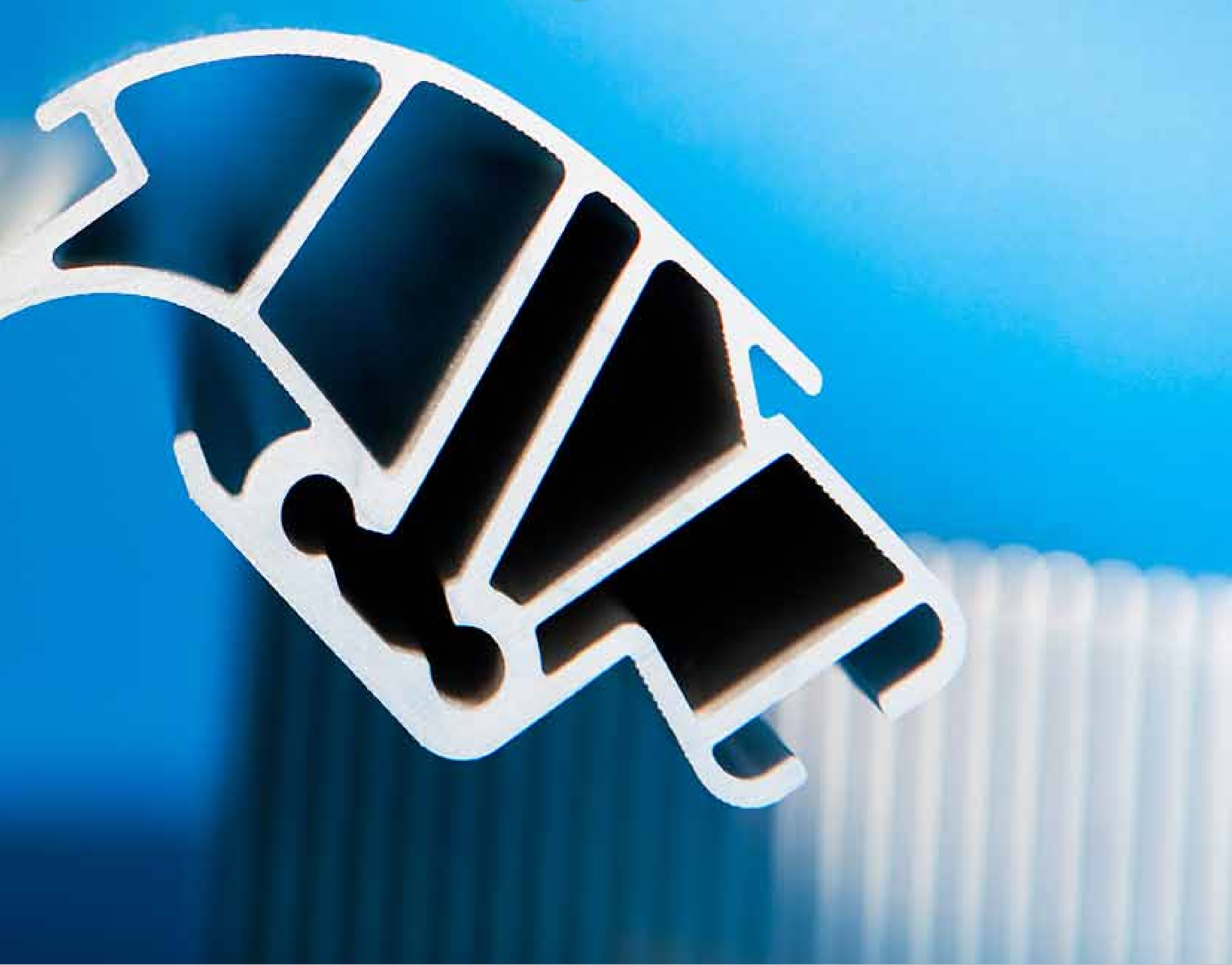
ANNUAL REVIEW 2011

ProfilGruppen.

30 YEARS



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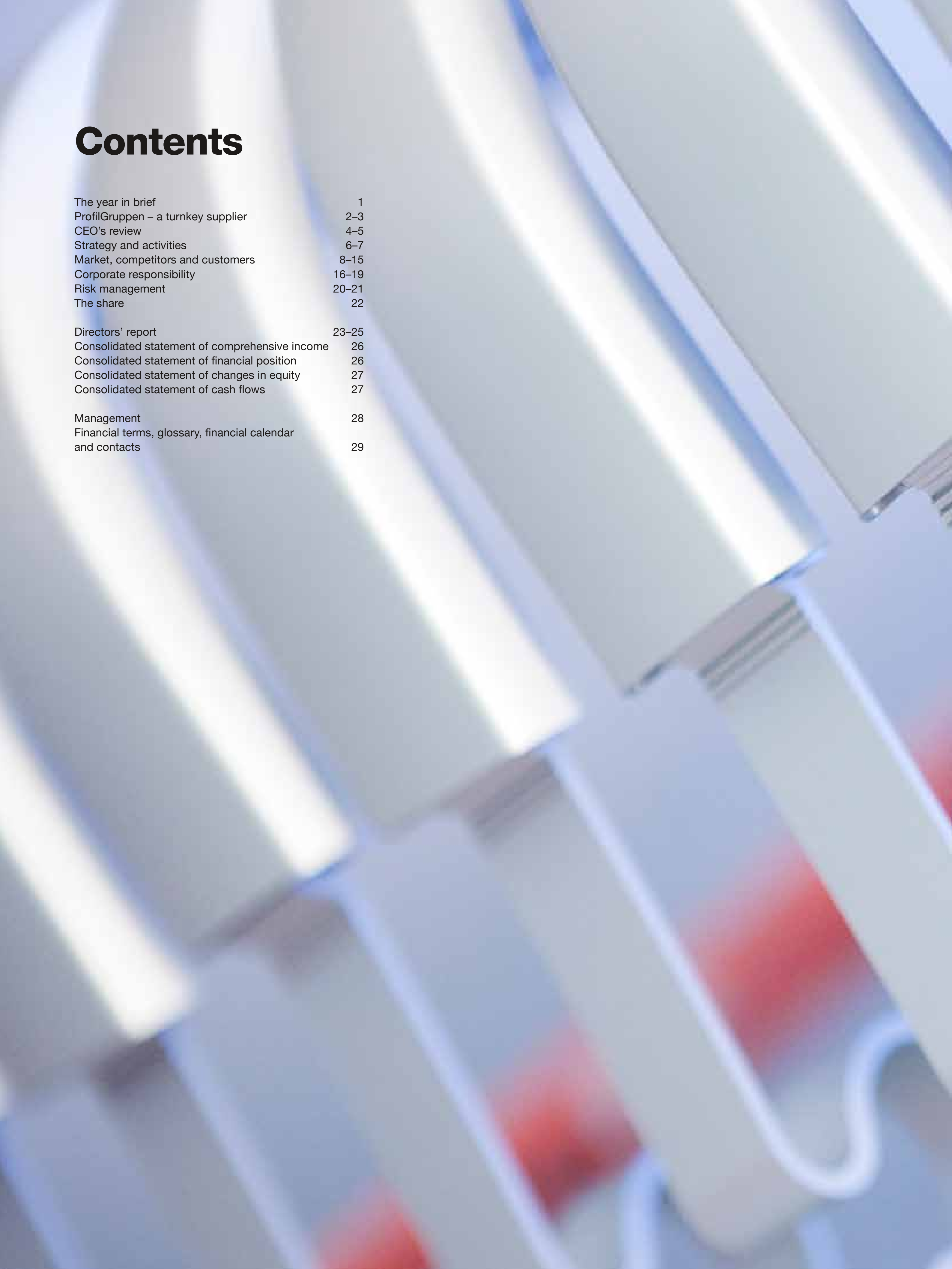


The year in brief

An extensive fire at a production facility in Åseda had a major impact on the business during the second half of the year. A slowdown on the market – and the company's efforts to increase efficiency – resulted in the organisation shedding around 40 jobs during 2011.

New Acting CEO

Peter Schön, CFO of ProfilGruppen, took up the position as Acting CEO on 1 September, as CEO Claes Seldeby had to resign due to family reasons. Read Peter Schön's thoughts on the year on the next page.

Large fire in Åseda

One of ProfilGruppen's production facilities in Åseda was damaged by a large fire in June. No employees were injured, but there was extensive material damage. By redirecting production to presses that were still intact, we largely managed to meet all of our delivery commitments. The damaged production line returned to operation following four months of repair work.

Employee streamlining

As part of ProfilGruppen's efficiency programme, the redundancy of 55 employees was announced in September, in order to secure the company's long-term competitiveness. Following negotiations with the trade unions, redundancies affected around 40 members of staff.

ProfilGruppen turns 30

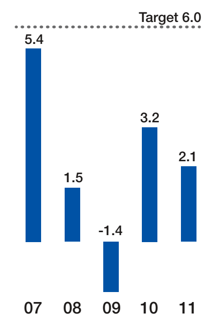
The whole thing started in 1981. ProfilGruppen celebrated its 30th anniversary during the year.

The men in the picture, Mats Jonson, Lars Johansson and Kutte Ståhlgren, along with Lennart Thompsson, laid the foundation for an extrusion industry in Åseda. In 1981, ProfilGruppen extruded its first aluminium profiles and since then several tonnes of extrusions have been shipped to our customers throughout Europe.

Financial

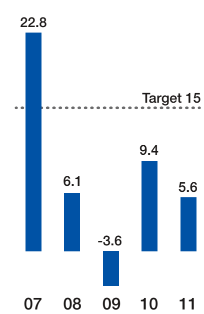
"A programme was launched during 2011 to strengthen the Group's long-term competitiveness and profitability. New skills have been added, the organisation has been streamlined and both customer focus and productivity work have been intensified. Complications in the form of fire damage and loss of production have had a major impact and unfortunately had a negative effect on the profit for 2011. Overall, however, we are well prepared for 2012 and we will continue with our improvement programme in order to achieve our financial goals."

Peter Schön, Acting CEO and Group President



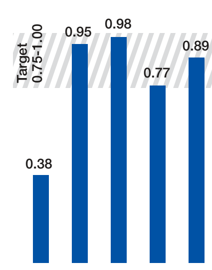
Operating margin, per cent

Result for the year	2.1
Five-year average	2.2
Target	6



Return on capital employed, per cent

Result for the year	5.6
Five-year average	8.1
Target	15



Net debt/equity ratio

Result for the year	0.89
Five-year average	0.79
Target	0.75–1.00

Operating profit for 2011 amounted to MSEK 17.1 (29.2). There was an impact on profit from one-off items of MSEK 1.9 (-3.7), consisting of an insurance payment for fire damage to one of the press lines during the summer and the costs of employee streamlining. Revenue for the year was MSEK 836.7 (901.4), the decrease in earnings during the second half of the year closely related to the reduction in delivery volumes following the fire.

Net debt at the end of the year amounted to MSEK 144.1 (128.2). The cash flow from current operations amounted to MSEK 21.6 (18.4). The not yet paid proportion of the reported insurance payment has had a negative impact on cash flow of MSEK 18.8.

These long-term financial targets have been adopted by the Board of Directors and all refer to an average over a business cycle.

Turnkey solutions for six customer segments

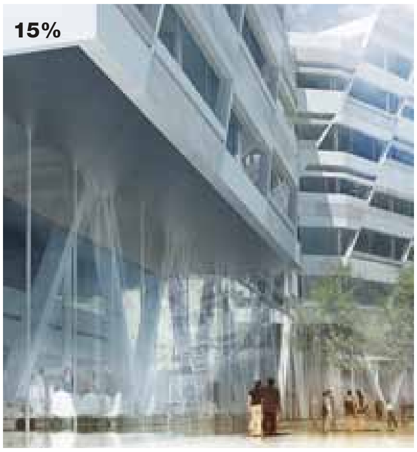
ProfilGruppen is a turnkey supplier of customised aluminium extrusions and components. All product development takes place in close cooperation with customers. The earlier we are involved in the problem-solving process, the better we can contribute to an optimum end result. A wide selection of processing services are available which complement our range of extrusion solutions.

Our customers

Most of ProfilGruppen's customers are located in Northern Europe. In 2011 the Swedish market accounted for 51 per cent of our sales. The largest export market is Germany, followed by Poland, Norway and the United Kingdom. The percentages given in the pictures show the share of ProfilGruppen's revenue of that particular segment.

Electrical Engineering
This segment includes companies from, among other sectors, telecoms and electric power and renewable energy, primarily solar energy and wind power.

Transportation
The lightweight property of aluminium means that manufacturers of cars, trucks, buses and trains use significant volumes of aluminium components.



Building and Construction
The construction sector uses aluminium extrusions for windows, doors, balconies, facade parts, sun blinds, etc.

Domestic and Office equipment
The interior design segment includes customers who manufacture furniture and kitchen and bathroom fittings and more.

General engineering
Machine builders and manufacturers of belt conveyors and ceiling rails for automated production lines are examples of customer companies in this segment.

Other industries
The Other industries segment has customers who manufacture products as diverse as snow shovels, Braille machines and petrol pumps. Healthcare equipment, such as patient lifts, is also included in this segment.

We customise solutions

ProfilGruppen's customers come from a variety of industries and sectors. In order to fully understand the changing needs and requirements of customers, we work as closely as possible with the customer. We value being involved as early as possible in the customer's product development process.

Analysis and construction

When developing a new component we always start with an analysis, during which a requirement specification is drawn up with the customer.

The customer's requirements are based primarily on the product's desired functions, properties and appearance. How the product will be used and will fit into the customer's own production process is also important. The requirement specification provides the basis for a technical analysis where, among other things, we evaluate which aluminium alloy is most appropriate, the tolerances that can be met and how we can best carry out production. Expertise from a combination of ProfilGruppen's functional areas is employed to find the best potential solution for the customer.

Extrusion

A unique hardened steel die is ordered for the manufacture of an extrusion in accordance with agreed specifications. To form the desired extrusion, an aluminium billet is heated to approx. 500 °C and then extruded at great force through the die. At the end of this process, the extrusions are cooled and straightened using hydraulic stretching equipment. Finally, they are cut and tempered in a furnace for five to eight hours.

Surface treatment (anodisation)

Most extrusions are surface-treated to strengthen the surface or alter its appearance. Anodisation strengthens the surface up to 3,000 times. In addition to colouring and strengthening the surface of the extrusion, anodisation can also modify its electrical properties. Normally, anodisation provides electrically insulating surfaces.

Processing

In order to be able to supply customers with ready-to-assemble components, we also offer a variety of different options for processing aluminium extrusions. The extrusions can, for instance, be bent, turned, milled, welded or painted. Processing is performed both at ProfilGruppen's own facilities and by a network of external subcontractors.

An anniversary with challenges

In 2011, ProfilGruppen celebrated its 30th birthday. It was in many respects a positive year, but was overshadowed by a large fire at one of our production facilities as well as a certain amount of uncertainty on the markets within the EU.

We had high hopes that 2011 would turn out to be an excellent anniversary for ProfilGruppen. As the year began, we could look back on an 18 per cent increase in revenue in 2010. Market growth in Europe as a whole stagnated during 2011, however, and ended at the same level as 2010, which is mainly attributable to weaker demand in southern Europe towards the end of the year. ProfilGruppen's primary markets did however show slight growth.

The transportation sector continues to grow

Looking at the different sectors we can see continued success within the transportation sector and in particular with regard to heavy commercial vehicles, where we have repositioned ourselves and established contact with several new customers. The industry is continually looking to manufacture lower-weight vehicles in order to reduce fuel consumption. The automotive industry has been the front-runner in this respect. The need for lower weight favours manufacturers of aluminium extrusions. ProfilGruppen is maintaining its efforts to increase the degree of processing and we are seeing growing interest from various industries in the development of extrusions using new alloys.

Sharper customer handling

During the year, ProfilGruppen has been named "preferred supplier" of aluminium components by several large, multinational players. This is evidence of our ability both to meet high quality requirements and to secure the supply chain in such a way that geographical distance does not represent a major obstacle.

In order to increase our market presence and sharpen our customer handling, we also made changes to our sales organisation during the course of the year. By creating opportunities for more customer visits, we believe we will be able to continue our growth – both on the Swedish market and on export markets.

Greater efficiency in production

At the same time, we are working hard to increase efficiency, within both administration and production, in order to improve our long-term competitiveness. A number of different projects relating to this are currently underway and have been implemented in recent years. An efficiency action plan led to the decision during the second half of the year to announce the redundancy of 55 employees, evenly distributed across administration and production. Following negotiations, this figure was reduced by around ten. New methods have been introduced in production, which will help to gradually improve productivity.

We will continue our efficiency work during 2012 and supplement it with investments to further increase productivity within the company.

Delivery capacity despite fire

In June 2011 ProfilGruppen was hit by an extensive fire at one of the press lines in Åseda. Through creative planning and good cooperation with our customers, as well as by transferring production to intact press lines, we largely managed to meet all of our delivery commitments, while maintaining quality and delivery precision. This was a major challenge and one where we were able to demonstrate our strength as a reliable supplier with our commitment and ability to take action. Five months later, we were back in full production, with an upgraded and better-equipped extrusion press.

Finally, I would like to take the opportunity to thank all our staff for their tremendous efforts during the year. Once again, we have shown that we can overcome major challenges with the right ProfilGruppen spirit!

Åseda, February 2012

Peter Schön,
Acting CEO and Group President (from 1 September 2011)

Tailored solutions

"Our vision is for ProfilGruppen to have a strong presence on the European market and to be viewed by our customers as one of the leading suppliers of innovative aluminium solutions."

