meeting was held on 10 April 2014 in Åseda. The AGM was attended by shareholders, personally or by proxy, representing 64.8 per cent of the total number of votes in the company. The meeting was attended by the acting CEO, Kåre Wetterberg, and the Group's management, the company's auditors and the Board of Directors. The Chairman of the Board, Bengt Stillström, was appointed to chair the meeting. The minutes from the meeting have been published on the company's website. It was resolved to re-elect Mats Egeholm, Bengt Stillström, Thomas Widstrand, Susanna Hilleskog and Kåre Wetterberg to the Board. As proposed by the Nominating Committee, Bengt Stillström was elected new Chairman for the period until the accession of a new CEO, when Kåre Wetterberg could resume his role of Chairman.

An extraordinary general meeting was held on 11 June 2014. The AGM was attended by shareholders, personally or by proxy, representing 62.0 per cent of the total number of votes in the company. At the EGM resolutions were adopted approving the rights issue proposed by the Board of Directors. The minutes from the meeting have been published on the company's website.

ANNUAL GENERAL MEETING 2015

The Annual General Meeting will be held on 26 March 2015 at 3 p.m. in Folkets Hus in Åseda. Shareholders wishing to submit proposals to the Nominating Committee may contact the Nominating Committee by e-mail at valberedningen@profilgruppen.se or by writing to Valberedningen, ProfilGruppen AB, Box 36, SE-364 21 Åseda, Sweden. Shareholders wishing to submit an issue for discussion at the AGM may do so by writing to the Chairman of ProfilGruppen at the above address or by sending an e-mail to styrelsen@profilgruppen.se. Information about the date, place and deadline for submission of proposals to the Board will be notified in connection with the interim report for the third quarter.

NOMINATING COMMITTEE

At the 2014 Annual General Meeting it was resolved that the Nominating Committee should consist of four members and to charge the Chairman of the Board with the task of contacting the three largest shareholders before the end of the third quarter and, in consultation with the same, appoint members who, along with with the Chairman of the Board, will constitute the Nominating Committee. The nominating committee appoints a chairman from among its members.

In accordance with decision of the Annual General Meeting, representatives of the company's largest shareholders were contacted prior to the 2015 AGM and requested to appoint one member each to the nominating committee. The composition of the nominating committee was published on the company's website on 25 September 2014.

The Nominating Committee for the 2015 Annual General Meeting comprises

Bengt Stillström (Ringvägen Venture AB), chairman of the Nominating Committee	26.7%
Lars Johansson, shareholder	14.5%
Mats Egeholm, shareholder	7.2%
Kåre Wetterberg (Chairman of the Board)	

Under the Code, a majority of the members of the Nominating Committee must be independent in relation to the company and its management. At least one of the members must be independent in relation to the shareholder, or group of shareholders acting in concert in respect of the management of the company, which holds the largest share of votes. The Chairman of the Board or another Board member should not be chairman of the Nominating Committee. The company's major shareholders have appointed the Nominating Committee and its chairman based on what they believe is appropriate and are aware that this constitutes a deviation from the Code in the sense that a majority of the members of the Nominating Committee are also Board members.

Since its appointment the Nominating Committee has held three meetings at which minutes have been taken. The members of the Committee have also had contacts with each other and with the members of the Board and have studied the evaluation made by the Board.

BOARD COMPOSITION AND REMUNERATION

At ProfilGruppen the Board of Directors shall comprise at least three and not more than seven members elected by a general meeting of shareholders, as well as a maximum of three deputies elected by a general meeting of shareholders. At the 2014 Annual General Meeting it was decided that the number of members should be five, with no deputies. In addition, the Board comprises two members and two deputies appointed by the employees.

The composition of the Board since the Annual General Meeting 2014 is presented on page 33. All members were independent of the company in 2014, although it is noted that Kåre Wetterberg, who served as the company's CEO for a part of the year, has since resumed his seat on the Board. Bengt Stillström and Mats Egeholm are major shareholders of the company. The major shareholders are independent of each other.

