ProfilGruppen.

ANNUAL REPORT 2010

Light matters

Contents

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.

The year in brief

Year 2010 was characterised by a strong market recovery. For ProfilGruppen this meant an increase of delivery volumes by 20 percent compared to the previous year, yet the company is still far from full capacity utilisation. CEO Nils Arthur resigned at the end of the year, meaning that company began 2011 under new management.

New CEO
On 1 January 2011 Claes Seldeby assumed the position as President and CEO of ProfilGruppen. Read more about Claes and his thoughts about the company on page 5.

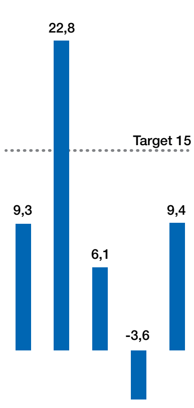
Improvement programme
In June a powerful improvement project was launched to streamline ProfilGruppen's entire supply chain, from raw materials to final delivery. Read more about this on page 6.

Skills development
During the year ProfilGruppen initiated a major skills development project with public funding of MSEK 4.8, which aims to enhance the skills of the company's most frequently-used subcontractors and its own staff.

Financial

- **Revenue increased by 18 percent compared to the previous year.**
- **The operating profit amounted to MSEK 29.2 (-10.5).**
- **Earnings per share amounted to SEK 3.17 (-2.77).**

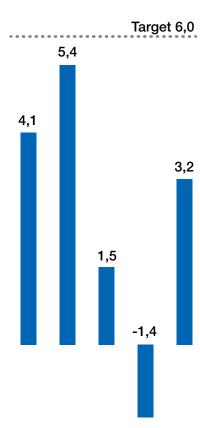
Return on capital employed
percent



The return on capital employed for the year amounted to 9.4 percent (-3.6). The financial target is a return of 15 percent.

The average return for the last five years has been 8.8 percent.

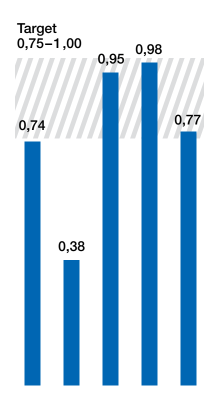
Operating margin
percent



The operating margin for 2010 amounted to 3.2 percent (-1.4). Over the last five years the operating margin has averaged 2.6 percent.

A large proportion of ProfilGruppen's revenue depends on the market price of aluminium, and price fluctuations will have an effect on the operating margin, affecting revenue without a corresponding impact on operating profit.

Net debt/equity ratio
times



During the year the net debt/equity ratio fell from 0.98 to 0.77, i.e. from the upper to the lower end of the target range.

Net debt at the end of the year amounted to MSEK 128.2 (140.0). The greatest change in net debt over the last five years resulted from the redemption programme implemented in 2006, which distributed approximately MSEK 85 to shareholders.

The average net debt/equity ratio over the last five years has been 0.76.

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

ProfilGruppen – a complete supplier

ProfilGruppen is a complete supplier of customised aluminium extrusions and components. Our vision is to be regarded by our customers as one of the leading suppliers of innovative aluminium solutions. All product development takes place in close cooperation with the customers. A wide selection of processing services are available to complement our range of extrusion solutions.

Customers

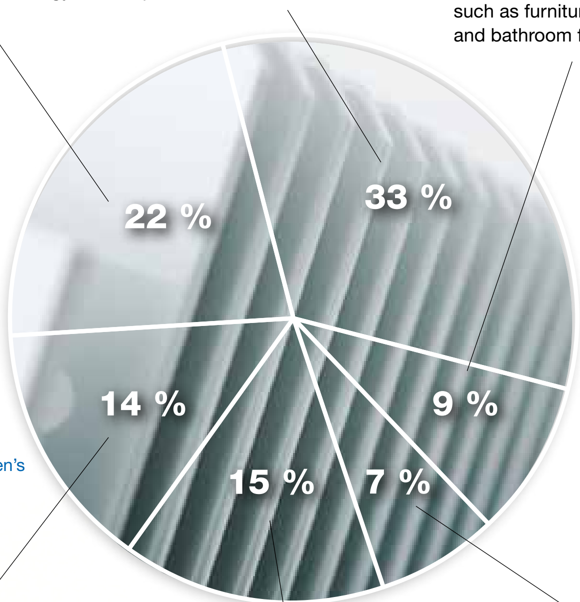
Our customers are mainly located in northern Europe. In 2010 the Swedish market accounted for 51 percent of sales. The largest export market is Germany, followed by Poland, Norway and Denmark.