ProfilGruppen is a Swedish company that markets, develops and manufactures customised aluminium extrusions and components. ProfilGruppen is a complete supplier and provides solutions that include both the qualified extrusion of aluminium extrusions and a broad range of processing. Processing is carried out in house as well as in conjunction with a large number of local subcontractors. We are consciously working to increase the share of processed products, as this will promote greater profitability and a larger market for the company.

Focus on customer requirements

With the experience of 30 years on the market, we have developed considerable design competence, which is increasingly becoming an important factor as we develop customer-unique solutions – often in project form with the customer. This will satisfy various customer desires, such as lower weight, more functions built in to the extrusion, improved performance, surface finish, better design, etc., in a number of different ways. With our expertise in aluminium, we are also in demand as a partner for developing the use of new aluminium alloys that meet very strict quality tolerances. We are also strengthening our competitiveness by developing logistics solutions that support the customer's efforts to achieve maximum efficiency in their supply chain.

Profitable organic growth

ProfilGruppen's overall strategy involves focusing on profitable organic growth, but is also open to acquisitions further down the value chain. The market focus on six primary customer segments remains in place. Sales work is carried out with the aim of strengthening our position on the Swedish market, while at the same time intensifying our presence on priority export markets.

Greater efficiency in production will increase profitability

Work is taking place on several fronts to improve the profitability of ProfilGruppen. An efficiency programme resulted in the organisation shedding around 40 jobs during 2011, primarily within production, but also administration. The focus on profitability still remains and new projects have been introduced within both production and sales with the aim of handling increased deliveries efficiently.

Four new projects are running in parallel in production with the aim of increasing efficiency and meeting ever-stricter quality requirements. Following a change to the Group's legal structure, all production staff at the plants in Åseda and the surrounding area now form a common resource pool, which allows staffing to be more flexible.

Each unit or department now has its own responsibility for results and its own profit targets, with the aim of increasing the commercial focus within production.

High delivery reliability, short lead time

The requests and requirements that ProfilGruppen encounters on the market can be summed up as the need to provide high delivery reliability as well as short lead times. We are also seeing requirements for even stronger materials and surface treatment with much stricter tolerances. In order to satisfy these requirements in a way that is profitable for ProfilGruppen, deliveries are being better structured to enable more efficient production planning. At the same time, we are always investigating opportunities to improve our extrusion process through technical upgrades in order to maintain our leading position as a supplier of high-quality aluminium extrusions and components.

More efficient sales

Sales work within ProfilGruppen is also changing. A special quotes group has been set up in order to give sales staff more time to concentrate on their main activities of customer visits and sales. Greater focus is being placed on increasing market share on the domestic market, by which we mean the Nordic countries, while at the same time increasing volumes to export markets. The new customer portal is also part of these efforts to increase efficiency and it enables customers to submit orders, obtain product information, etc. online.

Skills development gave a boost to subcontractors

A key aspect of ProfilGruppen's strategy is to increase the share of processed aluminium components. To do this, various specialist subcontractors are engaged. In 2011, many of these took part in an extensive training programme initiated by ProfilGruppen.

"For us it was a springboard for developing the company. We are expanding, investing in new machinery, handling new customers and have started a quality certification programme," says Fredrik Eriksson, CEO of Björkö Industriprodukter AB.

ProfilGruppen led the project, which involved the School of Engineering at Jönköping University, Aluminiumriket Sverige and the Swedish Industrial Design Foundation.

Around ten of ProfilGruppen's key subcontractors were invited to participate and received training in a number of areas such as quality, automation, programming, reading drawings, surface requirements, good order and ergonomics.

"The project was a shot in the arm for us. It has helped us to increase the skills and understanding of our staff. As a result, we can now broaden our operations and our customer base," says Fredrik Eriksson.

550 training hours

All 40 or so employees of Björkö Industriprodukter AB, which provides multi-operation processing, attended one or more of the training courses. In total, the company invested 550 training hours.

"It was hard to find enough time, since there was a boom when the project began, but the training courses were absolutely right for us."

"Now we are focusing more strongly on the future with a TS certification to secure our position as a supplier not only to ProfilGruppen, but also to new future customers."

Fredrik Eriksson, on the left, and Lenny Svensson of Björkö Industriprodukter AB took part in ProfilGruppen's major training programme for subcontractors in 2011.

Continued market growth, but at a lower rate

Demand for aluminium extrusions in Europe recovered strongly during 2010. Market volumes for 2011 are considered to be unchanged compared with the year before, having fallen back slightly during the fourth quarter. The outlook for 2012 is cautious and is characterize by great uncertainty about economic trends in Europe.

Varied use of aluminium extrusions

Aluminium extrusions are used in many different industries. The building and construction sector is the largest and consumes over 40 per cent of the total volume in Europe. Next comes the transportation sector – vehicles for transportation by road, rail, air and sea – which accounts for about 20 per cent of the total market. This is followed by general engineering with a little over 10 per cent of the market. The electrical engineering and domestic and office equipment segments each represent about 5 per cent. The rest of the market comprises, among others, stockists, who sell standardised extrusions to customers primarily within the construction and transportation sectors.

In terms of sales revenues, however, the distribution by sector looks different, with the construction sector, for example, buying large extrusions with a lower value added, which results in a slightly lower proportion in terms of sales revenues compared with volume.

Lower growth rate

Despite the fact that the growth rate slowed considerably in 2011 compared with the previous year, the market was characterized by increasing demand on some markets, in particular the transportation sector.

The situation in the building and construction sector has improved slightly in some areas, but the sector's contribution to the volume development is still negative.

Unfavourable industry exposure, economic uncertainty and increasing financing problems have had a negative impact in Southern Europe and have led to greater divergence in the demand development compared to Northern Europe.

The price of aluminium raw material fluctuated in 2011 but in total the price fell from about USD 2,500 per tonne at the start of the year to around USD 2,000 per tonne by the end of the year. Global LME stocks increased by 16 per cent during the year and amounted to 5.0 million tonnes at the end of the year.

Many competitors

There is a clear trend towards consolidation in the aluminium extrusions sector, but the industry remains fragmented, with a total of over 140 producers. A number of structural business agreements in recent years have led to the emergence of four major players with global presence. Sapa Profiles has the largest market share in Europe with an estimated 15 per cent. Hydro Aluminium is next (approx. 12 per cent), followed by Constellium (approx. 8 per cent) and Aleris (approx. 3 per cent). Together these four players therefore have almost 40 per cent of the market for aluminium extrusions in Europe.

Growing faster than GDP

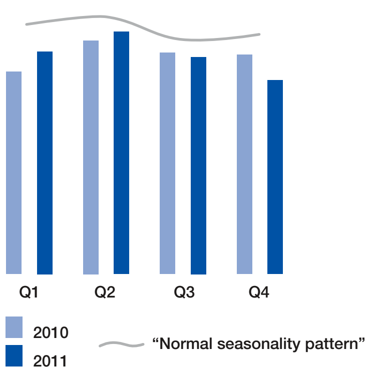
Historically, demand for solutions based on aluminium extrusions has grown at a faster rate than general GDP growth.

The main reason for this is the good material properties of aluminium, which constantly provide new advantages over other materials such as steel and plastic. The properties that make aluminium so attractive include:

- Low weight
- High strength
- Numerous options for joining
- Easy to recycle, while preserving quality
- Easy to shape
- Good corrosion resistance
- Good at conducting heat
- Good at conducting electricity

Extrusion as a manufacturing process offers advantages over other manufacturing methods. The cost of tools is relatively low compared with the casting of metal or plastic. This makes the method very cost-effective, even at low volumes and with specialised designs.

Total market Europe
(EU27 + EFTA), tonnes of aluminium extrusions

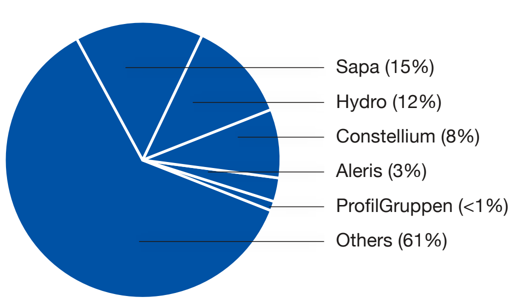


Demand showed significant seasonal variations during 2011, as well as an unusually sharp slowdown towards the end of the year. Overall, the market volume was unchanged from 2010.

Price trends for aluminium, 2007-2010
USD

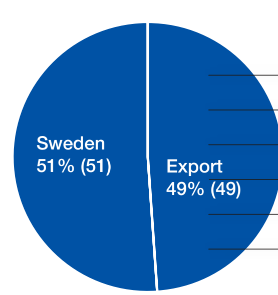
The price of aluminium on the LME commodity exchange is volatile. During 2011 it fell by around 19 per cent.

Estimated market share in Europe
(EU27 + EFTA), aluminium extrusions



The European market is highly fragmented and ProfilGruppen's market share is less than one per cent.

ProfilGruppen's geographic markets
100% = MSEK 837 (total revenue)



	2011	2010
Germany	13%	14%
Norway	7%	7%
Denmark	4%	5%
Poland	10%	8%
UK	5%	6%
Others	10%	9%

The total export share in 2011 was unchanged compared with 2010.

Advantages of aluminium are many and varied

The advantages of aluminium and power-pressing will be apparent in many different ways in different industries. The potential for replacing previously selected materials with aluminium varies greatly among different industries. The automotive sector has already come a long way in replacing existing components with aluminium components. The reasons for choosing aluminium vary between different customer segments.

Electrical engineering

Underlying growth in the telecoms sector is high. Rapidly increasing data traffic requires continuous expansion of mobile networks, which drives demand for cooling extrusions and antenna components.

Within the power transmission field, aluminium is being used increasingly as an electrical conductor in place of copper, as it facilitates cost-effective solutions.

In recent years the need for renewable energy has led to a significant increase in demand from the solar energy industry for aluminium extrusions for frames and stands. The market is expected to continue growing.

Share of total volume in Europe (2010)	5%
Share of ProfilGruppen's revenue (2011)	19%
Number of ProfilGruppen customers (2011)	approx. 115

Transportation

The combination of low weight and high strength enables aluminium to meet increasingly stringent environmental, energy and safety requirements in all transportation fields. The volume increase for cars is due mainly to new application areas such as bumper bars and wheel suspension. The automotive industry was one of the first to start switching to aluminium. In Europe, the average total aluminium content per newly manufactured car increased by more than 40 per cent between 2002 and 2006, not including traditional applications such as powertrain, heat exchangers and rims.

Share of total volume in Europe (2010)	20%
Share of ProfilGruppen's revenue (2011)	35%
Number of ProfilGruppen customers (2011)	approx. 95

Building and Construction

Modern architecture and increasing demands for energy efficiency are encouraging greater use of aluminium extrusions in the construction sector, both in new builds and redevelopment. The standardised building systems that many suppliers produce enable rational and aesthetically pleasing solutions for public and commercial buildings. In private homes aluminium is used primarily for windows and it is the second most popular material for window frames after plastic. Aluminium-clad wooden windows are one application that combines the heat-insulating properties and traditional interior feeling of wood with the low maintenance requirements and resistance to wind and weather of aluminium. This combined type of window is well on its way to achieving a dominant position on the Scandinavian market.

Share of total volume in Europe (2010)	45%
Share of ProfilGruppen's revenue (2011)	15%
Number of ProfilGruppen customers (2011)	approx. 100

Domestic and Office equipment

Manufacturers of white goods, office furniture and kitchen and bathroom fittings, etc. appreciate aluminium's natural aesthetic benefits. Its strength and malleability, as well as the fact that it is easier to keep clean than stainless steel or chrome, are further competitive advantages.

Share of total volume in Europe (2010)	5%
Share of ProfilGruppen's revenue (2011)	9%
Number of ProfilGruppen customers (2011)	approx. 100

General engineering

Machine builders and designers of automated production lines and ventilation systems are increasingly appreciative of the durability, malleability and good vibration absorption properties of aluminium extrusions. The material's hygiene properties are a major advantage in solutions for the food industry.

Share of total volume in Europe (2010)	10%
Share of ProfilGruppen's revenue (2011)	14%
Number of ProfilGruppen customers (2011)	approx. 90

Other industries

Stockist primarily want standardised warehouse extrusions for use in the construction and transportation sectors, among others.

Aluminium is frequently used within the healthcare sector for patient lifts and wheeled walkers, for example. Aluminium's strength, hygiene properties and ability to tolerate different types of surface treatment are all competitive advantages here.

Share of total volume in Europe (2010)	15%
Share of ProfilGruppen's revenue (2011)	8%
Number of ProfilGruppen customers (2011)	approx. 20

Full speed ahead – thanks to components from ProfilGruppen

Aluminium components from ProfilGruppen are key elements in the production of up to 860 new high-speed trains. The trains are being built by Bombardier, the global market leader in drive systems and control equipment for rolling stock. Series production begins in 2012.

ProfilGruppen – in close cooperation with Bombardier – has developed 13 complex aluminium components. The components form the shell for four different types of electronics cabinet for the new range of trains. The cabinets are the train's "heart, brain and muscles" and contain all the electronics required. They are positioned on top of the train and thus form a part of the train's design. The requirements are tough – trains with these cabinets must be able to take the strain for at least 40 years!

The total weight of the electronics cabinet, including all equipment, is 2.5 tonnes, and it includes aluminium extrusions up to 3.7 metres long. Some trains have more than one cabinet, as they cross international borders into countries with different electricity supply infrastructures.

Light, strong, cost-effective

"The cabinets will be placed on double-decker trains and therefore must be both extremely light and very strong. We successfully completed the assignment using smart solutions that consider the cost-effectiveness of production," says Rolf Axelsson, Account Manager at ProfilGruppen.

Turnkey supplier

The electronics cabinets previously used required a great deal of manual tweaking. Now Bombardier is getting a more complete product, with extrusions, friction welding and further processed components.

"ProfilGruppen has a good mix of expertise. The company offers a turnkey solution, listens and acts very competently and is competitive, including from a price perspective. Cooperation between ProfilGruppen's designers and our designers also runs very smoothly," says Stefan Jensen, Purchasing Manager for mechanical products at Bombardier Transportation in Västerås.

An easy decision

According to Stefan Jensen, constructing the boxes using aluminium was an obvious choice.

"There is currently no viable alternative to aluminium. It is competitive, corrosion-resistant, malleable and durable and meets our strict requirements in terms of low weight of the train. It must be as light as possible, but also durable."

The first order from Bombardier is for electronics cabinets for 129 trains, with the option of many times more. The end customer is French company SNCF, which is one of Europe's largest train operators.

ProfilGruppen helps to develop the car of the future

The Swedish automotive industry, subcontractors, research institutes, colleges and universities are coming together for a joint project. The aim is to produce a concept car that is 20-40 per cent lighter than current models. ProfilGruppen is involved in the project as one of the specialists in extrusion.

The project is financed by Vinnova, within the framework of FFI (Strategic Vehicle Research and Innovation) and has a total budget of SEK 60 million. The project is being carried out in collaboration with the Scandinavian automotive supplier association and is scheduled for completion in June 2013. Car manufacturer Volvo plays a leading role in the project. Over 40 companies and institutions are contributing their expertise.

Starting at the bottom

The project is divided into seven sub-areas. ProfilGruppen is involved in the “Floor structure for lighter vehicles” sub-project, using aluminium extrusion.

“In the initial phase, we are looking at the floor of the vehicle. It is an interesting way of working. The network with other suppliers is an important aspect. We will be able to use a lot of these experiences when we work on development projects with other customers,” explains Andreas Helmersson, Head of Technical Sales at ProfilGruppen.

Competitors become partners

This inter-industry project is both exciting and different. Companies that are normally competing with one another are working together towards a common goal – to be able to build lighter cars in the future. The idea is that this project structure will also stimulate future cooperation between companies with a focus on the automotive industry.

Aluminium extrusions help save energy and increase comfort

Efforts to reduce energy consumption can be seen in practically all sectors of society. French radiator manufacturer Thermor Pacific develops and markets energy-saving radiators for residential and commercial premises. ProfilGruppen has been given an increasing role as a supplier of aluminium extrusions for their new generation of radiators.

Thermor Pacific is part of the Groupe Atlantic, which manufactures and markets radiators for over a hundred countries. The latest generation of radiators are sensor-controlled and can detect whether or not there are people in the room. If there are not, the temperature is reduced and is then increased again if someone enters the room. This saves energy while at the same time providing the optimum comfortable temperature.

Advanced technology and design are key factors for the successful marketing of these radiators.

Stringent requirements, close cooperation

The order for aluminium extrusions for the new generation of radiators is good evidence of a successful collaboration stretching back more than ten years. ProfilGruppen is now a preferred supplier of Groupe Atlantic.

“The customer has strict requirements in terms of shape and tolerances, while aesthetics are also very important. We are able to get involved at an early stage of the development process, enabling our design department to really show what it can do. We are involved throughout the whole process and we really value our close cooperation with Groupe Atlantic,” says Jan Hultinsson, Design Engineer at ProfilGruppen.

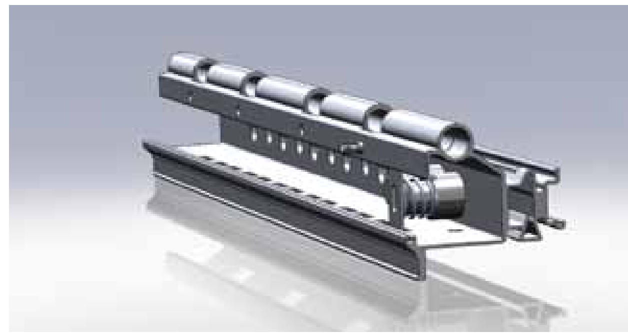
Logistics for delivery reliability

The distance between Sweden and France does not cause any concern. Together the two companies have developed a logistics solution involving warehousing in France, which enables orders to be delivered to Thermor Pacific within a day.