In accordance with decisions made at the AGM, the fee paid to Board members for the period until the next AGM amounts to a total of SEK 840,000 (840,000). Fees are paid only to Board members elected by a general meeting of shareholders, with the following intended distribution.

Member	Role	Remuneration
Kåre Wetterberg	Chairman	340 000
Mats Egeholm	Member	125 000
Bengt Stillström	Member	125 000
Susanna Hilleskog	Member	125 000
Thomas Widstrand	Member	125 000
Total fees		840 000

In 2014 Kåre Wetterberg received no Board fees during the period February to August. Bengt Stillström received a Chairman's fee in place of his regular Directors' fee during this period.

In addition to the Board fees paid, Kåre Wetterberg has billed the company for SEK 1,437,000 relating to services performed as the company's acting CEO during the period 1 February to 31 August.

THE WORK OF THE BOARD OF DIRECTORS

Following the election of its members, the Board of Directors holds an inaugural Board meeting, at which the formal work plan for the coming year is adopted. The Board's mandate to the CEO is formulated in a set of instructions for the CEO.

Since the 2014 Annual General Meeting the Board has held twelve meetings, of which six held in accordance with the formal work plan for the Board, one extraordinary meeting in December to discuss Remuneration Committee matters and adopt the budget, among other items, and five conference calls occasioned by the recruitment of a new CEO and a rights issue. Attendance at these is shown in the table below. Key issues at these meetings are drawn from the formal work plan. The following items have been dealt with during the year:

April	inaugural meeting
April	interim report for the first quarter, CEO recruitment, review of investments and market conditions, resolution on rights issue
May (conference call)	CEO recruitment
May (conference call)	rights issue; guarantee contract, resolutions and notice
June (conference call)	adoption of terms and conditions for rights issue
June	rights issue, forecast for 2014, action programme and structural matters
July (conference call)	resolution on allocations in the rights issue
August	interim report for the second quarter
August (conference call)	election of a new CEO and Chairman
October	interim report for the third quarter, evaluation of the work of the Board, structural issues, forecast for 2014 and Audit Committee matters
December (extra meeting)	adoption of budget, business matters and Remuneration Committee matters
February 2015	closing of the books, year-end report, annual report and auditor's report

Board member attendance and number of meetings

Board	Board meetings
Kåre Wetterberg	12
Mats Egeholm	12
Susanna Hilleskog	10
Thomas Widstrand	11
Bengt Stillström	12
Tage Johansson ²	12
Emelie Bergström ²	12
Ulf Näslund ¹	12
Kurt Nilsson ¹	11
Total number of meetings since 2014 AGM	12

¹Appointed by the employees, ordinary ²Appointed by the employees, deputy

The company's CEO and CFO, who is also the Board's secretary, were present at these meetings.

Members of the Board of Directors receive monthly reports from the management team on the company's current financial and operational development. A procedure for annual evaluation of the work of the Board exists. In 2014 all Board members completed written questionnaires covering the work of the Board in general, their own performance and the work of the Board Chairman. The Chairman has not been involved in compiling the questionnaires concerning his work. The evaluation serves as a basis for an action plan for improvements and contributes to the work of the Nominating Committee.

REMUNERATION COMMITTEE AND AUDIT COMMITTEE

Since the constituent Board meeting in 2014 the Remuneration Committee as well as the Audit Committee consist of all members of the Board. This means that guidelines and levels of remuneration for the management team are drafted and adopted by the Board.

Salary for management in 2014 consisted of one fixed element and one variable element. The amount of variable remuneration was linked to the Group's profit after financial items and defined personal targets. For the financial year 2014 the total variable remuneration of SEK 39,000 (0) was paid.