Customer segments

Electrical engineering
This segment includes companies from, among other sectors, telecom and power and renewable energy, i.e. solar energy and wind power.

Transportation
Cars, trucks, buses and trains, for example, all use a high proportion of aluminium components.

Domestic and Office equipment
The Domestic and Office equipment segment includes customers who manufacture items such as furniture and kitchen and bathroom fittings.



Share of ProfilGruppen's revenue

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

General engineering
This segment includes machine builders and manufacturers of belt conveyors and ceiling rails for automated production lines.

Other industries
Other industries includes customers who manufacture products as diverse as snow shovels, braille machines and fuel dispensers. Healthcare equipment, such as patient lifts, is also included here.

Customised solutions

A customer mix with different needs
ProfilGruppen's customers are active in a variety of industries and sectors. In order to fully understand the changing needs and requirements of our various customers, we work as closely as possible with the customer and contribute to product development early on.

Analysis and design
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 functions, properties and appearance. How the product will be used and will fit into the customer's own production process is also important. The requirements specification produced provides a 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 many different functional areas is applied to find the best potential solution for the customer.

Manufacturing

1 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 pressure 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.

2 Surface treatment (anodisation)
Most of the extrusions are surface-treated to enhance or alter the surface 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.

3 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. They could, 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.

A year of recovery

At the time of writing my summary of 2009 for last year's annual report, we had just experienced a historically strong decline on the extrusions market. Although we could see signs of a slight recovery towards the end of the year, there was still a great deal of uncertainty about market development as we headed into 2010.

Now, just over a year later, it is clear that the economy has improved significantly faster than many expected. Compared to 2009, ProfilGruppen's delivery volume increased by 20 percent, and revenues rose by 18 percent. This means that we have regained about half of the volume we lost during the recession in 2008 and 2009, thanks largely to robust economic development in Germany. Developments in the transportation sector have been especially strong. This is particularly true for commercial vehicles, which is an area where ProfilGruppen intensified cooperation with several manufacturers during 2010.

Although we are still far from full capacity utilisation, profitability improved significantly during the year. The operating margin was 3.2 percent, compared with -1.4 percent in 2009, which is largely down to the effect of the cost reductions and productivity-enhancing investments that we undertook in 2009. These measures also mean that ProfilGruppen will be in a good position to achieve its long-term operating margin target once delivery volumes get back to the levels prevailing before the financial crisis.

In 2010 the entire organisation worked intensively on several key development projects aimed at strengthening ProfilGruppen's competitiveness and increasing sales. One major initiative is a project where the objective is to further streamline our supply chain, from aluminium metal right through to highly-processed components. In a related project, we have – in close partnership with several of our co-suppliers – designed and implemented several activities with the objective of strengthening our cooperation and increasing competence. This work will continue in 2011.

As I leave ProfilGruppen, I would like to take this opportunity to extend a warm welcome to new CEO Claes Seldeby, as well as say a big thank you to all the dedicated and knowledgeable colleagues, customers and co-suppliers who have made these past nine years so rewarding.

Åseda, 20 January 2011

Nils Arthur
President and CEO (up to 31 December 2010)

Focus on growth and productivity

After a few months in a new Group I am already struck by the strong go-ahead spirit and sense of optimism that characterise this company. ProfilGruppen is a solid and stable company that successfully combines the entrepreneurship of a small firm with a larger company's breadth of expertise. The pride of the employees is clear for all to see.