“We see ProfilGruppen as a partner, which naturally means a greater need for more integrated cooperation at all levels. ProfilGruppen has developed a higher level of quality and logistics, it has the packaged solution that suits us best and it is quite simply a reliable supplier,” says Thierry Beague, Purchasing Manager, SupplyChain at Groupe Atlantic.

High quality and less maintenance in smarter Braille machines

It is indeed possible to develop products that in one project provide better quality, improved performance and lower weight, as well as minimise the need for maintenance. Index Braille, which manufactures high-quality Braille machines, is well aware of this following a highly successful development collaboration with ProfilGruppen.



ProfilGruppen's original assignment was, together with the customer, to develop a new generation of print heads for the new BrailleBox model. The requirements were clear: the print head had to take up less space, be simpler to fit and easier to maintain.

"We managed to replace many tricky-fitting plastic components and screws using a special extrusion design and snap functions. We built in everything that could be built directly into the extrusion. This saves time, money and effort and lasts a lot longer," says Ulf Storbjörk, Design Engineer at ProfilGruppen.

The results were so successful that there are now new and improved solutions in all Braille machines from Index Braille – three print heads in the BrailleBox!

80 per cent lighter

The two companies have been working together since the mid-1980s. ProfilGruppen is the sole supplier of aluminium components to Index Braille. Jan Palovaara, Purchasing Manager at Index Braille:

"BrailleBox makes life easier in many respects. It weighs only 70 kg and replaces an earlier model weighing 350 kg. BrailleBox prints out double-sided on A3 sheets, the old model printed out on a roll. We have exhibited the prototype at trade fairs around the world and there has been a great deal of interest.

"Our collaboration with ProfilGruppen has resulted in a really, really good print head. Thanks to our development work, we have extrusions that can be produced much more economically. They are optimised as far as it is possible to do so."

The new BrailleBox Braille machine has also been awarded the prestigious Red Dot Design Award. Over 4,000 entries from 60 countries were submitted for the competition. The design was the result of an thesis project by two students from Luleå University of Technology.

Customer-oriented solutions open the door to doing business with Siemens

Successful export sales often require creative customer-proximate solutions. Where geographical distances are large, reliable logistics solutions are required in addition to high quality. ProfilGruppen's growing business with German company Siemens is a good example of expertise and a willingness to listen bringing results.

The assignment was to produce a test delivery of suspension rails for contact devices for Siemens electrical cabinets. The electrical cabinet is often located in sensitive process industry environments. Requirements for all components of Siemens products are generally very stringent in terms of both size and design and surface.

"The test delivery lived up to the requirements. In order to be accepted as a supplier, both quality assurance and delivery reliability also had to be guaranteed throughout the entire process, since we would be delivering fully finished and packaged products directly to Siemens's central warehouse. We are entirely responsible for overall quality control," explains Niclas Strandberg, Project Manager at ProfilGruppen.

German subcontractors

The extrusions are manufactured in Åseda. In order to maximise delivery reliability, ProfilGruppen – in consultation with Siemens – has engaged German subcontractors for surface treatment, assembly and packaging and so created an interim storage facility in Germany. ProfilGruppen is able to see directly when stock is removed from Siemens's central warehouse and supply the German subcontractors with extrusions fast enough to ensure delivery reliability with time to spare.

"We have a very stimulating partnership with Siemens, with good opportunities for development. Through a combination of a high level of competence and knowledge of materials, a willingness to listen and innovative solutions, we have demonstrated that a global player like Siemens can have confidence in a supplier from Småland," concludes Niclas Strandberg.

Glass and aluminium add a shine to Swedbank's new head office

Almost 15,000 square metres of glass facade will adorn Swedbank's new head office in Sundbyberg, which has space for 2,500 staff. Skandinaviska Glassystem is responsible for the glass elements and ProfilGruppen for the aluminium extrusions in which the glass is framed.

"This assignment is complex and exciting in equal measure. A real challenge, that requires close collaboration with ProfilGruppen," says Patric Widén, Regional Manager and Project Manager at Skandinaviska Glassystem.

Swedbank's new head office will be another landmark in the collaboration between Skandinaviska Glassystem and ProfilGruppen. The construction project was commissioned by Humlegården Fastigheter and the building has been designed by the Danish firm of architects, 3XN.

"The deal was done in autumn 2011 and we will begin delivering extrusions during the second quarter of 2012. We work closely with Skandinaviska Glassystem, from component development with optimised construction and design to the delivery of finished extrusion modules.

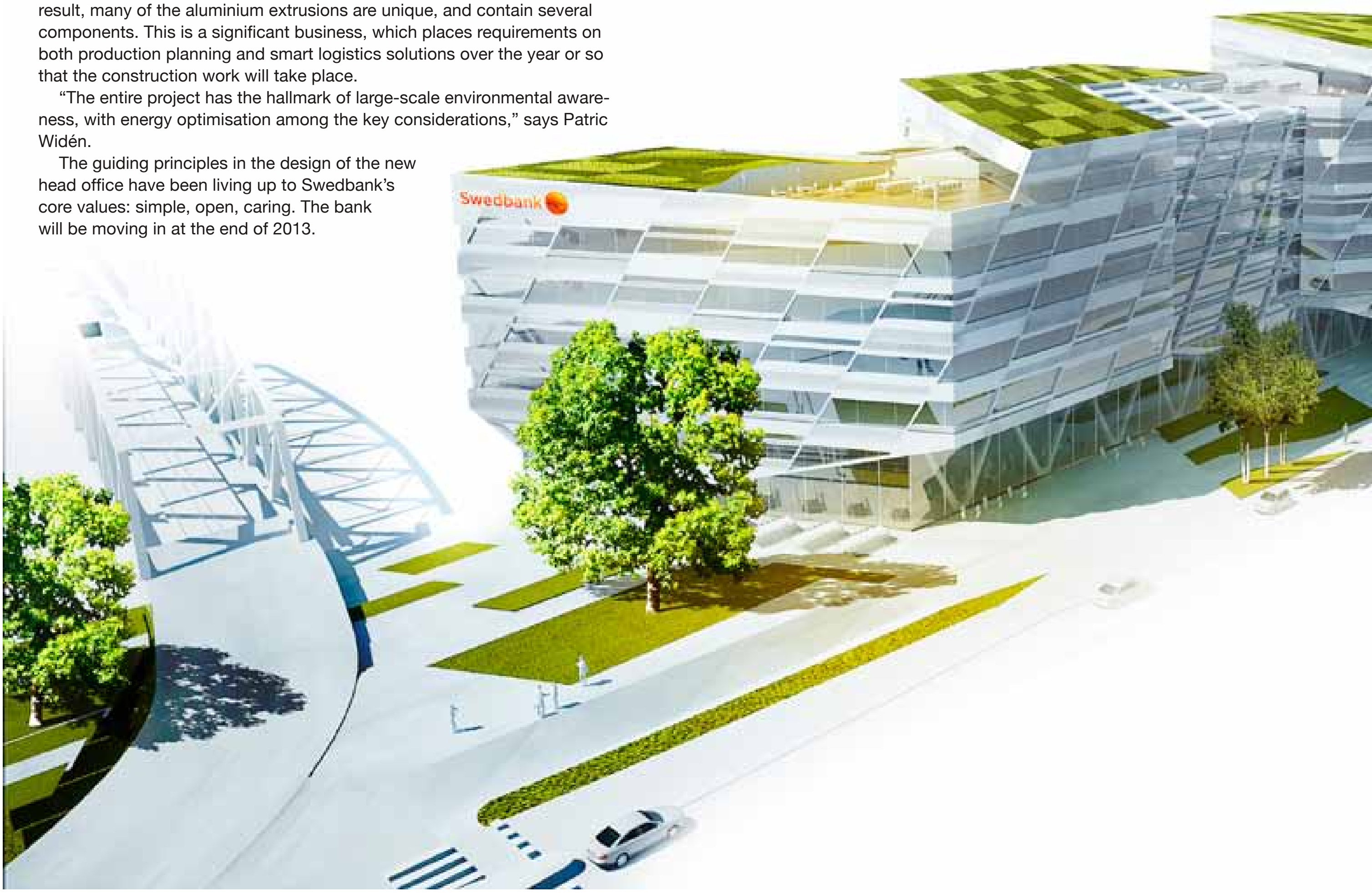
"We have worked with Skandinaviska Glassystem on several landmark buildings. This project involves both a large number of extrusion cross-sections and modular production," explains Jonathan Magnusson, Key Account Manager at ProfilGruppen.

Double-glazed facade

Swedbank is aiming high in terms of design and functionality for its new head office. This applies equally to the design of the glass facade, a significant portion of which is double-glazed and includes sun blinds. As a result, many of the aluminium extrusions are unique, and contain several components. This is a significant business, which places requirements on both production planning and smart logistics solutions over the year or so that the construction work will take place.

"The entire project has the hallmark of large-scale environmental awareness, with energy optimisation among the key considerations," says Patric Widén.

The guiding principles in the design of the new head office have been living up to Swedbank's core values: simple, open, caring. The bank will be moving in at the end of 2013.



University collaboration leads to new charging posts

The value is often extolled of greater cooperation between business and academia. ProfilGruppen, ABB Cewe-Control and the School of Engineering at Jönköping University has produced through just such cooperation – in a joint concept study – a prototype for the next generation of charging posts for electric vehicles.

ProfilGruppen is continually intensifying its cooperation with academia. A good example of this is the concept study that was carried out by the School of Engineering at Jönköping University in conjunction with ProfilGruppen and ABB Cewe-Control. The aim was to produce a prototype for ABB's next generation of charging posts.

“We were able to be involved in ABB's product development at an early stage. This gives us the opportunity to create good solutions with a large aluminium content, where our technology is exploited to the full. We were able to demonstrate many of the possibilities offered by extruded and processed aluminium,” says Rolf Axelsson, Account Manager at ProfilGruppen.

“The School of Engineering at Jönköping University contributed its expertise in industrial design and the end result is a product concept which has the potential to be developed into a competitive product.”

Leading vehicle manufacturer chooses ProfilGruppen

Like many other companies within the transportation sector, Daimler Group, one of the world's leading vehicle manufacturers, is constantly seeking solutions to make vehicles lighter, more energy-efficient and more environmentally friendly. This has created opportunities for ProfilGruppen, which is now a preferred supplier to EvoBus.

ProfilGruppen has received orders for a number of complex aluminium extrusions from EvoBus – which is part of the Daimler Group – and among others represents well-known bus marques such as Mercedes-Benz and Setra. Following successful prototype deliveries, serial deliveries are now ready to commence at the end of 2012. ProfilGruppen will be delivering extrusions that form part of the luggage racks above the passengers' heads.

New range of models

“Our initial contact with EvoBus was made in 2007, but it was only when a new range of models was to be developed that there were opportunities for ProfilGruppen to show what we could do. The first enquiries were received at the end of 2010,” explains Michael Scheeder, Account Manager at ProfilGruppen's German subsidiary.

Competence and value for money

Like many other large international players, EvoBus is currently working to reduce the number of suppliers. The fact that ProfilGruppen has been named a preferred supplier at this stage is particularly interesting and will hopefully open the door to greater cooperation with EvoBus.

“The decision in our favour is partly the result of a visit EvoBus made to our plant in Åseda and partly because we are competitive on price. Our continued cooperation has involved very close and stimulating contact between EvoBus designers and those of ProfilGruppen. We have also demonstrated our ability to provide fast feedback and to keep to our promised delivery times. A new model range for buses would normally last at least ten years and we feel that we have laid the foundations for excellent cooperation with EvoBus,” says Michael Scheeder.

Commitment that develops the region

ProfilGruppen is the largest private employer in the Småland village of Åseda, which has around 2,000 inhabitants. Given our position, we take a natural responsibility for contributing to the development of the area in different ways, by committing ourselves financially to various activities that have a positive impact on both Åseda and the surrounding area.

Our social responsibility

It has always been natural for ProfilGruppen to be involved in the development of its home town. This is where we recruit most of our employees and through our commitment, we want to create the conditions for our employees to enjoy themselves outside work too. This makes them more likely to stay here and will hopefully encourage others to move here.

We prioritise team sports and youth activities in the field of sport and we are heavily involved in Åseda IF's ice rink, the local football club and the riding club. Locally, we have also invested in Hälsans Hus in Åseda, a well-equipped, modern and popular fitness centre. Our support means that ProfilGruppen staff can use the facility free of charge and represents part of our fitness work.

New for 2011 in terms of sponsoring is a major involvement with Växjö Lakers. The club has a lot of supporters, including in and around Åseda. Växjö Lakers are newcomers to the Swedish Elite League for ice hockey. Our involvement here has more of a marketing and national nature and this partnership has given ProfilGruppen extensive exposure in the mass media.

Stimulating education

ProfilGruppen also helps in various ways to create access to relevant education and training in Åseda and the surrounding area. The company sits on various educational boards and together with other companies in the region, we have taken the initiative to encourage more schools to become certified as technical colleges. ProfilGruppen has also been supporting Ung Företagsamhet (Young Enterprise) for a number of years. Cooperation with universities and colleges forms a natural part of ProfilGruppen's activities, in terms of placements, examination work and purely commercial cooperation in process and product development.

Working to reduce environmental impact

ProfilGruppen works in a number of ways to ensure that the company contributes to a society that is sustainable in the long term. Both extrusions and processed components must be produced with minimal environmental impact. The amount of waste and rubbish in our processes must be continually reduced. Any scrap aluminium generated is recycled.

ProfilGruppen is environmentally certified in accordance with ISO 14001 and the majority of our suppliers also have environmental certification, which represents a good basis for our efforts to contribute to a society that is sustainable in the long term. Internally, we work proactively to encourage, through training and information, all employees to make an active contribution to environmental work.

Reduced transport

A central aspect of ProfilGruppen's environmental work is the recycling of aluminium scrap and waste. Remelting saves up to 95 per cent of the amount of energy that would have been used in the primary production of an equivalent quantity of aluminium.

Scrap has been remelted on the continent for many years, with the burden on the environment from transport that this entails. ProfilGruppen's decision to transfer large quantities of scrap to a nearby remelting plant from the beginning of 2010 has resulted in a significant reduction in carbon dioxide emissions. Through shorter transport distances and better-filled lorries, we reduced carbon dioxide emissions by over 300 tonnes in 2011.

A recently signed contract for the recycling of waste also means that our partner is responsible for providing ProfilGruppen's employees with basic training in waste sorting and recycling. Greater knowledge is expected to benefit the company's finances and to become an important aspect of our ongoing environmental work.

Fire makes comparisons difficult

ProfilGruppen monitors its annual consumption of electricity and LPG in production. 2011 saw an increase in electricity consumption of 5.2 per cent, while the consumption of LPG fell by 1 per cent per kg of extrusion.

The extensive fire, and associated redirection of production to press lines still intact, represent extraordinary conditions, making comparisons with previous years difficult. The proportion of scrap also increased by 4.6 per cent, which is partially explained by the change in production conditions for the four months during which one of the press lines was fire-damaged. A smaller proportion of the increase in scrap volume is the result of increasingly complex processing.

In 2011, ProfilGruppen began producing an energy map of all production units, with the aim of establishing a foundation for making further energy savings.

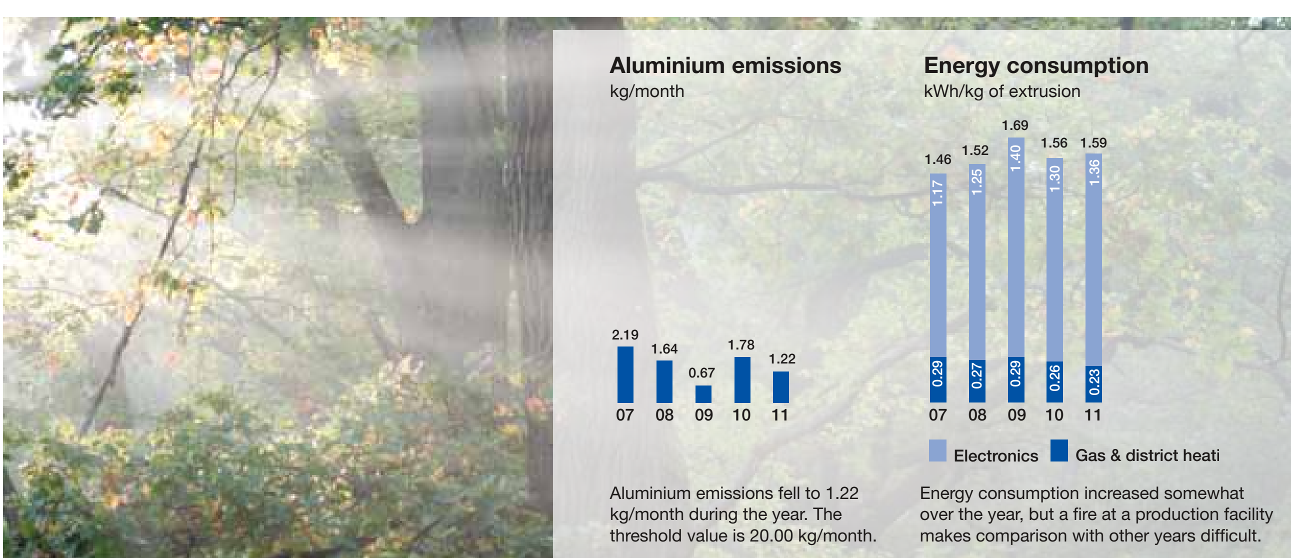
Energy and environmental work in the office environment

Although the greatest energy and environmental gains are to be made within the production processes, work is also taking place on these issues in the administrative environment. 2011 was the first year in which ground-source cooling was used in ProfilGruppen's two server rooms, which both saves energy and ensures operational reliability at a lower cost. During the course of the year, all printers at head office were replaced with new models that meet stringent energy and environmental requirements. In conjunction with this, printing procedures were also changed, so that files are now printed to the server, rather than directly to the printer, which is expected to reduce undesirable paper wastage.