The actions taken to quality-assure the company's financial statements and audits, contacts with the auditors and internal control have also been monitored and evaluated by all members of the Board. The work of the external auditors has been evaluated and the Board has made a recommendation to the Nominating Committee ahead of the appointment of auditors at the 2015 Annual General Meeting.

CEO AND SENIOR MANAGEMENT

The senior management team of ProfilGruppen comprises the CEO and currently four function managers. Senior management is responsible for planning, managing and following up on day-to-day operations. The CEO runs the business in accordance with the framework established by the Board, which includes a set of work instructions. The CEO is responsible for keeping the Board informed on operations and for ensuring that the Board has the necessary data for decisions.

The senior management team holds regular management meetings. These meetings focus on the Group's strategic and operational progress and on assessments of results.

In January 2014 the company's President and CEO, Anders Frisinger, handed in his notice for family reasons. As of 1 February 2014 Kåre Wetterberg has assumed the role of Acting CEO in his stead. On 1 September Per Thorsell took up the post of CEO and President. On the same day Kåre Wetterberg resumed the chairmanship of the Board.

AUDITORS

At the 2014 Annual General Meeting the registered accountancy Ernst & Young was appointed auditors for the period until 2015. At the same meeting Johan Thuresson was appointed chief auditor.

For the purpose of examining the Board of Directors' management of the company and meeting the Board's need for information, the auditors have since the 2014 AGM participated in two meetings with the Board. Apart from the audit and consultancy tasks on auditing and tax issues, the auditors have no other tasks at the ProfilGruppen group. Information on remuneration for the auditors can be found in note 5.

ARTICLES OF ASSOCIATION

The Articles of Association are available on the company's website and can only be amended by a resolution of a general shareholders' meeting.

THE SHARE

Each share in ProfilGruppen corresponds to one vote. Information on major shareholders is found in the Directors' Report.

THE BOARD'S REPORT ON INTERNAL CONTROL FOR 2015

The Board is responsible for the company having satisfactory internal control. Responsibility for maintaining an effective control environment and the ongoing work on internal control and risk management has been delegated to the Group's management team. The five main activities included in ProfilGruppen's work on internal control are creation of a control environment, risk assessment, control activities, information and communication, and follow-up.

CONTROL ENVIRONMENT

An important element of the Board's work is creating a relevant and effective control environment. The Board's formal work plan and instructions for the company's CEO aim to ensure clear allocation of roles and division of responsibility, which promotes effective management of the operation's risks. The Board has also established a number of governing documents that are important for internal control. Examples of such documents include policies for the granting of credit, raw material purchases, currency hedging, remuneration and information security.

The Board evaluates the company's operational performance and results through monthly reports submitted by management, assessing economic outcomes and key performance indicators against targets.

ProfilGruppen has a simple legal and operational structure, which facilitates clarification of division of responsibility and swift action in the event of changed conditions. All decisions concerning, for example, the overall strategy, acquisitions, major investments and general financial issues are prepared by management and made by the Board.

RISK ASSESSMENT

The company's CFO is responsible for annually assessing the risks in the financial reporting presented to the Board. The assessment and management of the most significant risks for ProfilGruppen are described in greater detail in the annual report.

CONTROL ACTIVITIES

The principal means of control are the detailed financial follow-up reports that are compiled each month. Work to prepare these includes analysis of deviations from, among other things, set goals and budgets. In addition to these general quality checks, there are daily checks of authorisations, access rights for IT systems and similar.

INFORMATION AND COMMUNICATION

The governing documents are distributed via the intranet, internal meetings, etc. There are guidelines for external communication which ensure that ProfilGruppen meets the stringent requirements concerning provision of accurate information to the financial markets.

FOLLOW-UP

The Board has the task of evaluating how the company's internal control system functions, as well as keeping up to date on important evaluations and assessments that provide the basis for the financial statements. The company's CFO is responsible for regular follow-up of the internal control and reports to the Board. Financial management and control are the responsibility of the company's finance department.