We have to protect these qualities for the future. The starting position is positive. In 2010 we increased our sales by 18 percent and experienced good profitability. Our success both domestically and in Europe is a proof that our quality and our service remain competitive. Moreover, we work with a product for the future – aluminium is a material with a low environmental impact and great potential on an ever-growing market.

However, in order to continue to grow and gain market share, we must sharpen our skills even further. Internally this means efficiency improvements in both production and administrative processes. Externally we need a clearer customer strategy – to give priority to the customer segments where we feel we are able to provide the greatest value and that offer the greatest scope for creating competitive advantages. We want to establish even broader and closer cooperation with customers, both in Sweden and internationally.

We also want to enter new markets. Our strong relationships and stable deliveries have enabled us to establish links with a number of large multinational players, who expect a great deal from their strategic partners. We must take advantage of this in our geographic expansion.

ProfilGruppen will continue to grow both organically and through acquisitions. The company has been on an exciting and successful journey for 30 years now, so I see no reason why we should not broaden our horizons and aim at even greater heights.

Åseda, 16 February 2011

Claes Seldeby
President and CEO (from 1 January 2011)

Claes Seldeby

Claes has spent the past seven years at the Schneider Group, where his roles included Business Development Manager for the Nordic and Baltic countries and, most recently, Country Manager Sweden.

Focus on customer-unique solutions

ProfilGruppen's strategy is based on a desire to further develop its position as a complete supplier of customer-unique aluminium solutions.

Vision

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.

Business concept

ProfilGruppen is a complete supplier of customised aluminium extrusions and components. Profitable and long-term growth is ensured by focusing on customer needs, efficient processes and constant improvement.

Tailor-made solutions with overall responsibility

ProfilGruppen's strategy is based on a desire to further develop its position as a complete supplier of customer-unique aluminium solutions. Our growth initiatives will focus on the segments and the customers where we believe we can achieve the greatest success with our integrated business model, which spans the entire value chain. ProfilGruppen's strength lies in customising complex production orders and taking overall responsibility for solutions, rather than producing large volumes of standardised components.

We continuously develop the ability to coordinate complex supply chains. To do this, we have to strengthen our integrated, cross-functional approach, which also involves a large number of partners and subcontractors.

Improvement programme to boost competitiveness

Predictability, in terms of both quality and delivery time, is of the utmost importance to our customers. In order to safeguard ProfilGruppen's ability to meet requirements efficiently and profitably, we have to continually refine our processes and logistics solutions.

In June 2010 a powerful improvement project was launched with the aim of creating a more efficient ProfilGruppen. This involves 15 subprojects analysing various areas ranging from sales to delivery. As an example, one of the working groups is looking to improve overall capacity planning for the entire supply chain, which also includes our network of external subcontractors. There are also groups focusing on internal material flows and productivity improvements. A lot of employees have been involved in this and a lot of time has been devoted to the cross-functional working groups' creative process.

"This is an important step in making ProfilGruppen more competitive, and better prepared to meet future challenges. Together with our previous work on continuous improvements, this project will make our employees even more aware of, and more focused on, internal process improvement," says Peter Schön, CFO of ProfilGruppen.

There is a defined timeline for the current project and work to implement the new processes created in 2010 will continue until summer 2011. This work will then become an ongoing process, but ProfilGruppen is already very well positioned for continued volume growth in the market. Scope already exists to increase deliveries substantially without substancial investments, and with more efficient work processes the conditions for improved profitability can only get better.

The idea is for this project to lay the foundations for future work on continuous improvements and the creation of a common platform for working practices within the company's various operations. Eventually, we want to develop an overall system for our approach to work that offers improved flexibility in adapting the business to new demands, but which also helps employees to understand their role within the Group as a whole.

In 2010 a lot of emphasis has been put on improvement work in project form. Work also continued to implement the overall strategy, which involves focusing on profitable organic growth gradually supplemented by acquisitions further up the value chain.