More heat, less emissions

Large amounts of energy are recovered from production in Åseda. The surplus is supplied to the municipal district heating network. The amount of recovered energy increased in 2011, making a contribution equivalent to the annual heating of around a hundred standard houses.

Aluminium emissions fell during the year. Sulphate emissions from production also fell in 2011, by around 30 per cent.



Aluminium emissions fell to 1.22 kg/month during the year. The threshold value is 20.00 kg/month.

Energy consumption increased somewhat over the year, but a fire at a production facility makes comparison with other years difficult.

Training increases employee competence

ProfilGruppen's success is determined by the expertise and commitment of its staff. Skills development therefore always has a priority at the company. Although the number of employees was reduced in 2011, the year was very training intensive, not least in terms of the "Aluminium in new ways" project. A great deal of attention is also given to issues such as health and safety. ProfilGruppen's safety work aims for zero incidents.

Focus on development review

Skills development is largely centred on active learning as part of day-to-day work. This is reinforced through training initiatives, which will also help to improve commitment and wellbeing. In this spirit, ProfilGruppen placed a special focus on leadership training ahead of the annual development reviews in 2011, in order to increase the quality of these. A useful support in these reviews has been the employee training list – from which the employee is able to express a desire for various training courses. In total there were around 20 training courses to choose from, in areas such as reading drawings, measurement technology, languages, IT skills and health. Environmental training has been given to all employees of ProfilGruppen.

Common values

All of ProfilGruppen has also been involved in a special training initiative relating to the company's basic values. This resulted in a number of rewarding discussions where employees were able to discuss how the values should influence the work situation of each and every one of us. With a common approach to meeting different challenges, we will become stronger as a company.

Eight workplace accidents

ProfilGruppen has a major emphasis on safety work and is therefore working towards a zero vision, in other words not having a single workplace injury. Several initiatives have been implemented and are underway with the aim of achieving this goal. Machine safety analyses have been carried out, the company's safety manual has been revised and workplace risks are reported via the company's intranet. Unfortunately, we have to report that there were eight workplace accidents during 2011, which is twice as many as the year before. Procedures have been implemented in response to all accidents. The accidents caused 268 (167) sick days.

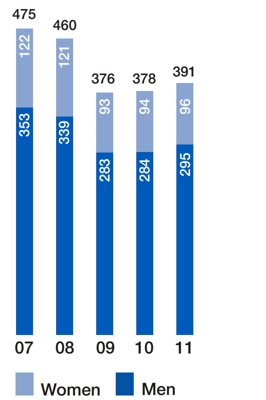
Training is an important part of the work to prevent accidents and in terms of knowing how to proceed when things go wrong. The company will therefore continue to provide training in fire safety, CPR and first aid during 2012.

Absence through illness continues to fall

Total absence through illness at ProfilGruppen is falling. In 2011, the proportion was 4.3 (5.2) per cent. This represents a continuation of the positive trend of previous years. Preventive healthcare and active and goal-oriented rehabilitation are the main reasons for this positive trend.

Hälsans Hus in Åseda – with a pool, gym and space for fitness classes – provides extraordinarily good opportunities for health and leisure activities. ProfilGruppen pays for annual membership for all employees, which represents the company's single largest investment in healthcare.

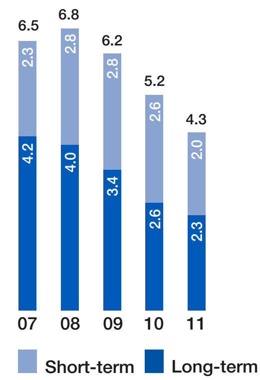
Average no. of employees



The average number of employees was slightly higher in 2011 than in 2010, but at the end of the year there were 371 employees.

Absence through illness

per cent



Both long-term and short-term absence through illness fell over the year.

ProfilGruppen's values

ProfilGruppen's day-to-day work is governed by four value words that describe how employees are expected to behave: Committed – Innovative – Professional – Available. These values act as guiding principles for each and every one of us in our respective work situations.

Committed

We are involved and proactive and we care. We show lots of interest in our customers and assignments. We do not wait for solutions but seek them out and demonstrate the ability to take action. Providing opportunities for participation, thus generating commitment, is an important leadership skill. Working in an integrated manner also fosters participation.

Kent Johansson,
Business Project Manager, Åseda

"As a Business Project Manager, I am responsible for projects for customers with specific requirements, resulting from quality systems or unique requests. We work in a project team consisting of salespeople, designers and purchasers, among others, who all help to find the best solution for the customer. We are driven by a strong level of **commitment** and we always try to think "outside the box". Our task is to find cost-effective solutions that satisfy both the customer's technical and commercial requirements.

Innovative

We will do things in new ways. It is natural for us to seek out new and improved working methods and procedures. We develop innovative solutions for our customers by investing in application skills and development.

Erica Svensson,
Operator, Klavreström

"We have a well-developed improvement initiative, which involves me and practically all the other staff of the company. We are challenged to be **innovative** and simply make suggestions as to how we can improve our work and production. All suggestions are examined quickly and taken seriously. We often see that "small" suggestions can result in major improvements. The best reward is that suggestions often result in our work becoming more efficient and easier.

Professional

We are professional and ensure high quality in everything we do.
We give consideration to what is best for the company and we understand that customers do the same. We always strive to do a good job quality-wise.

Larry Svensson,
Tool Engineer, Åseda

"I have been working as a tool engineer since 1988 and I can confirm that **professionalism** is growing year by year. The best lessons we learn come from the experience we have gained and from cooperation with colleagues. Our job is to balance the actual aluminium flow during pressing so that the extrusion is of the highest possible quality. This often involves taking out the diamond file and making tiny adjustments to the tool that result in major quality improvements in the shape of the extrusion.

Available

We are available to the customer and one another.
We are open to dialogue and we do not make anyone wait for a response. If we are unable to provide an answer straight away, we let people know when one can be expected. We are open with customers and one another.

Monica Holmberg,
Receptionist, Åseda

"The telephone is a very important method of communication for customers and other people who contact us. As a receptionist and switchboard operator, I am at the heart of things in terms of high **availability**, which is also important of course for visits. Our feeling is that it must be easy to contact ProfilGruppen's staff, so it is important that we act quickly, are flexible and have a clear focus on service, both internal and external.

Policies support risk management

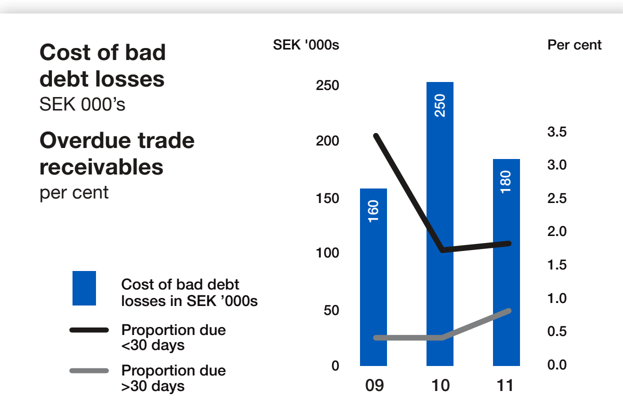
All activities of ProfilGruppen are exposed to risk, which may have a greater or lesser impact on the Group's target attainment. The risks can be divided into operational and financial risks. Operational risks are those that arise in day-to-day activities, such as liability risk or raw material risk. Financial risks – such as currency, liquidity, interest, 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

A customer base without customers that are too dominant is the aim, as this reduces dependency on individual customers. During 2011, no customer represented more than eight per cent of the invoicing. 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 manager. During 2011, 85 (81) per cent of the company's customers had a rating between AAA and A. The Group has credit insurance for the majority of all customers with an outstanding credit balance in excess of MSEK 1.0. In 2011 the credit-insured volume amounted to 60 per cent (60) of all sales. The diagram below shows the cost of losses and outstanding balances distributed by age for 2011.



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 the customer. In order to reduce this risk, we have signed delivery agreements with strategic key 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

Customers belong to a number of industries in northern Europe. This industry spread is a deliberate strategy aimed at reducing sensitivity to seasonal and cyclical fluctuations. Most of the major customers are global, which means that ProfilGruppen is also dependent on international market conditions.

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

Liability

Increased exposure to the car industry, for example, means increased 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. The Group works 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. In 2011, there was a large fire at one of our presses in Åseda. By redirecting production to press lines that were still intact, we managed to make practically all of our deliveries to our customers without causing them serious disruption. The insurer will only make its evaluation of the payment due after 12 months and the final outcome will therefore be determined during the second half of 2012 at the earliest.

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. All manufacturing companies within the Group are certified in accordance with ISO 14001. 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 40 per cent (60) of the total further processing during 2011. At our own facilities processing is largely performed where there are opportunities for a high degree of automation.

Raw material

ProfilGruppen's main raw material, alloyed aluminium ingots, is priced in USD on the London Metal Exchange (LME). Purchased raw materials accounted for 42 per cent (44) of operating expenses in 2011. The company's raw materials are purchased 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 Group is supplied by its main supplier Hydro and by Alcoa and Rusal. 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.

Price trends for aluminium in 2011

USD per tonne

The price of aluminium is highly volatile, so ProfilGruppen includes raw material clauses in the majority of its customer contracts. The raw material is purchased in SEK or EUR depending on the customer contract currency.

Energy prices

ProfilGruppen consumes approximately 32 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 2012 consumption by the end of the year.

Financial risks

Currency risks

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

The foreign subsidiaries have 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 the aluminium raw materials are priced in USD. Raw material clauses are included in the majority of customer contracts, which means that exposure can be minimised.

If the exchange rate between SEK and the most significant currencies moves, 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.

	2011	2010
EUR	+/- MSEK 7	+/- MSEK 10
DKK	+/- MSEK 3	+/- MSEK 2
NOK	+/- MSEK 2	+/- MSEK 3
GBP	+/- 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.

The share's year on the stock exchange

Share data

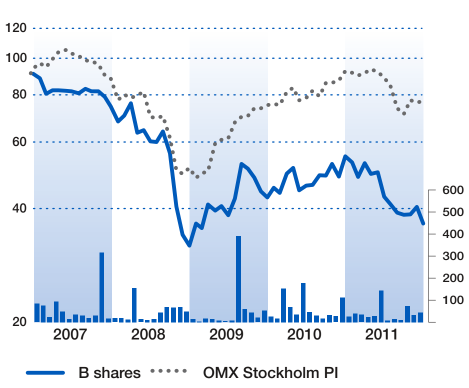
		2007	2008	2009	2010	2011
Number of shares as of 31 December	thousands	4,933	4,933	4,933	4,933	4,933
Average number of shares [1]	thousands	4,933	4,933	4,933	4,933	4,933
Earnings per share	SEK	8.15	1.88	-2.77	4.78	1.51
Cash flow per share	SEK	15.89	-0.93	5.76	3.74	4.38
Equity per share	SEK	34.92	28.85	28.86	35.53	32.72
Net asset value per share	SEK	34.92	28.85	28.86	35.53	32.72
Share price, 31 December	SEK	74.50	31.90	42.80	55.00	36.50
Highest price during the year	SEK	90.50	76.00	56.00	58.50	56.00
Lowest price during the year	SEK	73.00	31.00	31.90	42.40	32.30
Price change during the year	%	-18.0	-57.0	34.0	28.5	-33.6
Dividend per share [2]	SEK	3.60	1.00	0.00	1.50	0.00
P/E ratio	SEK	9	17	-15	12	24
Price/equity per share		2.1	1.1	1.5	1.5	1.1
Yield	%	4.8	3.1	0.0	2.7	0.0
Payout ratio	%	44	53	0	31	0
Average spread	%	1.31	1.95	2.64	2.17	2.80
Number of days with completed sales/number of stock market days	%	79	63	66	87	82
Total number of completed sales	qty	1,038	590	756	1,773	1,042
Average number of completed sales per day	qty	4	2	3	7	4
Number of shares traded, full year	thousands	789	543	636	748	478
Number of shares traded, per day (average)	qty	3,158	2,154	2,536	2,956	1,889
Stock market value listed shares	MSEK	367	157	211	271	180
Total share sales	MSEK	64	31	27	37	22
Average sales per day	SEK 000's	257	123	106	144	85
Number of shareholders at end of year	qty	1,882	1,780	1,793	1,790	1,640

1) There is no dilution.

2) For 2011 this refers to the dividend proposed by the Board.

ProfilGruppen's share on the Stockholm Stock Exchange

Share price trends and turnover for the period 1 January 2007 to 31 December 2011



ProfilGruppen AB was registered on the Stockholm Stock Exchange on 19 June 1997. Current share price trends are available on the company's website, www.profilgruppen.se.

The ten largest shareholders

Shareholders	Number of shares	Holding, % 2011	Holding, % 2010
Ringvägen Venture AB	867,933	17.6	14.7
Lars Johansson	709,227	14.4	14.4
Idea, Prior & Nilsson, Fond och Kapitalförvaltning	430,137	8.7	13.5
Mats Egeholm	349,832	7.1	7.1
Kerstin Egeholm	159,629	3.2	3.2
Nordea Life & Pensions	157,800	3.2	3.2
JPM Chase NA	153,900	3.1	0.7
Rickard Behm	105,543	3.1	2.1
Svenska Handelsbanken Kundkonto	105,200	2.1	2.1
Mats Jonson	85,036	1.7	1.7
10 largest individual shareholders	**3,124,237**	**63.3**	**62.7**
Other	1,808,280	36.7	37.3
Total	**4,932,517**		**100.0**

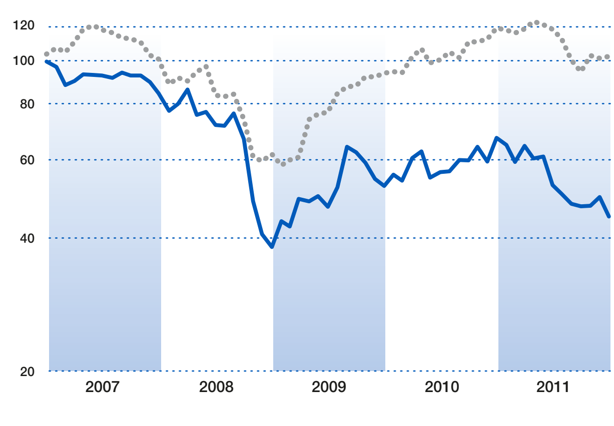
Breakdown of share capital

Holding number of shares	Number of shareholders	Proportion of shareholders as a %	Share of capital as a %
1 – 500	1,233	75.2	4.6
501 – 1,000	218	13.3	3.5
1,001 – 10,000	146	8.9	8.6
10,001 – 100,000	34	2.1	21.7
100,001 –	9	0.5	61.6
Total	**1,640**	**100.0**	**100.0**

Owner categories

	Number of shares	Share of capital as a %
Financial companies	620,158	12.57%
Social security funds	13,244	0.27%
Interest organisations	3,450	0.07%
Other Swedish legal entities	954,686	19.35%
Non-categorised legal entities	108,047	2.19%
Owners resident overseas	993,070	20.13%
Swedish physical persons	2,239,862	45.41%
Total	**4,932,517**	**100.0**

ProfilGruppen's total yield



The graph shows the total return from the ProfilGruppen share compared with the SIX Return Index during the last five years.

Directors' report

The Board of Directors and the 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 2011, which is ProfilGruppen's thirty-first year of operation.

ProfilGruppen conducts 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 70 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 through a sales organisation at the head office in Åseda and through wholly-owned sales companies in Denmark, the United Kingdom, Norway and Germany.

ProfilGruppen Extrusions AB is responsible for design, product development and the manufacture of extrusions. Processing is performed by two wholly-owned companies, ProfilGruppen Components AB and ProfilGruppen Manufacturing AB, as well as in close cooperation with a number of independent companies.

Revenue and profit

ProfilGruppen's revenue amounted to MSEK 836.7 in 2011, a decrease of seven per cent on the previous year. The delivery volume was 19,000 tonnes (20,800) of aluminium extrusions, a decrease of nine per cent compared to the previous year. The share of exports amounted to 50 per cent (50) of the volume, and 49 per cent (49) of the revenue.

The Group's operating profit amounted to MSEK 17.7 (29.2). The profit is equivalent to an operating margin of 2.1 per cent (3.2). The target is an operating margin of six per cent over a business cycle. The lower profit level in the second half of the year is strongly linked to the reduction in delivery volumes caused by a fire at one of the production lines in June.

An insurance policy is in place providing cover for both machine damage and loss of contribution margin, with a liability period of 24 months, after normal excess and qualifying period. Losses will be assessed only after 12 months and the final outcome will therefore be determined during the second half of this year at the earliest. The operating profit for 2011 includes an insurance payment of MSEK 17.1 for loss of contribution margin, following the initial assessment of the insurance company. ProfilGruppen's own assessment and claim for compensation is at a higher level than this.

The plant that was damaged by fire has been rebuilt and is reported as a reinvestment, while fire-damaged equipment has been written down and scrapped. This has a positive net effect on operating profit amounting to MSEK 16.0. Over time, this will be cost-neutral and should be considered an accrual effect.