At least once a year the Board meets with the external auditors to discuss the auditors' assessment of the company's internal control. The auditors report their findings to the Board through regular reviews and a year-end audit of the third quarter's interim report and the annual accounts. In view of the above the Board has determined that there is currently no need for a separate internal audit or review function.

*Åseda, 20 February 2015
The Board of ProfilGruppen AB*

Auditor's statement on the corporate governance report

To the Annual General Meeting of ProfilGruppen AB, corp. ID no. 556277-8943

ASSIGNMENT AND ALLOCATION OF RESPONSIBILITY

We have audited the corporate governance report for 2014 on pages 30–32. The Board of Directors is responsible for the corporate governance report and for this being prepared in accordance with the Annual Accounts Act. Our responsibility is to express an opinion on the corporate governance report based on our audit.

FOCUS AND SCOPE OF THE AUDIT

The audit has been conducted in accordance with the auditing standard RevU 16, The auditor's examination of the corporate governance report.

This standard requires that we plan and perform the audit to obtain reasonable assurance that the corporate governance report is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the information included in the corporate governance report. We believe that our audit procedures provide a reasonable basis for our opinion set out below.

STATEMENT

In our opinion, the corporate governance report has been prepared and is consistent with the annual accounts and the consolidated accounts.

MALMÖ, 20 FEBRUARY 2015
Ernst & Young AB

Johan Thuresson, Authorised public accountant

BOARD OF DIRECTORS



1. Ulf Näslund¹

Born 1952
Employed at ProfilGruppen
since 1990
Employee representative
Board member since 2006
Shareholding in ProfilGruppen: 0

2. Susanna Hilleskog²

Born 1963
B.Sc.Econ.
CEO of Trelleborg Wheel Systems
Nordic AB
Board member since 2009
Other directorships: Board member of
Trelleborg Wheel Systems Nordic AB,
Bim Kemi AB and of Svensk Däck-
återvinning AB
Shareholding in ProfilGruppen: 500

3. Tage Johansson¹

Born 1951
Employed at ProfilGruppen
since 1981
Employee representative
Deputy since 2001
Shareholding in ProfilGruppen:
49,997

4. Kåre Wetterberg¹

Born 1949
M.Sc.Eng
Board member since 2013
Other directorships/positions:
Consultant in the international
aluminium industry and industrial
advisor in the venture capital
industry.
Shareholding in ProfilGruppen:
1,513

5. Bengt Stillström²

Born 1943
M.Sc.Eng
Formerly CEO and founder of
AB Traction, currently Chairman
of the same company.
Board member since 2012
Other directorships/principal
positions: Board member of
Empire AB, Hifab Group AB,
Ringvågen Venture AB and
Feelgood AB
Shareholding in ProfilGruppen:
1,972,157

6. Thomas Widstrand³

Born 1957
B.Sc.Econ.
President and CEO of Troax
Group AB, Hillerstorp
Board member since 2012
Other directorships/positions:
Board member of Bellman
& Symfon AB
Shareholding in ProfilGruppen: 0

7. Kurt Nilsson¹

Born 1956
Employed at ProfilGruppen
since 1981
Employee representative
Board member since 2006
Shareholding in ProfilGruppen: 0

8. Emelie Bergström¹

Born 1982
Employee of ProfilGruppen
since 2002
Appointed by the employees
Deputy since 2012
Shareholding in ProfilGruppen: 0

9. Mats Egeholm²

Born 1945
B.Sc.Econ.
Former CFO of ProfilGruppen
(1980-2004)
Board member since 2010
Other directorships: Chairman of
Veg Tech AB (publ)
Other directorships: CEO of Östers
Support AB (publ)
Shareholding
in ProfilGruppen: 775,376

¹) According to the Swedish Code of Corporate Governance, a Board member is to be regarded as dependent in relation to the company and management.