As regards 2011 the main strategy remains solid, although it will be developed and clarified further under new management. Work on the strategic priorities that existed before 2010 is described in the table below.

1 Intensify the Group's presence on prioritised export markets and strengthen its position on the domestic Swedish market

Priorities for 2010	Completed 2010
Further development of the Key Account Management (KAM) working method and closer partnerships with the company's most important customers	• All the proposed KAM teams fully operational • Work to further develop and standardise the KAM working method • Extension of the KAM working method to selected prospective customers • Introduction of design days for specific customers
Focus sales resources on prioritised segments	• Segment managers appointed for prioritised segments • Increased sales resources, mainly within domestic and office equipment and healthcare equipment
Agreements with new customers within commercial vehicles	• Qualified as a subcontractor to another major European manufacturer of commercial vehicles • Several new contracts signed with a major European truck manufacturer
Additional market analyses	• Implemented a comprehensive mapping of the heatsink market

2 Develop investment in advanced processing services and reinforce the company's image as an innovative component supplier

Priorities for 2010	Completed 2010
Develop cooperation on new business with subcontractors in order to increase competitiveness through a broader range of skills	• Overall plan established for cooperation with processing suppliers on existing business and new sales • Increased participation by processing suppliers in customer visits
Customer-focused training initiatives relating to extrusion design	• A number of design days were organised, where customers received training in materials science and design possibilities from ProfilGruppen's own designers
Participation at the European industry fair Aluminium 2010 in Essen, Germany	• ProfilGruppen attended Aluminium 2010 – a meeting place for the entire industry. This produced a number of valuable contacts
Improved application knowledge	• The position of Segment Key Account Manager has been established in the marketing organisation, with responsibility for, among other things, development of application knowledge in one or more prioritised segments

3 Secure capacity and cutting-edge expertise throughout the value chain by further developing networks with leading companies and organisations

Priorities for 2010	Completed 2010
A skills development programme within the framework of the "Aluminium in new ways" cooperation project, which is part-financed by the EU and includes the entire company and its leading co-suppliers.	• A great many diverse training courses with both internal and external lecturers have taken place. This project is described in greater detail on page 15
Further integration of the entire further processing chain	• Launch of programme to streamline the entire processing chain • Integration of subcontractors into the business process • Cooperation with processing suppliers on a comprehensive skills development project designed to strengthen our collective expertise
Develop more customised logistics solutions	• Development of tailor-made logistics solutions for a number of customers

4 Make overseas acquisitions that augment the company's existing core expertise

Priorities for 2010	Completed 2010
Acquisitions are evaluated on an ongoing basis	• There were no acquisitions in 2010

Strong market recovery

After the sharp decline in connection with the financial crisis, the general demand for aluminium extrusions in Europe has shown a very positive development during 2010. The demand has primarily been driven by the transportation segment. A moderate increase is expected for 2011.

Many applications

Solutions based on aluminium extrusions are used in many different industries. The largest market is the construction sector, which uses about 45 percent of the total volume for Europe. Next comes the transportation segment, comprising road- and rail vehicles as well as applications for aeronautics and maritime uses, which accounts for about 15 percent of the total market. This is followed by general engineering with a little over 10 percent of the market. The electrical engineering and domestic and office equipment segments each represent about 5 percent. The rest of the market comprises, among others, stockists, who sell standardised extrusions on to customers primarily within the construction and transport sectors.

In terms of sales value, the distribution by sector looks slightly different, with the construction sector, for example, having a lower average added value, which results in a slightly lower proportion in terms of sales value than in volume.

Substantial increase

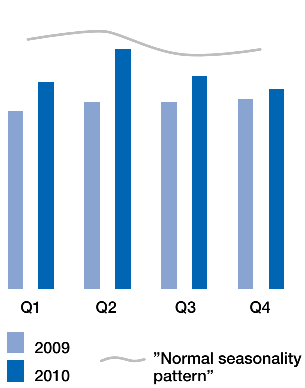
A significant recovery of demand for aluminium extrusions in Europe characterised 2010. The growth rate was generally very high during the first half of the year, and this upturn continued during the second half even though the growth compared to 2009 was lower as a result of the market industries adapting to a higher level of activity, normal seasonal effects, and the fact that stability actually returned in late 2009.