As part of a long-term plan for increasing the profitability of the Group, employee streamlining measures were initiated in October. Profits have therefore also been affected by non-recurring costs of MSEK 14.1 (0.0). Overall, the organisation was reduced by 42 employees, of which 20 within sales and administration.

The profit before tax amounted to MSEK 10.6 (21.9). The profit after tax amounted to MSEK 7.5 (15.6).

Earnings per share totalled SEK 1.51 (3.17). The average in thousands of shares was 4,933 (4,933).

Investments and depreciation

Investments amounted to MSEK 31.2 (7.8). The production unit that was damaged by fire has been rebuilt, which affected investments by a total of MSEK 18.1, of which MSEK 15.3 for machinery and equipment and MSEK 2.8 for buildings. Total depreciation according to plan amounted to MSEK 28.8 (31.6) for the year. Write-downs for the fire-damaged unit amounted to MSEK 2.7. Previous year's write-down of MSEK 1.4 comprised real estate.

Financial position and cash flow

ProfilGruppen's net debt/equity ratio increased during the year to 0.89 (0.77). The objective is to keep the net debt/equity ratio within a range of 0.75 to 1.00. Return on capital employed amounted to 5.6 per cent (9.4). The profitability target for capital employed is set at 15 per cent. The Group's profitability target refers to an average over a business cycle.

The equity ratio amounted to 31.5 per cent (30.7) at the end of the year. Cash and cash equivalents amounted to MSEK 1.9 (43.2) at the end of the year, while the Group's non-utilised credit facilities, in addition to cash and cash equivalents, totalled MSEK 66.1 (62.0).

The cash flow from current operations was MSEK 21.6 (18.4) and the cash flow after investments was MSEK -7.8 (12.3). At year-end, the as-yet unpaid portion of the reported insurance payment had a negative impact on cash flow of MSEK 18.8.

The balance sheet total as of 31 December 2011 amounted to MSEK 513.1, compared with MSEK 545.2 as of 31 December 2010.

Market

The market for aluminium extrusions in Europe fell back at the end of the year, following an initial upturn, and overall the total volume remains unchanged compared with 2010. Some segments, however, in particular the transportation segment, but also to some extent the general engineering industry, showed good growth throughout 2011.

Total revenues from the Swedish market fell by 8 per cent in 2011 compared to the previous year. The transportation segment was a clear exception and showed a sharp increase of 28 per cent, while the general engineering industry was unchanged. Other segments showed lower revenues compared to previuos year.

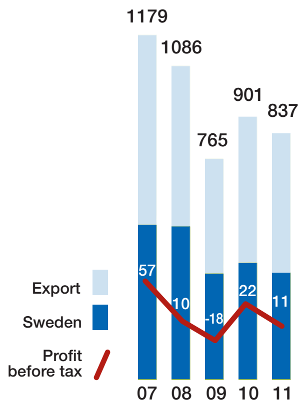
Revenue from export markets fell by six per cent for the year as a whole compared to the previous year. Deliveries to Poland increased by eight per cent, although deliveries to the German market fell by nine per cent, which was to a large extent related to individual customers within the transportation segment and the general engineering industry. The fall in revenue on the Norwegian market was primarily linked to the domestic and office equipment segment.

The most recent forecast from the European Aluminium Association estimated that the market volume for aluminium extrusions had remained unchanged for the full year 2011 compared to 2010.

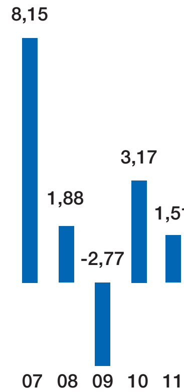
Manufacturing

The cornerstone of ProfilGruppen's production is the extrusion of aluminium profiles at ProfilGruppen Extrusions AB. The company has

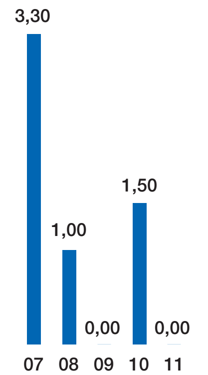
REVENUE AND PROFIT, MSEK



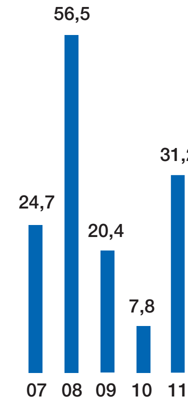
EARNINGS PER SHARE, SEK



DIVIDEND PER SHARE, SEK



INVESTMENTS, MSEK



three press lines for the manufacture of extrusions. Group production of aluminium extrusions totalled 18,800 tonnes (20,900) in 2011.

The Group's processing companies have at their disposal advanced machinery used mainly for cutting processing, bending and surface treatment. ProfilGruppen Components AB specialises in surface treatment. ProfilGruppen Manufacturing AB focuses on bending and cutting processing, mainly for larger runs, using automated production lines On 1 December, ProfilGruppen Extrusions AB assumed the activities of ProfilGruppen Components AB and ProfilGruppen Manufacturing AB in order to reduce administration and to afford better opportunities for coordination between the various manufacturing units.

Development work

Constant improvement of processes and products is an important aspect of ProfilGruppen's work. The Group creates new products and product models for existing or potential customer assignments on a daily basis. Close cooperation between the Group and its customers 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, the Group has excellent opportunities to improve a product's environmental impact, life cycle 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 Nordic company in its sector to be certified in accordance with the automotive industry's quality system at the time, QS-9000. This standard was later replaced by ISO/TS 16949 and ProfilGruppen has been certified in accordance with this since 2006. The Group renewed its certification for ISO 9001 and ISO/TS 16949 in 2009.

ProfilGruppen has also been approved since 1998 in accordance with the environmental management system ISO 14001.

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 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 January 2011 ProfilGruppen submitted a new application in accordance with the Swedish Environmental Code to expand its extrusion and surface treatment operations for aluminium extrusions.

A follow-up of the Group's environmental targets is presented elsewhere in the annual accounts. The environmental policy can be viewed on our website at www.profilgruppen.se.

Risks

ProfilGruppen's activities, like all business activities, are exposed to risks, which are described in greater detail in note 19 and on pages 18-19.

Personnel

The average number of employees in the Group totalled 391 (378). Women make up 25 per cent (25) of the Group's total workforce. Staff turnover during the year amounted to 6.9 per cent (1.9). Payroll expenses amounted to MSEK 154.0 (148.3).

The Group gave notice during the third quarter of the redundancy of 55 posts. Following negotiations, this number was reduced to 42, divided more or less equally between collective workers and salaried employees. Of these, 20 posts were lost during 2011.

Guidelines for remuneration for senior executives

A remuneration committee, appointed by the Board, prepares proposals for principles for remuneration for the Group's CEO and other senior executives. Proposals are based on the company's long-term Remuneration Policy. The Board proposes that the principles adopted at the 2011 AGM remain essentially unchanged for 2012.

See note 4 for further information.

Corporate governance

The work of the Board of ProfilGruppen AB is regulated by the formal work plan, which is established annually at the inaugural Board meeting following the AGM. Issues concerning an audit or internal control are prepared by the Board's audit committee, while issues concerning remuneration are prepared by the remuneration committee. Prior to the 2012 AGM, the election 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 on pages 44-47 and at www.profilgruppen.se.

Shares and shareholders

Share capital in ProfilGruppen is made up of 4,932,517 shares. Each share in the company corresponds to one vote.

The ownership interests that exceed ten per cent are Ringvägen Venture AB's 17.6 per cent, Lars Johansson's 14.4 per cent, and Mats and Kerstin Egeholm's 10.3 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.

The Board's authorisation to decide on a new share issue

In order to finance potential company acquisitions with the company's own shares, the AGM in March 2011 granted the Board authorisation to make decisions on issuing new shares on one or more occasions until the next AGM. The maximum number of new shares that can be issued is 400,000. The Board shall thus be entitled to decide on a deviation from the shareholders' preferential rights. It must be possible to implement issues with a provision made for issuing in kind or offsetting or otherwise with terms and conditions. Any issue must be on market terms.

The reason for being able to deviate from shareholders' preferential rights is to enable financing of company acquisitions with own shares. In the event of full exploitation of the authorisation, this corresponds to dilution of around eight per cent of the share capital and the votes in the company. This authority has yet to be invoked.

Outlook for 2012

The outlook for 2012 is characterised by macroeconomic uncertainty.

THE PARENT COMPANY

The revenue for the parent company ProfilGruppen AB comprises rents and fees for services from companies within the Group. No purchases were made from Group companies.

The parent company has one (1) employee.

Dividend

Due to the Group's results, the Board is proposing that no dividend payout shall be made for the 2011 financial year.

The Board and the CEO propose that standing profits available as per the balance sheet, of SEK 14,079,014, be appropriated in the following manner:

Dividend to shareholders	SEK 0
To be carried forward	SEK 14,079,014
Total profits according to balance sheet	**SEK 14,079,014**

Annual report

The information in this annual report is the information that ProfilGruppen AB is required to disclose in accordance with the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication through the annual report published on ProfilGruppen's website on 8 March 2012.

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 are to be submitted for approval at the Annual General Meeting on 29 March 2012.

FIVE-YEAR SUMMARY

		2007	2008	2009	2010	2011
Revenue	MSEK	1,179.4	1,086.1	764.3	901.4	836.7
Profit before depreciation, amortisation and impairment	MSEK	95.6	48.3	21.7	62.2	48.6
Operating profit	MSEK	63.3	16.5	-10.5	29.2	17.7
Operating margin	%	5.4	1.5	-1.4	3.2	2.1
Profit before tax	MSEK	57.0	10.0	-17.8	21.9	10.6
Profit margin	%	4.8	0.9	-2.3	2.4	1.3
Return on equity	%	25.1	5.9	-9.6	10.1	4.5
Return on capital employed	%	22.8	6.1	-3.6	9.4	5.6
Cash flow from current operations	MSEK	78.4	-4.6	28.4	18.4	21.6
Investments	MSEK	24.7	56.5	20.4	7.8	31.2
Liquidity reserves	MSEK	212.1	133.7	157.9	105.2	68.0
Net debt	MSEK	65.0	135.8	140.0	128.2	144.1
Interest-bearing liabilities and interest-bearing provisions	MSEK	103.6	142.4	144.1	171.3	146.0
Net debt/equity ratio	times	0.38	0.95	0.98	0.77	0.89
Balance sheet total	MSEK	615.9	563.6	499.3	545.2	513.1
Equity ratio	%	28.0	25.2	28.5	30.7	31.5
Capital turnover rate	times	4.2	3.9	2.7	2.9	2.6
Proportion of risk-bearing capital	%	36.9	32.5	37.2	39.2	39.6
Interest coverage ratio	times	9.0	2.4	-1.4	3.9	2.4
Employees						
Average number of employees		475	460	376	378	391
Number of positions at year-end		472	436	353	386	371
Staff turnover	%	5.7	3.7	3.8	1.9	6.9
Average age	years	43	42	43	44	45
Salary costs including social security contributions	MSEK	226.2	228.2	184.8	204.8	213.5
Net sales per employee (average)	SEK 000's	2,481	2,359	2,034	2,385	2,140
Profit before tax per employee (average)	SEK 000's	120	22	-47	58	27
Per share						
Average number of shares[1]	thousands	4,933	4,933	4,933	4,933	4,933
Earnings per share	SEK	8.15	1.88	-2.77	3.17	1.51
Cash flow per share	SEK	15.89	-0.93	5.76	3.74	4.38
Net asset value per share	SEK	34.92	28.85	28.86	33.92	32.72
Dividend per share[2]	SEK	3.60	1.00	0.00	1.50	0.00

1) There is no dilution.
2) For 2011 this refers to the dividend proposed by the Board.

For quarterly data see www.profilgruppen.se.
Definitions of economic terms may be found on the inside of the rear flap.

Financial reports

Consolidated statement of comprehensive income

(MSEK)	Note	2011	2010
Revenue	2	836.7	901.4
Cost of goods sold		-754.6	-771.3
Gross profit		**82.1**	**130.1**
Other operating income	3	58.2	0.3
Selling expenses		-54.6	-50.8
Administrative expenses		-44.4	-50.4
Other operating expenses	3	-23.6	0.0
Operating profit	**4, 5, 6**	**17.7**	**29.2**
Financial income	7	0.3	0.3
Financial expenses	7	-7.4	-7.6
Net financial income/expense		-7.1	-7.3
Profit before tax		**10.6**	**21.9**
Tax	9	-3.1	-6.3
Profit/loss for the year		**7.5**	**15.6**
Other comprehensive income			
Changes in cash flow hedges		-6.0	9.8
Changes in translation reserve		0.0	-0.2
Other		0.0	-0.3
Comprehensive income for the year		**1.5**	**24.9**
Earnings per share before and after dilution, SEK	**16**	**1.51**	**3.17**

Consolidated statement of financial position

(MSEK)		Note	2011-12-31	2010-12-31
Assets	Intangible fixed assets	10	10.0	10.0
	Tangible fixed assets	11	244.1	244.5
	Other shares and participations	12	0.2	0.2
	Total fixed assets		**254.3**	**254.7**
	Inventories	13	115.6	100.6
	Trade receivables	14	103.7	120.0
	Prepaid expenses and accrued income		6.1	6.1
	Current tax assets		1.2	1.7
	Other receivables		30.3	18.9
	Cash and cash equivalents	22	1.9	43.2
	Total current assets		**258.8**	**290.5**
Total assets		**2**	**513.1**	**545.2**
Equity	Share capital		24.7	24.7
	Other paid-up capital		1.4	1.4
	Reserves		-0.3	5.6
	Profit brought forward. incl. profit/loss for the year		135.6	135.6
Total equity		**15**	**161.4**	**167.3**
Liabilities	Long-term interest-bearing liabilities	17, 19	55.4	69.0
	Provisions for pensions	4	12.5	11.4
	Deferred tax liabilities	9	42.0	46.3
	Total long-term liabilities		**109.9**	**126.7**
	Current interest-bearing liabilities	17, 19	78.1	90.9
	Trade payables		102.4	98.5
	Current tax liabilities		0.8	0.7
	Other liabilities		8.4	7.2
	Accrued expenses and deferred income	18	52.1	53.9
	Total current liabilities		**241.8**	**251.2**
	Total liabilities		**351.7**	**377.9**
Total equity and liabilities			**513.1**	**545.2**

For pledged assets and contingent liabilities, see note 20.

Consolidated statement of changes in equity

Consolidated equity (MSEK)	Share capital	Other paid-up capital	Translation-reserve	Hedging-reserve	Retained earnings, including profit for the year	Total equity
Equity 01-01-2010	**24.7**	**1.4**	**0.2**	**-4.2**	**120.3**	**142.4**
Profit/loss for the year					15.6	15.6
Other comprehensive income			-0.2	9.8	-0.3	9.3
Dividend					0.0	0.0
Closing equity 31-12-2010	**24.7**	**1.4**	**0.0**	**5.6**	**135.6**	**167.3**
Equity 01-01-2011	**24.7**	**1.4**	**0.0**	**5.6**	**135.6**	**167.3**
Profit/loss for the year					7.5	7.5
Other comprehensive income			0.0	-6.0	0.0	-6.0
Dividend SEK 1.50/share					-7.4	-7.4
Closing equity 31-12-2011	**24.7**	**1.4**	**0.0**	**-0.4**	**135.7**	**161.4**

Consolidated statement of cash flows

(MSEK)	Note	2011	2010
Current operations	22		
Profit after financial items		10.6	21.9
Adjustment for items not included in the cash flow		31.7	33.0
Paid income tax		-6.3	-3.1
Cash flow from current operations prior to changes in working capital		**36.0**	**51.8**
Cash flow from changes in working capital			
Inventories[1]		-15.0	-16.6
Operating receivables[1]		1.4	-13.3
Operating liabilities[2]		-0.8	-3.5
Cash flow from current operations		**21.6**	**18.4**
Investment activities			
Acquisition of tangible fixed assets		-29.5	-6.9
Sale of tangible fixed assets		0.1	0.8
Cash flow from investment activities		**-29.4**	**-6.1**
Financing activities			
Dividend to shareholders		-7.4	0.0
Loans raised[3]		-14.0	41.3
Amortisation of loans		-10.8	-10.8
Amortisation of leasing liabilities		-1.2	-2.1
Cash flow from financing activities		**-33.4**	**28.4**
Cash flow for the year		**-41.2**	**40.7**
Cash and cash equivalents, opening balance		43.2	4.2
Translation differences in cash and cash equivalents		-0.1	-1.7
Cash and cash equivalents, closing balance		**1.9**	**43.2**
Interest paid and dividends received			
Paid interest		-7.3	-7.5
Interest received		0.3	0.4
Dividend		0.0	0.0

1) increase - / decrease +
2) increase+ / decrease -
3) including change in bank overdraft facility utilised

Parent company income statement[1]

(MSEK)	Note	2011	2010
Revenue		24.3	28.3
Cost of goods sold		-4.8	-4.9
Gross profit		**19.5**	**23.4**
Administrative expenses		-8.4	-16.8
Other operating income	3	2.8	0.0
Other operating expenses		0.0	0.0
Operating profit	4, 5	**13.9**	**6.6**
Income from participations in subsidiaries	7	4.0	5.0
Interest income and similar profit/loss items	7	0.0	1.0
Interest expenses and similar profit/loss items	7	-5.2	-4.8
Profit after financial items		**12.7**	**7.8**
Appropriations	8	1.7	-1.5
Profit before tax		**14.4**	**6.3**
Tax	9	-3.9	-1.8
Profit/loss for the year		**10.5**	**4.5**

1) The parent company's reported statement of income is also its statement of comprehensive income.
The parent company's revenue comprises rent and fees for services from Swedish companies in the Group. For dividend per share, see note 16.