²) This Board member is a major shareholder of the company.

³) Independent in relation to the company and its management, and in relation to major shareholders of the company.

The shareholdings include any indirect holdings through companies or related parties.

SENIOR MANAGEMENT



1. Per Thorsell

President and CEO
Born 1967
Employed since 2014
Shareholding in ProfilGruppen: 0

2. Per Owe Isacson

Marketing and Sales Manager
Born 1956
Employed since 2013
Shareholding in ProfilGruppen: 2,700

3. Peter Schön

CFO
Born 1969
Employed since 2006
Shareholding in ProfilGruppen: 7,409

4. Ulrika Svensson

Manager Finance and HR
Born 1974
Employed since 2000
Shareholding in ProfilGruppen: 0

5. Torgny Magnusson

Production Manager
Born 1961
Employed since 1982
Shareholding in ProfilGruppen: 0

FINANCIAL TERMS

Proportion of risk-bearing capital	Equity and deferred tax expressed as a percentage of the balance sheet total
Return on equity	Profit/loss for the year expressed as a percentage of average equity
Return on capital employed	Profit/loss after financial items plus financial expenses as a percentage of average capital employed
Balance sheet total	The value of all assets, such as property, plant and equipment, inventories, trade receivables, and cash and cash equivalents
Capital turnover rate	Revenue divided by average capital employed
Cash flow from current operations	Cash flow from day-to-day activities, i.e. excludes financing and investments
Cash flow per share	Cash flow from current operations divided by average number of shares
Liquidity reserves	Cash and bank balances and non-utilised credit commitments from banks at end of period
Net debt	Interest-bearing liabilities and interest-bearing provisions (provisions for pensions) less cash and cash equivalents
Net debt/equity ratio	Net debt divided by equity
Profit/loss before depreciation/amortisation	Operating profit/loss plus depreciation according to plan and impairment losses
Earnings per share	Profit/loss for the year divided by the average number of shares
Profit margin	Profit/loss after financial items expressed as a percentage of revenue
Interest coverage ratio	Profit/loss after financial items plus financial expenses divided by financial expenses
Operating margin	Operating profit/loss as a percentage of revenue
Equity ratio	Equity expressed as a percentage of the balance sheet total
Capital employed	Balance sheet total minus non-interest-bearing liabilities and deferred tax

GLOSSARY

Anodisation	Electrolytic surface treatment process that produces an insulating and decorative surface
Machining	Generic term for a variety of processes that further refine the aluminium extrusion, for example, bending, milling or surface treatment.
Extrusion	Manufacturing extrusions by pressing an aluminium ingot through a die
Processing	See Machining

FINANCIAL CALENDAR

Annual General Meeting 2015	26 March 2015, 3 p.m.
Interim report for the first quarter	22 April 2015, 8 a.m.
Interim report for the second quarter	15 July 2015, 5 p.m.
Interim report for the third quarter	23 October 2015, 8 a.m.
Year-end report 2015	February 2016

CONTACTS



Per Thorsell

President and CEO
Telephone: +46 474 554 66
per.thorsell@profilgruppen.se



Peter Schön

CFO
Telephone +46 474 551 20
peter.schon@profilgruppen.se

OTHER INFORMATION

The relevant information is always available on our website, www.profilgruppen.se

The website is also available in English, www.profilgruppen.com

A full version of the annual accounts are available in Swedish.

Graphic design and photography:
GoBrave and ProfilGruppen.

Printing: TMG Tabergs, Växjö.



9.15 kg

9.57 kg

95 ±0,9

320 ±2

13.45 ±1

(309.7)

**ProfilGruppen is a supplier of turnkey
customised aluminium extrusions and components.**

ProfilGruppen AB

Box 36 | SE-364 21 Åseda | Tel +46 474 550 00 | Fax +46 474 711 28 | www.profilgruppen.se

INNOVATIVE ALUMINIUM SOLUTIONS