The recovery was evident in almost all sectors except the building and construction industry. The building and construction industry was still feeling the effects of past problems with financing of major construction projects, while the bridging effect of incentive programmes, such as the Swedish tax relief on household maintenance, meant that the upturn normally expected on the residential market when the economy picks up was smoothened out.

The differences in segment exposure between Southern Europe, which has a larger proportion of construction-related products, and Northern and Central Europe thus had an impact on the pace of recovery which has shown considerable variation between the various regions. The automotive industry also played a part in this to some extent, as demand for cars shifted in favour of the premium segment after the augmented scrappage premiums were discontinued, which primarily has benefited northern European manufacturers.

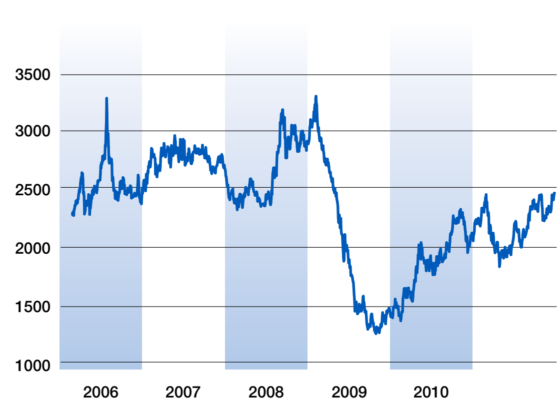
The price of aluminium raw material has fluctuated during 2010 but overall the price increased from about USD 2,200 per ton at the start of the year to around USD 2,500 per ton by the end of the year. Global LME stocks decreased by 8 percent during the year and amounted to 4.3 million tons at the end of 2010. New investments in primary smelters continues, primarily in regions outside Europe where energy costs are lower. Qatalum's,

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



Demand in 2010 has consistently remained at a higher level than in 2009 and has also displayed a more normal seasonal pattern.

Price development for aluminium, 2006-2010
USD



The price of aluminium on the London Metal Exchange is volatile. In 2010 it increased about 14 percent.

Hydro Aluminium's and Qatar Petroleum's joint primary smelter in Qatar, with a capacity of 585,000 tons, was inaugurated during the year.

Highly fragmented market

The European market for aluminium extrusions is highly fragmented, with in total over 140 producers. Clear consolidation efforts are underway and 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, an estimated 15 percent, and is also the largest player globally. Hydro Aluminium is next with about 14 percent of the European market, followed by Alcan (approx. 8 percent) and Aleris (approx. 3 percent).

More structural business trasactions of various kinds have taken place during the year. Rio Tinto Alcan has further increased its focus on primary production of aluminium by divesting the majority of its stake in the former wholly-owned business unit Alcan Engineered Products, with operations within extrusions and rolling, to the private equity firm Apollo Global Management and a French state investment fund. Sapa Profiles has advanced in the value chain with the acquisition of Thule's activities within integrated roof rails for cars.

Rising demand

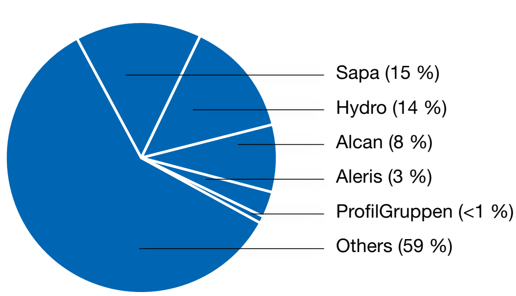
Historically, demand for solutions based on aluminium extrusions has grown at a faster pace than the general GDP growth.