Parent company balance sheet

(MSEK)		Note	2011-12-31	2010-12-31
Assets	Tangible fixed assets	11	95.3	94.5
	Financial fixed assets: Participations in Group companies	21	108.9	108.9
	Total fixed assets		**204.2**	**203.4**
	Receivables from Group companies		0.7	1.7
	Prepaid expenses and accrued income		0.1	0.1
	Other receivables		0.6	0.0
	Current tax assets		0.0	1.2
	Total current receivables		1.4	3.0
	Cash and bank balances	22	0.4	0.4
	Total current assets		**1.8**	**3.4**
Total assets			**206.0**	**206.8**
Equity and liabilities				
	Restricted equity			
	Share capital		24.7	24.7
	Statutory reserves		1.3	1.3
	Non-restricted equity			
	Profit brought forward		3.5	6.4
	Profit/loss for the year		10.5	4.5
	Total equity	15	**40.0**	**36.9**
	Untaxed reserves	8	**23.1**	**24.8**
	Provisions for taxes	9	**3.3**	**2.8**
	Long-term interest-bearing liabilities to credit institutions	17, 19	**25.8**	**35.3**
	Current liabilities			
	Interest-bearing liabilities to credit institutions	17, 19	17.5	17.3
	Non-interest-bearing liabilities			
	Trade payables		1.3	0.7
	Liabilities to Group companies		90.8	80.1
	Other liabilities		0.0	1.5
	Accrued expenses and deferred income	18	4.1	7.4
	Current tax liabilities		0.1	0.0
	Total current liabilities		**113.8**	**107.0**
Total equity and liabilities			**206.0**	**206.8**
Pledged assets for liabilities to credit institutions		20		
	Property mortgages		78.6	78.6
	Shares in subsidiaries		101.2	101.2
Contingent liabilities				
	Guarantees for Group companies		37.4	37.8

Changes in the parent company's equity

(MSEK)	Restricted equity Share capital	 Statutory reserves	Non-restricted equity	Total equity
Equity 01-01-2010	**24.7**	**1.3**	**6.4**	**32.4**
Group contribution received/made			0.0	0.0
Total changes in wealth recognised directly in equity, excl. transactions with owners	0.0	0.0	0.0	0.0
Profit/loss for the year			4.5	4.5
Total changes in wealth, excl. transactions with owners	0.0	0.0	4.5	4.5
Dividend			0.0	0.0
Closing equity 31-12-2010	**24.7**	**1.3**	**10.9**	**36.9**
Equity 01-01-2011	**24.7**	**1.3**	**10.9**	**36.9**
Group contribution received/made			0.0	0.0
Total changes in wealth recognised directly in equity, excl. transactions with owners	0.0	0.0	0.0	0.0
Profit/loss for the year			10.5	10.5
Total changes in wealth, excl. transactions with owners	0.0	0.0	10.5	10.5
Dividend SEK 1.50/share			-7.4	-7.4
Closing equity 31-12-2011	**24.7**	**1.3**	**14.0**	**40.0**
Proposed dividend for 2012			0.0	0.0

Parent company statement of cash flows

(MSEK)	Note	2011	2010
Current operations	22		
Profit after financial items		12.7	7.8
Adjustment for items not included in the cash flow		4.8	-0.1
Paid income tax		-2.4	-0.4
Cash flow from current operations prior to changes in working capital		**15.1**	**7.3**
Cash flow from changes in working capital			
Operating receivables[1]		0.4	-0.7
Operating liabilities[2]		6.1	3.5
Cash flow from current operations		**21.6**	**10.1**
Investment activities			
Acquisition of tangible fixed assets		-4.9	-0.4
Cash flow from investment activities		**-4.9**	**-0.4**
Financing activities			
Dividend to shareholders		-7.4	0.0
Loans raised[3]		0.2	-0.2
Amortisation of loans		-9.5	-9.5
Cash flow from financing activities		**-16.7**	**-9.7**
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			
Paid interest		-5.1	-3.6
Interest received		0.0	0.0
Dividend		4.0	5.0

1) increase - / decrease +
2) increase + / decrease -
3) including 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) and interpretation guidelines from the International Financial Reporting Interpretations Committee (IFRIC) 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.

Prerequisites when drawing up the parent company and Group's financial reports

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 financial assets that can be sold.

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 2011 and which are approved by the EU and considered relevant to the Group. None of these were considered to have an impact on the Group's current reporting.

- IAS 24 Related Party Disclosures – Amendment. The amendment clarifies the definition of a related party in order to simplify the identification of such related parties and eliminate inconsistencies of application.
- IAS 32 Financial instruments: Presentation – Amendment. The definition of what constitutes a liability has been changed, which in some cases changes the reporting of warrants, for example.
- IFRIC 14 Prepayments of a minimum funding requirement – Amendment. This amendment allows a prepayment of a minimum funding requirement to be reported as an asset.
- IFRIC 19 Extinguishing financial liabilities with equity instruments. This interpretation specifies how a company should report renegotiated conditions for a financial liability that result in the company issuing equity instruments to a creditor which extinguish the financial liability in whole or in part.

In 2011 the Group has not applied any standard, amendment or interpretation with the possibility for early adoption.
The following standards, amendments and interpretations will apply from 1 January 2012 onwards and are considered to have an impact on the Group's results or financial position.

- IFRS 9 Financial instruments: This standard is part of the revision of the current IAS 39 standard and among other things involves the changing of the valuation categories for financial instruments. The standard is likely to come into force from 2015 or later. Pending all elements of the standard being ready, ProfilGruppen has not evaluated the effects.
- IFRS 7 Financial Instruments: Disclosures – Amendment. These changes will have an effect on additional disclosures in the consolidated financial statements. IFRS 7 will be applied for financial years beginning 1 July 2011 or later.
- IFRS 13 Fair value measurement. This standard will be applied for financial years beginning 1 January 2013 or later. The standard is not currently expected to have any impact on how the Group calculates fair value, but may affect the information relating to financial instruments.
- IAS 1 Presenting of items of other comprehensive income – Amendment. This amendment will be applied for financial years beginning 1 July 2012 or later. Application will mean a change to the method of presenting other comprehensive income without changing the actual content of other comprehensive income.
- IAS 19 Employee benefits – Amendment. This standard will be applied for financial years beginning 1 January 2013 or later. The proposal involves eliminating the "corridor method" of reporting defined-benefit pensions and instead reporting actuarial gains and losses in other comprehensive income, which means a change for ProfilGruppen.

The following new standards, amendments and interpretations will be applied by the Group but are not currently considered to have any effect on the Group's reporting.

- IAS 12 Income taxes – Amendment. This amendment will be applied for financial years beginning 1 January 2012 or later. The amendment concerns the valuation of real estate at fair value, of which the Group currently has none.
- IFRS 10 Consolidated financial statements and IAS 27 Separate financial statements. This standard will be applied for financial years beginning 1 January 2013 or later and changes when a controlling interest is considered to exist, but is not considered to affect any companies that are consolidated by ProfilGruppen.
- IFRS 11 Joint arrangements, IAS 28 Investments in associates and interests in joint ventures. This amendment will be applied for financial years beginning 1 January 2013 or later. ProfilGruppen does not have any investments in companies that fall under the definition of joint arrangements and this therefore has no effect on reporting.
- IFRS 12 Disclosure of interests in other entities. This will be applied for financial years beginning 1 January 2013 or later. ProfilGruppen does not currently have any interests requiring disclosure under this standard.

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. 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 day 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 manager.

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.

Exposure to foreign currency

Changes in exchange rates can have a relatively large impact on the Group's financial results. Note 19 contains more information on the Group's exposure to foreign currencies and the measures taken to reduce the risk of such exposure.

Pension commitments

The management has estimated an expected return on the plan assets in Norway which exceeds the discount rate by 1.5 percentage points, as this is the excess return that the Norwegian Accounting Standards Board (Norsk RegnskapsStiftelse) expects from an investment of this type. If the actual return in 2012 exceeds the expected long-term return, the Group's unrecognised actuarial gains would increase, which may have the effect that the unrecognised actuarial gains fall outside the corridor and that a portion of these would need to be recognised in the income statement and balance sheet. Large negative deviations could possibly lead to actuarial losses having to be reported.

Classification, etc.

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

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

For each balance-sheet item that includes amounts expected to be recovered or paid both within and after twelve months from the closing day, 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. In assessing whether or not a controlling influence exists, it is necessary to take into account potential voting rights that can be exercised or converted without delay.

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 acquisition value 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 day 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 statements of foreign operations

Assets and liabilities relating to foreign operations, including goodwill and other consolidation surplus and deficit values, are converted to Swedish krona at the closing day 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.

Revenue

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.

Operating expenses and financial income and expenses

Leases

Leases where the Group assumes all essential risks and benefits associated with a fixed asset are classified as finance leases. The asset is set up 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 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.

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 gains on financial investments and derivative instruments used within financial activities.

Dividend income is recognised once the right to receive payment has been determined.

Financial instruments

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

A financial asset or financial liability is taken up in the accounts when the company becomes party to the instrument's contractual terms. Trade receivables are taken up in the balance sheet once an invoice has been issued. 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. Trade payables are taken up once an 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.

The fair value of listed financial assets corresponds to the asset's listed buying price on the closing day. The fair value of unlisted financial assets is determined using valuation techniques, for example, recently completed transactions, prices of similar instruments or discounted cash flows. 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.

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.

The 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.

Available-for-sale financial assets
The Available-for-sale financial assets category (AFS) includes financial assets not classified in any other category or those that the company initially chose to classify in this category. Holdings of shares and participations that are not recognised as subsidiaries, associated companies or joint ventures are recognised here. Assets in this category are continuously measured at fair value with change in value recognised in other comprehensive income, though not those that are due to impairment losses, interest on debt instruments, dividend income and exchange rate differences on monetary items, which are recognised in the profit/loss for the year. When investments are removed from the balance sheet, any cumulative gain or loss previously recognised in equity is transferred to the profit/loss for the year.

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.

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 the profit/loss for the year for fair value hedges. 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
Cash and cash equivalents comprise cash balances and call deposits with banks and similar institutions, as well as short-term liquid investments with a maturity from the acquisition date of less than three months that are exposed to only a minor risk of value fluctuations.

Trade receivables
Trade receivables belong to the Loans and receivables category. 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 unsecured 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 day rate.

Other receivables
These receivables belong to the Loans and receivables category.

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 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 is subject. 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 swaps are used to hedge interest risks. These interest 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 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 recognised as an asset in the balance sheet if it is likely that future economic benefits will flow to the company and the cost of the asset can be estimated in a reliable way.
Tangible fixed assets are reported in the Group at acquisition value after deductions for accumulated depreciation and any write-downs.
The acquisition value 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 are classified in the consolidated accounts as either finance leases or operating leases. For classification and recognition, see Leases on page 31.

Depreciation methods
Depreciation is performed on a straight-line basis 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. Machinery and equipment consist of a number of components with different useful lives, see note 12. The principal division of property is buildings and land. No depreciation is performed for land, the useful life of which is judged to be indeterminable. Buildings are divided into office and industrial premises and consist of several components, the useful lives of which differ, see note 12.

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

Intangible assets
Goodwill
Goodwill represents the difference between the cost for the business combination and the fair 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.

Research and development
Expenditure on research that aims to secure new scientific or technical knowledge is recognised 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. The cost consists of an aluminium element, measured in accordance with the first-in, first-out principle, and a processing element measured at weighted average costs. The same method has been used for all goods of a similar nature. For in-house manufactured semi-finished and finished products, the cost consists of direct manufacturing costs and a reasonable proportion of indirect manufacturing 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 carrying amounts of the Group's assets, with the exception of inventories and deferred tax assets, are tested on each closing day for 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 testing for financial assets
On each reporting date, the company assesses whether there is any objective evidence that a financial asset or a group of assets is in need of impairment. 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.

Reversing impairment losses
An impairment loss is reversed if there is both an indication that the need for impairment no longer exists and that there has been a change in the assumptions that formed the basis for calculating the recoverable amount. 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 schemes are recognised as an expense in the income statement as they arise.

Defined-benefit pension schemes
Commitments for retirement 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 for 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 rate on the closing day for a first-class corporate bond with a maturity equivalent to the Group's pension obligations. When there is no active market for such corporate bonds, the market rate of government bonds with an equivalent maturity is used instead. The calculation is performed by a qualified actuary using the projected unit credit method.

When the calculation creates an asset for the Group, the carrying amount of the asset is limited to the net of unrecognised actuarial losses and unrecognised expenses for employment during earlier periods and the present value of future repayments from the scheme or reduced future payments into the scheme.

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.

The 'corridor' rule is applied. This means that that portion of the cumulative actuarial gains and losses which exceeds ten per cent of the greater of the obligations' present value or the plan assets' fair value is recognised in the profit/loss for the year over the expected average remaining term of employment for those employees covered by the scheme. 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 arises in connection with the termination of employment for 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 recognised 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 comprises current tax and deferred 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 day; 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 day.

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 prepared its annual accounts in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Statements issued by the Board for listed companies are also applied. 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
No changes affecting the parent company's accounting principles for 2011 occurred during the year. The introduced changes to RFR 2 mean, among other things, that the parent company must prepare a complete statement of comprehensive income in addition to the income statement. As ProfilGruppen AB has no items relating to comprehensive income, the income statement therefore doubles as the statement of comprehensive income.

Revenue
Rental income
Rents are announced in advance and allocated to specific periods so that only that part of the rent which accrues during the period is recognised as revenue.

Dividends
Anticipated dividends from subsidiaries are reported in those instances where the parent company alone has the right to determine the size of the dividend, and where the parent company has made a decision on the size of the dividend before it has published its financial statements.

Fixed assets
Tangible fixed assets in the parent company are recognised at cost less accumulated depreciation and any impairment loss in the same way as for the Group, but with the addition of any revaluation. There are no leased or intangible assets.

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 recognises 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.

2 SEGMENTS

Information on business 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) and note 22 (for cash flow effects).

Information on geographical markets

Sales are mainly to customers in Europe, where the market conditions are similar. Export sales are conducted through our own integrated sales companies in each 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	2011	2010
Sweden	424.1	462.2
Germany	112.1	122.5
Other exports	300.5	316.7
	836.7	**901.4**

Assets	2011	2010
Sweden	503.4	537.2
Export	9.7	8.0
	513.1	**545.2**

Investments in fixed assets	2011	2010
Sweden	31.2	6.6
Export	0.0	1.2
	31.2	**7.8**

No one customer accounted for more than ten per cent of sales in 2011 (unchanged).

3 OTHER OPERATING REVENUE AND EXPENSES

	The Group		The parent company	
Other operating income	**2011**	**2010**	**2011**	**2010**
Insurance compensation	57.3	0.0	2.8	0.0
Other	0.9	0.3	0.0	0.0
	58.2	**0.3**	**2.8**	**0.0**
Other operating expenses				
Restoration costs following fire	**23.6**	**0.0**	**0.0**	**0.0**

4 EMPLOYEES AND PERSONNEL COSTS

	2011		2010	
Average number of employees	Total	Men	Total	Men
The parent company	**1**	**1**	**1**	**1**
Group companies in Sweden	**382**	**287**	**368**	**275**
Group companies outside Sweden				
Denmark, sales company	2	2	2	2
Norway, sales company	3	2	3	2
United Kingdom, sales company	1	1	1	1
Germany, sales company	2	2	3	3
	8	**7**	**9**	**8**
Group, total	**391**	**295**	**378**	**284**

Gender distribution of the Board and management

The Board of ProfilGruppen AB (the parent company) is made up of 71 per cent (75) men. The Group's management team (including CEO) at the end of the year was made up of 86 per cent (86) men. The Group's other company boards and management teams are made up of 85 per cent (91) men.

Absences due to sickness

During the year, the total proportion of absences due to sickness affecting the Swedish part of the Group has been 4.3 per cent (5.2). No distinction has been drawn in the statistics. Instead, all absences due to sickness are reported regardless of length or reason. Absences due to sickness lasting 60 days or more account for 38 per cent (34) of all absences due to sickness.

Absence due to sickness by age group and gender, per cent

	2011	2010
	Total	Total
Up to 29 years	2.0	4.9
30-49 years	3.5	3.8
Over 50 years	6.6	7.9
Total absences due to sickness	**4.3**	**5.2**

	2011	2010
	Total	Total
Men	3.1	3.7
Women	7.5	9.3
	4.3	**5.2**

Salaries, other remuneration and payroll overheads

	2011		2010	
	Salaries and other remuneration	Payroll over heads (of which pension expenses)	Salaries and other remuneration	Payroll overheads (of which pension expenses)
The parent company	2.4	1.4 (0.6) [1]	7.6	2.2 (1.0) [1]
Group companies	151.6	58.1 (16.2)	140.7	54.3 (13.4)
Group, total	**154.0**	**59.5 (16.2)** [2]	**148.3**	**56.5 (14.4)** [2]

1) Of which MSEK 0.6 (1.0) relates to the Board and CEO of the parent company.
2) Of which MSEK 1.6 (2.0) relates to the Board and CEO in the Group's different companies.

	2011		2010	
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
The parent company	**2.4**	**0.0**	**7.6**	**0.0**
Group companies in Sweden	**0.0**	**145.4**	**0.0**	**134.0**
Group companies outside Sweden				
Denmark, sales company	0.8	0.7	0.9	0.8
Norway, sales company	1.2	1.2	1.1	1.2
United Kingdom, sales company	0.6	0.0	0.5	0.0
Germany, sales company	0.0	1.7	0.0	2.2
	2.6	**3.6**	**2.5**	**4.2**
Group, total	**5.0**	**149.0**	**10.1**	**138.2**

Profit-sharing

Employees besides senior executives can be paid remuneration based on the Group's profit after financial items. The maximum remuneration per employee and year is half the price base amount. In 2011, there was no such profit-sharing (none).

Pensions

Defined-contribution pensions

Commitments for retirement pensions and family pensions for salaried employees in Sweden are met through insurance with Alecta. As per a statement from the Swedish Financial Reporting Board, UFR 6, this is a multi-employer defined-benefit pension plan. For the 2011 financial year, 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. The annual fees for pension insurance taken up with Alecta amounted to MSEK 2.5 (2.8). Alecta's surplus can be distributed among policyholders and/or insured parties. At the end of 2011, Alecta's surplus in the form of the collective funding ratio amounted to 113 per cent (143). The collective funding ratio comprises the market value of Alecta's assets in relation to insurance commitments calculated in accordance with Alecta's actuarial assumptions, which do not correspond to IAS 19.

Cost of defined-contribution pensions recognised in the income statement	The Group 2011	2010	The parent company 2011	2010
as cost of goods sold	6.1	4.9	0.0	0.0
as selling expenses	4.3	3.0	0.0	0.0
as administrative expenses	4.5	4.9	0.6	1.0
	14.9	**12.8**	**0.6**	**1.0**

Defined-benefit pension schemes

There are 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 pension schemes.

Wholly or partly funded obligations	The Group 2011	2010	2009	2008	2007
Obligation balance, 1 January	22.3	20.3	17.5	16.7	16.9
Cost for pensions earned during the year	1.0	1.0	1.5	0.3	0.2
Interest expense	0.7	0.7	0.8	0.8	0.7
Payments	-0.7	-0.6	-0.5	-0.4	-0.2
Actuarial gains/losses	0.3	1.4	0.3	0.5	-1.4
Actuarial gains/losses recognised in profit/loss for the year	0.2	0.0	0.0	0.0	0.0
Translation differences	0.0	-0.5	0.7	-0.4	0.5
Obligation balance, 31 December	23.8	22.3	20.3	17.5	16.7
Plan assets balance, 1 January	6.9	7.2	6.3	6.7	6.9
Expected return on plan assets	0.3	0.3	0.3	0.4	0.4
Costs	-0.1	0.0	0.0	0.0	0.0
Payments in	0.1	0.5	0.4	0.5	0.6
Actuarial gains/losses	-0.2	-0.6	-0.6	-0.8	-1.7
Translation differences	0.0	-0.5	0.8	-0.5	0.5
Plan assets balance, 31 December	7.0	6.9	7.2	6.3	6.7
Unrecognised actuarial gains and losses	-4.3	-4.0	-2.6	-2.2	-1.4
Net debt recognised in the balance sheet with respect to defined-benefit pensions	**12.5**	**11.4**	**10.5**	**9.0**	**8.6**
Cost recognised in the income statement	1.8	1.5	2.1	1.0	0.8
of which selling expenses	0.2	1.0	1.6	0.5	0.4
of which administrative expenses	1.2	0.0	0.0	0.0	0.0
of which financial expenses	0.4	0.5	0.5	0.5	0.4

The most important actuarial assumptions as of the closing day that formed the basis for calculation of defined-benefit obligations are reported below.

	Sweden 2011	2010	Norway 2011	2010
Discount rate	3.5%	3.9%	3.3%	3.2%
Expected return on plan assets	0.0%	0.0%	4.8%	4.6%
Future salary increases	-	-	4.0%	4.0%
Future increases in pensions	2.0%	2.0%	3.8%	3.8%
Staff turnover	-	-	-	-
Expected remaining employment period	11.30 years	11.80 years	7.80 years	6.60 years

The discount rate for the Norwegian scheme is based on a ten-year government bond rate, which has been adjusted for the obligation having an average maturity of 25 years. For the Swedish scheme the discount rate is based on a thirty-year government bond rate.

Plan assets only exist in the Norwegian scheme and consist chiefly of interest-bearing securities, which account for 62 per cent (66). Other assets are shares 19 per cent (15), real estate 18 per cent (17) and other 1 per cent (2).

Principles for remuneration paid to senior executives

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

A remuneration committee, appointed by the Board, prepares proposals for the AGM for principles for remuneration for the Group's CEO and other senior executives. The principles are based on the company's long-term Remuneration Policy.

The 2011 Annual General Meeting decided on the principles of remuneration for the CEO and, at the time of the AGM, six other members of the company management. The decision encompasses principles as follows. Total 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 after financial items (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 and variable 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. Employment contracts for members of the company management shall have a notice period of six to 12 months, but no more than 18 months for the CEO, from the company's side and six months from the senior executive's side. The fixed salary during the notice period and severance pay combined shall not exceed 18 months' fixed salary. The Board may depart from the guidelines if there are special reasons in an individual case.

The Board of Directors proposes to the 2012 AGM that these principles remain essentially unchanged.

Board fees and other remuneration to senior executives during the year, SEK 000's

		2011	2010
Eva Färnstrand	chairman of the board	315	295
	chairman, remuneration committee	50	50
	member, audit committee	25	25
Mats Egeholm	board member	140	130
	member, remuneration committee	25	25
Susanna Hilleskog	board member	140	130
	member, remuneration committee	25	25
Ulf Granstrand	board member	140	130
	member, audit committee	25	25
Kjell Svensson	board member	140	130
	chairman, audit committee	50	50
Employee representatives	total of four people	59	55
Total fees		**1 134**	**1 070**

The Chairman of the Board has also received SEK 240,000 (120,000) this year as remuneration for services in addition to Board duties.

During the year, the CEO of ProfilGruppen AB has received SEK 1,376 for his work until notice was given in August and the Acting CEO received SEK 515,000 for the period thereafter (in 2010, the CEO received SEK 2,274,000). These amounts refer to fixed and variable remuneration including benefits. Other senior executives, totalling nine people, including those who have joined and left during the period, have received SEK 7,532,000 (six people 5,689,000) in fixed and variable remuneration, including benefits.

During the year, the cost for variable remuneration, excluding social security contributions, to executive management (nine persons) amounted to a total of SEK 0 (seven persons, SEK 1,289,000), of which SEK 0 (426,000) was paid out to the CEO. The previous year's remuneration was paid during the year.

Pension benefits and pension agreements for senior executives

Up to August, provision was made for the CEO's defined-contribution pension corresponding to 30 per cent of his total salary. The annual pension costs for the CEO (retiring and subsequently acting) amounted to SEK 514,000 (770,000), excluding special employer's contributions of SEK 125,000 (187,000). There are no agreements for early retirement.

Other senior executives during the year, nine people (six), are covered by the pension plan for salaried employees in Sweden (ITP). The annual pension costs for these people amounted to SEK 1,306,000 (1,116,000), excluding employer's contributions of SEK 316,000 (271,000). The pensions are transferable and so are not conditional on future employment.

Periods of notice and severance pay

In addition to the periods of notice described above as principles, a six-month period of notice applies from the senior executive's side.

CEO Nils Arthur resigned on 31 December 2010, and severance pay amounting to MSEK 4.1 was set aside in 2010. This severance was mostly paid in 2011, with some elements to be paid in 2012. The company has no remaining obligations to the CEO who departed during the year.

There are no other agreements for severance pay.

5 AUDITORS' FEES AND EXPENSES

	The Group		The parent company	
	2011	**2010**	**2011**	**2010**
Ernst & Young AB				
Audit assignments	0.7	0.7	0.0	0.0
Other services	0.2	0.1	0.0	0.0
Other auditors				
Audit assignments	0.0	0.2	-	-

6 OPERATING EXPENSES DIVIDED BY TYPE OF COST

	The Group	
	2011	**2010**
Raw materials	365.0	385.9
Personnel costs	213.5	204.8
Depreciation/amortisation	28.2	31.6
Impairment of tangible and intangible fixed assets	2.7	1.4
Other operating expenses	267.8	248.8
	877.2	**872.5**

Exchange rate differences attributable to trade receivables have increased revenues by MSEK 5.3 (reduced by 1.2). Exchange rate differences attributable to trade payables have reduced cost of goods sold by MSEK 0.1 (reduced 2.4).

Other operating expenses include leasing fees for the Group of MSEK 2.9 (1.9). The total sum of future non-redeemable leasing payments amounts to MSEK 2.3, of which MSEK 1.2 is due within one year. The remaining MSEK 1.1 falls due in one to five years. Leasing costs comprise operating lease contracts concerning IT equipment. The parent company is not a lessee.

The cost of developing products and the business amounts to MSEK 9.7 (9.8) 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

	The Group	
	2011	**2010**
Interest income	0.3	0.3
Financial income	**0.3**	**0.3**
Interest part of pension expenses for the year	0.4	0.5
Interest expenses, other	5.8	4.9
Other expenses	1.2	2.2
Financial expenses	**7.4**	**7.6**

	The parent company	
	2011	**2010**
Group contributions	4.0	5.0
Interest income, Group companies	0.0	1.0
Financial income	**4.0**	**6.0**
Interest expenses, Group companies	3.5	2.2
Interest expenses, other	1.7	2.5
Financial expenses	**5.2**	**4.8**

8 APPROPRIATIONS AND UNTAXED RESERVES

	Appropriations		Untaxed reserves	
The parent company	**2011**	**2010**	**2011**	**2010**
Accumulated depreciation above plan. Allocated/dissolved				
buildings	0.0	0.0	0.2	0.2
equipment	-0.1	-0.1	2.4	2.5
	-0.1	**-0.1**	**2.6**	**2.7**
Tax allocation reserves Allocated/dissolved on assessment				
2005	0.0	-1.1	0.0	0.0
2006	-5.8	0.0	0.0	5.8
2007	0.0	0.0	4.6	4.6
2008	0.0	0.0	5.0	5.0
2009	0.0	0.0	4.0	4.0
2010	0.0	2.7	2.7	2.7
2011	4.2	0.0	4.2	0.0
	-1.6	**1.6**	**20.5**	**22.1**
	-1.7	**1.5**	**23.1**	**24.8**

9 TAXES

	The Group		The parent company	
Reported tax expense	**2011**	**2010**	**2011**	**2010**
Current tax	7.0	6.4	3.4	2.2
Deferred tax related to temporary differences	-3.9	-0.1	0.5	-0.4
Total reported tax expense	**3.1**	**6.3**	**3.9**	**1.8**

	The Group		The parent company	
Reconciliation effective tax, per cent	**2011**	**2010**	**2011**	**2010**
Tax as per applicable tax rate for the parent company	26	26	26	26
Effect of other tax rates for foreign subsidiaries	0	0	0	0
Standard interest on tax allocation reserve	2	1	1	2
Other non-tax-deductible expenses and taxable income	1	1	0	0
Reported effective tax	**29**	**28**	**27**	**28**

Change in reported deferred tax	**01-01-2011**	Recognised in profit/loss for the year	Recognised in comprehensive income	**2011-12-31**
The Group				
Tangible fixed assets	32.0	-1.9	0.0	30.1
Pension provisions	-0.1	0.4	0.0	0.3
Tax allocation reserves	12.4	0.0	0.0	12.4
Items recognised in hedging reserve	2.0	0.0	-2.1	-0.1
Other	0.0	-0.7	0.0	-0.7
	46.3	**-2.2**	**-2.1**	**42.0**
The parent company				
Tangible fixed assets	3.0	0.3	0.0	3.3
Other	-0.2	0.2	0.0	0.0
	2.8	**0.5**	**0.0**	**3.3**

	01-01-2010	Recognised in profit/loss for the year	Recognised in comprehensive income	2010-12-31
The Group				
Tangible fixed assets	34.3	-2.3	0.0	32.0
Pension provisions	0.1	-0.2	0.0	-0.1
Tax allocation reserves	10.8	1.6	0.0	12.4
Items recognised in hedging reserve	-1.5	0.0	3.5	2.0
Other	0.0	0.0	0.0	0.0
	43.7	**-0.9**	**3.5**	**46.3**
The parent company				
Tangible fixed assets	3.2	-0.2	0.0	3.0
Other	0.0	-0.2	0.0	-0.2
	3.2	**-0.4**	**0.0**	**2.8**

10 INTANGIBLE FIXED ASSETS

	The Group	
Goodwill	**2011**	**2010**
Accumulated cost		
At the start of the year	12.8	12.8
New acquisitions	0.0	0.0
Disposals	0.0	0.0
At the start of the year	**12.8**	**12.8**
Acc. write-downs		
At the start of the year	2.8	2.8
Impairment losses for the year	0.0	0.0
At the end of the 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. This test is performed on 31 December each year. In addition to the annual review, an assessment of whether there is any indication of a need for impairment is performed on each reporting date. 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 management's established budget. 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). The present value of forecast cash flows has been calculated at a discount rate of 12.9 per cent after tax (12.6), which corresponds to the estimated weighted average cost of capital for the Group. The impairment test has been subjected to a sensitivity analysis, which revealed that probable changes in the calculation parameters do not give rise to a need for impairment.

TANGIBLE FIXED ASSETS 11

	The Group		The parent company	
Land and buildings	**2011**	**2010**	**2011**	**2010**
Accumulated cost				
At the start of the year	160.9	160.9	126.6	126.6
New acquisitions	1.6	0.0	1.6	0.0
Reclassifications	0.1	0.0	0.1	0.0
Disposals and scrapping	-1.8	0.0	-1.8	0.0
At the end of the year	**160.8**	**160.9**	**126.6**	**126.6**
Acc. depreciation according to plan				
At the start of the year	49.7	44.5	35.1	30.7
Sales and disposals	-1.8	0.0	-1.8	0.0
Depreciation for the year according to plan	3.7	3.8	2.9	3.0
Impairment losses for the year	1.3	1.4	1.3	1.4
At the end of the year	**52.9**	**49.7**	**37.5**	**35.1**
Carrying amount at end of year	**107.9**	**111.2**	**89.0**	**91.5**
of which buildings	100.7	103.9	82.5	84.8
land	3.1	3.1	2.6	2.6
land improvements	4.1	4.2	3.9	4.0
Rateable value, buildings	49.8	49.8	45.0	45.0
Rateable value, land	6.1	6.1	5.0	5.0
	55.9	**55.9**	**50.0**	**50.0**

During the year a write-down of MSEK 1.3 was implemented as a result of a fire at one of the production plants. A write-down of MSEK 1.4 million was implemented the previous year for a property, with the intention of adjusting the carrying amount of the property to the market value.

	The Group		The parent company	
Machinery and equipment	**2011**	**2010**	**2011**	**2010**
Accumulated cost				
At the start of the year	441.7	441.4	4.6	4.4
New acquisitions	21.1	6.9	0.6	0.2
Reclassifications	0.1	0.1	0.0	0.0
Translation differences	0.0	-0.4	0.0	0.0
Disposals and scrapping	-10.8	-6.3	-0.1	0.0
At the end of the year	**452.1**	**441.7**	**5.1**	**4.6**
Acc. depreciation according to plan				
At the start of the year	300.6	277.9	1.7	1.5
Disposals and scrapping	-10.1	-5.0	0.0	0.0
Translation differences	0.0	-0.2	0.0	0.0
Depreciation for the year according to plan	24.5	27.9	0.4	0.2
At the end of the year	**315.0**	**300.6**	**2.1**	**1.7**
Acc. write-downs				
At the start of the year	11.6	11.6	0.0	0.0
Impairment losses for the year	1.4	0.0	0.0	0.0
At the end of the year	**13.0**	**11.6**	**0.0**	**0.0**
Carrying amount at end of year	**124.1**	**129.5**	**3.0**	**2.9**

During the year a write-down of MSEK 1.4 (none) was implemented for machinery and equipment, as a result of a fire at one of the production plants.

The Group possesses machinery held through finance lease contracts with a carrying amount of MSEK 5.6 (7.1).

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 fixed assets that are fully depreciated but are still used in the business is MSEK 154.1 (130.2).

	The Group		The parent company	
Constructions in progress and advances regarding tangible fixed assets	**2011**	**2010**	**2011**	**2010**
At the start of the year	3.8	3.0	0.1	0.0
Reclassifications	-0.3	-0.1	-0.1	0.0
New acquisitions	8.6	0.9	3.3	0.1
Carrying amount at end of year	**12.1**	**3.8**	**3.3**	**0.1**
Total carrying amount, tangible fixed assets	**244.1**	**244.5**	**95.3**	**94.5**

Useful lives	The Group	The parent company
Land and buildings		
Industrial premises, depending on components	30-50 years	30-50 years
Office premises, depending on components	30-50 years	30-50 years
Permanent equipment	10-40 years	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 above	10 years	
Processing and measuring machinery	7 years	
Spare parts for above	5 years	
IT investments	4 years	
Factory equipment	5 years	
Office equipment	10 years	
Transportation	5 years	

Depreciation is on a straight-line basis, based on expected useful life.

	The Group		The parent company	
Depreciation by function	**2011**	**2010**	**2011**	**2010**
Cost of goods sold	27.7	30.9	3.3	3.2
Selling expenses	0.4	0.5	0.0	0.0
Administrative expenses	0.2	0.2	0.0	0.0
	28.3	**31.6**	**3.3**	**3.2**

12 OTHER SHARES AND PARTICIPATIONS

This item consists of shares in outside companies. The holding is unlisted.

13 INVENTORIES

	The Group	
	2011	**2010**
Raw materials and consumables	47.0	39.7
Work in progress	58.2	48.4
Finished products and goods for resale	10.4	12.5
	115.6	**100.6**

Some of the inventory has been valued at net realisable value due to fixed contracts with the customer.