The reason is the good material properties of aluminium, which leads to gains of ground in the competition with materials such as steel and plastics. The properties that make aluminium attractive include:

- Low weight
- High strength
- Easy to recycle, with preserved quality
- Several options for joining
- Easy to shape
- Good corrosion resistance
- Good heat conductivity
- Good electrical conductivity

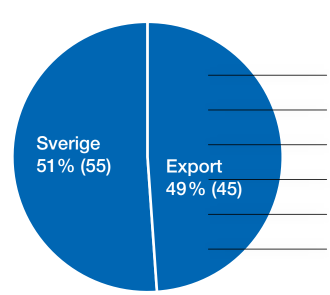
Extrusion as a manufacturing process also offers advantages over other manufacturing methods. Among other things, the cost of tools is relatively low compared to casting of metal or plastics. This makes the method more cost-efficient at low volumes and reduces the need for standardisation.

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



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

ProfilGruppen's geographic markets
100% = MSEK 901 (total revenue)



	2010	2009
Germany	14%	12%
Norway	7%	7%
Denmark	5%	5%
Poland	8%	7%
United Kingdom	6%	5%
Others	9%	9%

Increased export share in 2010. The main increase was in revenues from the German market.

What drives customer demand?

The advantages of aluminium extrusions will give benefits in different ways in different industries. The potential for replacing excisting materials with aluminium varies greatly among different industries. The automotive sector is one example of an industry that has already come a long way in replacing existing components with aluminium components. The rationale for demand depends on the segment to which the customer belongs.

Electrical engineering

Within the telecom sector there is high underlying growth due to rapidly increasing data traffic which requires continuous expansion of mobile networks. This drives demand for heatsinks and antenna components.

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

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

Share of total volume in Europe (2009)	5 %
Share of ProfilGruppen's revenue (2010)	22 %
Number of ProfilGruppen customers (2010)	approx. 125

Transportation

Aluminium, with its combination of low weight and high strength, contributes to the ability to meet increasingly stringent environmental, energy and safety requirements in all transport fields. The volume increase for cars is mainly due to rapidly increasing penetration rate within new application areas such as bumper beams and wheel suspension. In Europe, the average total aluminium content per newly manufactured car increased by more than 40 percent between 2002 and 2006, apart from traditional applications such as powertrain, heat exchangers and rims.

Share of total volume in Europe (2009)	15 %
Share of ProfilGruppen's revenue (2010)	33 %
Number of ProfilGruppen customers (2010)	approx. 85

Building and Construction

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

Share of total volume in Europe (2009)	45 %
Share of ProfilGruppen's revenue (2010)	14 %
Number of ProfilGruppen customers (2010)	approx. 110

Domestic and office equipment

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

Share of total volume in Europe (2009)	5 %
Share of ProfilGruppen's revenue (2010)	9 %
Number of ProfilGruppen customers (2010)	approx. 100

General engineering

Machine builders and designers of automated production lines and ventilation systems are increasingly discovering the durability, ductility 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 (2009)	10 %
Share of ProfilGruppen's revenue (2010)	15 %
Number of ProfilGruppen customers (2010)	approx. 80

Other industries

Stockists primarily requests standardised extrusions for use in the building and construction and transportation sectors, among others. Aluminium's strength, hygiene properties and suitability for different types of surface treatment are all advantages that make it a popular choice in the healthcare sector for patient lifts and walkers, for example.

Share of total volume in Europe (2009)	20 %
Share of ProfilGruppen's revenue (2010)	7 %
Number of ProfilGruppen customers (2010)	approx. 20

1. Solar panels on the roof of a kindergarten in Copenhagen provide the majority of its energy supply.

2. Solar panels on the wall of a school building in Copenhagen.

3. A residential building in Aarhus, Denmark with solar panels on the roof with aluminium frames from ProfilGruppen.

4. Building façade in Copenhagen clad in solar panels. The aluminium frames are weather-proof and corrosion-resistant.

Brilliant growth for solar panels

Several of ProfilGruppen's most important customers operate in the solar energy industry. Aluminium extrusions are a vital component in solar panels where they are used in frame structures and for fastening components. The majority of aluminium extrusions for solar panels are exported.