14 TRADE RECEIVABLES

Trade receivables are reported net less doubtful receivables. Doubtful receivables are assessed individually and no provision has been made during the year for feared bad debt losses (MSEK 0.0).

Realised bad debt losses amounted to MSEK 0.2 (0.2) and arose in connection with insolvency affecting customers.

For other information on customer credits, see note 20.

15 EQUITY

Specification of reserves	2011	2010
Translation reserve, opening balance	0.0	0.2
Translation differences for the year	0.0	-0.2
Translation reserve, closing balance	0.0	0.0
Hedging reserve, opening balance	5.6	-4.2
Cash flow hedges recognised in other comprehensive income	-8.0	13.3
Tax attributable to hedges for the year	2.1	-3.5
Hedging reserve, closing balance	-0.3	5.6
Total reserves	**-0.3**	**5.6**

Share capital and votes

All shares have a nominal value of SEK 5 per share. All shares are fully paid up and no shares have been issued during the year. All existing shares are series B shares and have equal rights to a share in the company's assets and profits. During the year there has been no change in the number of shares, which has remained at 4,932,517.

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 some of the share premium reserve that had been transferred to the statutory reserve as of 31 December 2005. Any future provisions for the share premium reserve are also reported as paid-up capital.

Translation reserve

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

Hedging reserve

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

Own shares and repurchases

No own shares are held by the company or its subsidiaries, and the repurchase of own shares is not currently an issue. There are no programmes of convertibles or options that involve the dilution of share capital. However, the Board has the authority to decide on a new issue of class B shares on acquisition (see the Directors' Report).

Dividend

After the closing day, the Board proposed a dividend for the 2011 financial year of SEK 0.00 per share, equivalent to MSEK 0.00. The average number of shares is 4,932,517. The dividend is subject to approval by the Annual General Meeting on 29 March 2012.

During the year, a dividend of MSEK 7.4 is to be reported, which represents SEK 1.50 per share.

The 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

Profit brought forward is formed by the preceding year's non-restricted equity after any dividend has been paid. Profit brought forward, 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 16

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 7.5 (15.6) and a weighted average number of shares in 2011 amounting to 4,932,517 (4,932,517), which is calculated in accordance with IAS 33. There is no dilution.

INTEREST-BEARING LIABILITIES 17

	The Group			
	Long-term		Current	
Interest-bearing liabilities	**2011**	**2010**	**2011**	**2010**
Bank loans	52.4	63.1	0.0	0.0
Bank overdraft facilities	-	-	75.5	89.7
Finance lease liabilities	3.0	5.9	2.6	1.2
	55.4	**69.0**	**78.1**	**90.9**

The parent company's liabilities to credit institutions comprise bank loans, of which MSEK 17.5 (17.3) are bank overdraft facilities. Of the bank loans, MSEK 0.8 (1.3) is due for payment more than five years after the closing day.

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.

	The Group		The parent company	
Interest-bearing liabilities by currency	**2011**	**2010**	**2011**	**2010**
SEK	107.4	140.1	52.6	52.6
EUR	22.6	15.8	0.0	0.0
DKK	1.8	2.1	0.0	0.0
NOK	0.3	1.6	0.0	0.0
GBP	1.4	0.0	0.0	0.0
USD	0.0	0.3	0.0	0.0
	133.5	**159.9**	**52.6**	**52.6**

	The Group	
Finance lease liabilities, due dates	**2011**	**2010**
Within one year	2.6	1.2
Between one and five years	3.0	3.7
More than five years	0.0	2.2
	5.6	**7.1**

The Group's finance lease fees amounted to MSEK 1.4 (1.2) during the year.

18 PREPAID, ACCRUED AND DEFERRED EXPENSES AND INCOME

	The Group		The parent company	
Prepaid expenses and accrued income	**2011**	**2010**	**2011**	**2010**
Prepaid salaries	1.8	1.2	0.0	0.0
Other prepaid expenses	4.3	4.9	0.1	0.1
	6.1	**6.1**	**0.1**	**0.1**

	The Group		The parent company	
Accrued expenses and deferred income	**2011**	**2010**	**2011**	**2010**
Holiday pay and other personnel expenses	44.1	43.7	1.5	5.1
Accrued Board fees	0.8	0.7	0.8	0.7
Other	7.2	9.5	1.8	1.6
	52.1	**53.9**	**4.1**	**7.4**

19 FINANCIAL INSTRUMENTS

The Group's main financial liabilities comprise bank loans, bank overdraft facilities, trade payables and finance leases. The purpose of these financial instruments is to finance the Group's activities. The Group has financial assets such as trade receivables and cash and cash equivalents that activities have generated. The Group's financial instruments also include agreed interest swaps and currency futures.

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 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 (1.8), and the financial expenses line, MSEK 0.5 (0.7).

Receivables in a foreign currency amounted as of 31 December to MSEK 37.6 (33.3) and liabilities in a foreign currency to MSEK 59.8 (44.1). Of the liabilities in a foreign currency MSEK 26.1 (19.8) are interest-bearing, see note 17.

The transaction exposure below is based on an estimated payment surplus 12 months ahead from 31 December 2011 onward.

Currency	Estimated net inflow, MSEK	Hedged portion (per cent)	Average forward rate
EUR	68	59	9.45 SEK/EUR
DKK	32	54	1.24 SEK/DKK
NOK	21	39	1.15 SEK/NOK
GBP	15	40	10.44 SEK/GBP

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 +/- 5%	+/- MSEK 3
DKK	Change +/- 5%	+/- MSEK 2
NOK	Change +/- 5%	+/- MSEK 1
GBP	Change +/- 5%	+/- MSEK 1

Interest risk

Interest risk that arises through variations in the market rate is limited by the use of interest swaps, which aim to change the underlying interest structure of the net debt. There are interest swaps for 74 per cent (23) 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 swap. The table below shows the time of interest fixation and the interest rate for the Group's long-term liabilities.

Interest fixing term	Long-term interest-bearing liabilities, MSEK	Interest rate (per cent)
1 Jan-30 Jun 2012	3.0	3.9
1 Jul-31 Dec 2012	13.3	4.4
2013	0.0	-
2014	0.0	-
2015-	39.1	3.5

Of the above, MSEK 25.8 of the parent company's interest-bearing liabilities has an average interest rate of 3.5 per cent.

If the interest rate level in 2012 were to increase in relation to 2011 by one percentage point, the interest expenses for long-term liabilities would increase by MSEK 0.2.

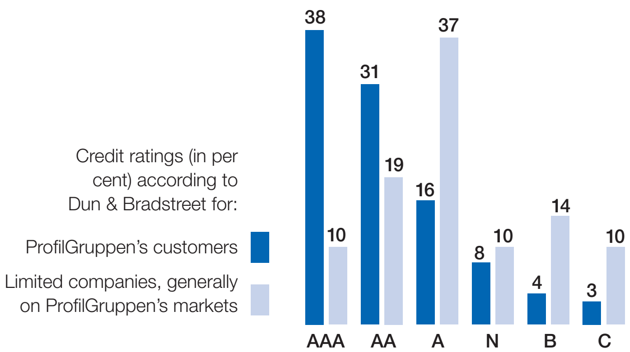
Market risks

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 at 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. See the following diagram for information on the creditworthiness of the company's customers.



Maximum exposure to credit risks as of 31 December 2011 amounts to MSEK 123.3 (130.8). The largest individual receivable amounts to 6 per cent (6) of the total credit risk. The distribution of credit risk is shown in the following table.

Concentration of credit risk as at 31-12-2011	**Number of customers**	**Per cent of number of customers**
Exposure < MSEK 1.5	371	95%
Exposure MSEK 1.5-5.0	17	4%
Exposure > MSEK 5	2	1%
	390	**100%**

Of the total trade receivables, 2.6 per cent (2.1) are overdue receivables. 1.8 per cent (1.7) have been outstanding for 30 days or less, while 0.8 per cent (0.4) have been outstanding for more than 30 days.

The Group has credit insurance for the majority of customers with outstanding balances above MSEK 1.0.

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 day there were unutilised credit facilities to a value of MSEK 66.1 (62.0).

For due dates for interest-bearing liabilities, see note 17. The lender agreement contains key figures that the company must meet. In 2011, these were met every quarter.

Carrying amount and fair value of financial instruments

Class	The Group: Carrying amount 2011	Carrying amount 2010	Fair value 2011	Fair value 2010	Category
Shares and other participations	0.2	0.2	0.2	0.2	Loans and receivables
Trade receivables	103.7	120.0	103.7	120.0	Loans and receivables
Accrued income	0.0	0.0	0.0	0.0	Loans and receivables
Other receivables	30.3	18.9	30.3	18.9	Loans and receivables
of which forward contracts	2.3	8.9	2.3	8.9	Assets at fair value through profit or loss
Cash and cash equivalents	1.9	43.2	1.9	43.2	Available-for-sale financial assets
Interest-bearing liabilities	133.5	159.9	133.5	159.9	Other financial liabilities
Trade payables	102.4	98.5	102.4	98.5	Other financial liabilities
Accrued expenses	52.1	53.9	52.1	53.9	Other financial liabilities
Other liabilities	8.4	7.2	8.4	7.2	Other financial liabilities
of which forward contracts	0.2	0.0	0.2	0.0	Liabilities at fair value through profit or loss
interest swaps	2.7	0.2	2.7	0.2	Liabilities at fair value through profit or loss

No reclassification between categories has been carried out during the year. Forward contracts are valued at current market prices. Valuation models or techniques for discounted cash flows are used to determine the rate for interest swaps. The discount rate used is a market-based rate for similar instruments on the closing day.

Asset management

The primary goal of the Group's asset management activities 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 net debt/equity ratio at the end of the year amounted to 0.89 (0.77).

	The Group 2011	The Group 2010
Interest-bearing liabilities	133.5	159.9
Interest-bearing provisions	12.5	11.4
Cash and cash equivalents	-1.9	-43.2
Total net debt	**144.1**	**128.1**
Equity	161.4	167.3
Reserves in equity	0.3	-5.6
Equity to administrate	161.7	161.7
Total capital to administrate	**305.8**	**289.8**
Net debt/equity ratio	**0.89**	**0.77**

PLEDGED ASSETS AND CONTINGENT LIABILITIES 20

	The Group 2011	The Group 2010	The parent company 2011	The parent company 2010
Pledged assets for own liabilities to credit institutions				
Property mortgages	84.8	84.8	78.6	78.6
Floating charges	174.0	174.0	0.0	0.0
Pledged trade receivables	101.4	108.4	0.0	0.0
Shares in subsidiaries	195.9	202.8	101.2	101.2
Contingent liabilities				
Guarantees for Group companies	-	-	37.4	37.8
Guarantees for other companies	0.7	1.0	0.0	0.0
Guarantee commitments FPG/PRI	0.2	0.2	0.0	0.0

PARTICIPATIONS IN GROUP COMPANIES 21

Company	**Corp. ID no.**	**Number of shares**	**Partici-pation, per cent**	**Carrying amount 2011**	**Carrying amount 2010**
Subsidiaries					
Bergströms Utveckling AB	556568-6440	1 000	100	0.1	7.6
ProfilGruppen Extrusions AB	556206-5119	940 000	100	108.7	101.2
ProfilGruppen Manufacturing AB	556262-3990	1 000	100	0.1	0.1
				108.9	**108.9**
Second tier subsidiaries					
Subsidiary of Bergströms Utveckling AB					
ProfilGruppen Components AB	556248-8949	1 000	100		
Subsidiaries of ProfilGruppen Extrusions AB					
ProfilGruppen Danmark A/S, Denmark	-	500	100		
ProfilGruppen GmbH, Germany	-	-	100		
ProfilGruppen Ltd, United Kingdom	-	-	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.

The activities of ProfilGruppen Components AB were transferred to ProfilGruppen Extrusions AB during the year. The carrying amount for Bergströms Utveckling AB, which is the parent company of ProfilGruppen Components AB, has therefore been adjusted downwards and the corresponding amount has been transferred to ProfilGruppen Extrusions AB.

No changes in ownership have occurred during the year. Bergströms Utveckling AB is dormant.

22 STATEMENT OF CASH FLOWS

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.

	The Group		The parent company	
Adjustment for items not included in the cash flow	**2011**	**2010**	**2011**	**2010**
Depreciation, amortisation and impairment of assets	30.9	33.0	4.6	4.6
Gain/loss from the sale of fixed assets	0.2	0.0	0.0	0.0
Unrealised exchange rate differences	-0.6	-1.1	0.0	0.0
Provisions for pensions	1.1	0.9	0.0	0.0
Other profit/loss items not affecting liquidity	-6.2	-10.5	-2.2	-4.7
	25.4	22.3	2.4	-0.1
Investments in tangible fixed assets				
Capitalised in balance sheet	31.2	7.8	5.3	0.4
Acquired through finance leases	0.0	-0.4	0.0	0.0
Unpaid	-2.6	-0.9	-0.4	0.0
Investments from previous year, paid this year	0.9	0.4	0.0	0.0
	29.5	6.9	4.9	0.4
Translation differences in cash and cash equivalents				
Exchange rate gains (+)/losses (-) in opening cash and cash equivalents	0.0	0.3	0.0	0.0
Exchange rate gains (+)/losses (-) in change in cash and cash equivalents	-0.1	-2.0	0.0	0.0
	-0.1	-1.7	0.0	0.0

RELATED PARTIES AND RELATED PARTY TRANSACTIONS 23

The parent company has related parties which have a controlling influence over its subsidiaries, see note 21. For liabilities and receivables for subsidiaries, see the parent company's balance sheet. The parent company's entire revenue consists of revenue from subsidiaries for services and rents; these rents are set at market rates.

Board member Mats Egeholm controls 10.3 (10.3) per cent of the votes in ProfilGruppen AB. The other Board members together control 0.3 per cent (0.7) 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 (0.5) 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 certify that the consolidated accounts and the annual report have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, and generally accepted accounting principles, and give a true and fair view of the Group's and the company's financial position and results, and that the Group Directors' Report and the Directors' Report give a fair summary of the development of the activities, financial positions and results for the Group and the company and describe significant risks and uncertainties that the Group companies face.

Åseda, 16 February 2012

Eva Färnstrand
Chairman of the Board

Peter Schön
Acting CEO

Mats Egeholm
Board member

Ulf Granstrand
Board member

Susanna Hilleskog
Board member

Kurt Nilsson
Board member
Employee representative

Ulf Näslund
Board member
Employee representative

Kjell Svensson
Board member

Auditor’s report

To the annual meeting of the shareholders of ProfilGruppen AB (publ), corporate identity number 556277-8943

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of ProfilGruppen AB (publ) for the year 2011. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 22-43.

Responsibility of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation, of the annual accounts in accordance with the Annual Accounts Act and, of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company’s preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2011 and of its financial performance [and its cash flows] for the year then ended in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2011 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company’s profit or loss and the administration of the Board of Directors and the Managing Director of ProfilGruppen AB (publ) for the year 2011.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company’s profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor’s responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company’s profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors’ proposed appropriations of the company’s profit or loss, we examined [the Board of Directors’ reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Växjö, 28 February 2012
Ernst & Young AB

Kerstin Mouchard

Kerstin Mouchard
Authorised public accountant
Ernst & Young AB

Group Management

1. Peter Schön
Acting CEO and Group President (CFO)
Born 1969
Employed since 2006
Shareholding in ProfilGruppen: 1300

2. Johan Anicic
Sales Director
Born 1966
Employed since 2010
Shareholding in ProfilGruppen: 500

3. Samuel Sandkvist
Production Manager
Born 1962
Employed since 2011
Shareholding in ProfilGruppen: 1500

4. Anders Månsson
Purchasing Manager
Born 1968
Employed since 2005
Shareholding in ProfilGruppen: 1000

5. Ulrika Svensson
Finance and HR Manager
Born 1974
Employed since 2000
Shareholding in ProfilGruppen: 0

6. Andreas Helmersson
Head of Technical Sales
Born 1972
Employed since 2001
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 debtors, and cash and cash equivalents
Yield	Dividend as a percentage of the share price at year-end
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
P/E ratio	Share price at year-end divided by earnings per share
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
Spread	Specifies the difference between the buying and selling price of shares in relation to the average buying and selling price
Capital employed	Balance sheet total minus non-interest-bearing liabilities and deferred tax
Payout ratio	Dividend expressed as a percentage of profit/loss for the year

Financial calendar

2012 Annual General Meeting	29 March 2012
Interim report, first quarter	2 May 2012
Interim report, second quarter	20 Juy 2012
Interim report, third quarter	24 October 2012
Year-end report 2012	February 2013

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Additional information

Up-to-date information is always available on the website:
www.profilgruppen.se
The website is also available in English:
www.profilgruppen.com

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The Annual Report will be distributed to all shareholders who at the time of distribution are registered as shareholders with Euroclear Sweden AB

Glossary

Alutin	Trademark for a surface treatment method similar to anodisation that also produces a conductive and decorative surface
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

Facts about aluminium

Aluminium is a recyclable metal that can be re-used again and again without deterioration of the material's properties. Bauxite, which is the main raw material in aluminium production, is also replenished quickly in the Earth's crust. Aluminium is thus particularly suitable for recycling. Recycling of aluminium consumes 95 percent less energy than the primary production process, and has a high recovery rate. The combination of low weight and high strength makes it possible to produce lightweight structures, which also helps to reduce fuel consumption during transport. As demands for environmental awareness and life-cycle assessments increase, so does the popularity of aluminium.

ProfilGruppen is a complete supplier of complex customised aluminium extrusions and components.

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