One long-time customer of ProfilGruppen is the Danish solar panel manufacturer Gaia Solar.

"We order the frames for our solar panels from ProfilGruppen and have actually developed them in partnership with the company. At the development stage ProfilGruppen assumes the dual role of supplier and partner," says Dennis Aarø, CEO of Gaia Solar.

It is no coincidence that Gaia Solar has been a customer of ProfilGruppen for almost fifteen years.

"The fact that we have been a customer for so long is definitely down to their skills, which are vital when it comes to developing new products. We could buy aluminium extrusions cheaper elsewhere," says Dennis Aarø.

Solar energy industry

The solar energy industry is experiencing strong growth and offers enormous potential. Since 2000, solar energy capacity around the world has increased by over 40 percent per year. Despite this, solar energy currently only accounts for 0.1 percent of global electricity production.

Solar energy's most important advantage is that it is a renewable energy source and thus an important component in a future sustainable energy mix. The International Energy Agency (IEA) estimates that solar energy will account for about 11 percent of global electricity production, equivalent to 4,500 TWh, by 2050. This will reduce carbon dioxide emissions by 2.3 gigatons per year. In addition to reducing emissions, development of solar energy will make energy supplies more reliable.

A drawback of solar energy is that it is still dependent on state subsidies. The IEA predicts that during the next decade huge state subsidies will be needed to make solar energy more efficient.

There are currently four countries with a total installed solar power capacity of one GW or more. According to the most recent data available, the countries with the most installed capacity are Germany with 5.3 GW, Spain with 3.4 GW, Japan with 2.1 GW, and the USA with 1.2 GW. As things stand, these countries account for 80 percent of the world's total installed capacity. Other countries also making great strides in this area are Australia, China, India and Korea.

In addition to electricity production, solar energy is used to produce heat. According to the Solar Energy Association of Sweden, there are approximately 15,000 solar thermal systems in Sweden, with 2,000 new systems being installed each year. China has the largest number of solar collectors in the world, 75 percent of all solar collectors, in fact. In Europe, Germany has the largest number of solar collectors. Yet another way to utilise energy from the sun is through solar thermal cooling systems.

A general trend in the solar energy industry is the transition from steel to aluminium in the manufacturing of mounting systems for solar panels and solar collectors. In 2009, approximately 200,000 tons of aluminium was used to build solar panels and solar collectors in Europe.

Flexibility decided choice of supplier

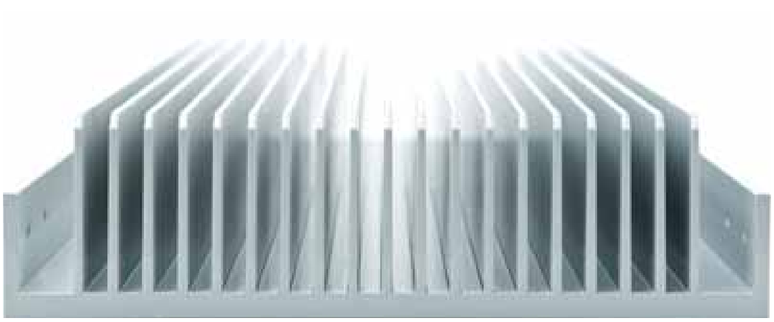
Five years ago ProfilGruppen began cooperating with PowerCell Sweden AB, which develops, manufactures and conducts research in advanced fuel cells. The partnership was initially established within the framework of a research project at Chalmers University of Technology in Göteborg and has led to the development of finished products.

PowerCell develops fuel cell systems. Fuel cells produce electricity from hydrogen with heat and water as by-products of the process. PowerCell supplies portable energy systems and has customers throughout the automotive and telecommunications industries.

ProfilGruppen supplies PowerCell with a 'gable-wall system', which holds the fuel cell system in place and channels hydrogen and coolant to the fuel cells.

Why did you choose ProfilGruppen as a supplier?
"It all began when ProfilGruppen joined a research project at Chalmers. Today, flexibility and proximity are what matters. Another important advantage is that ProfilGruppen understands the entire processing chain. I buy both extrusion and machining services. I get a complete product from ProfilGruppen," says Lennart Håman, a purchaser at PowerCell.

PowerCell's product is based on two key components – the fuel cell and the fuel reformer. In an integrated system these components make a highly efficient electricity generator that can be used in generating sets, telecom masts, electrical hybrid vehicles and refrigerated transports.



Heatsink expert

ProfilGruppen has extensive experience of manufacturing customised aluminium heatsinks. Heatsinks are used in, among other things, control units for motors and inverters. Electrical components usually need some form of thermal dissipation to ensure optimal function.

Our cutting-edge expertise in heatsinks has led us to deliver to all industries where electronic components are involved, including the telecoms industry and a number of well-known car manufacturers. It is not unusual for ProfilGruppen to increase the cooling effect by up to 50 percent for customers by optimising the design of customer-unique heatsinks.

ProfilGruppen's cross-functional approach, where the company works closely with customers and has more straight lines of communication, is important for development. This enables existing components to be replaced quickly by aluminium, leading to better conductivity and cooling and advances in new technologies. This approach also results in more rapid development work.

"In an early collaboration on design and development, opportunities exist for computer simulations of both the profile and tools. The benefit is rapid and accurate proposals for solutions, which reduce engineering costs and construction time," says Johan Anicic, Export Sales Manager of ProfilGruppen.

Challenging and complex tool designs are characteristic of ProfilGruppen's heatsinks components. The heatsinks are constantly evolving to reflect demand on the part of customers for greater cooling capacity to cope with more powerful electrical components.

More and more aluminium in Volvo´s bus bodies

One of ProfilGruppen's customers in the Transportation segment is Volvo Bussar AB. A large number of extrusions have been supplied over the years and the deliveries to Volvo Bussar AB's factory in Wroclaw, Poland are increasing. ProfilGruppen produces painted aluminium extrusions and other components for use in the bodies of city buses.

Inside the bus body the visible aluminium components are located, which include the luggage racks and the system that supplies air to the air conditioning.

In recent years ProfilGruppen's deliveries to Volvo Bussar AB in Sweden have remained at a stable level, while deliveries to Volvo's factory in Poland have increased. ProfilGruppen's cooperation with Volvo Bussar AB began in the mid-1980s.

"Volvo is a key customer in one of our prioritised segments, where the use of aluminium is increasing as a result of environmental adaptation. We have worked steadily to develop our expertise within the automotive industry and were the first Nordic extrusion manufacturer to adapt to and be certified in accordance with the automotive industry's very tough global quality standards," says Per Persson, Account Manager at ProfilGruppen.

The importance of aluminium in the transportation industry is growing. The main reason is the low weight of the material, which leads to reduced fuel consumption and better environmental properties. It is also important that the material is durable, malleable and corrosion-resistant and to have a high recovery rate. The proportion of aluminium in buses manufactured in Wroclaw will increase as aluminium replaces other materials. Volvo will thus benefit from the positive properties of aluminium. It also means that ProfilGruppen's deliveries to Poland increase.

Supplier involvement early on in process is vital

During the summer of 2010 ProfilGruppen received a request from furniture manufacturer European Furniture Group (EFG) to assist in the construction of new interior design solutions for offices. ProfilGruppen was an early contributor to the development process for the new products launched in February 2011.

"We contacted several different companies active in extruding aluminium because it was a new material for us. ProfilGruppen took its role very seriously and we got help from an experienced designer," explains Marianne Guriby Dahl, Manager Product Development at EFG.

ProfilGruppen's design department was involved throughout the product development phase.

"It has been a great asset for us to be able to develop the product in partnership with the subcontractor. The advantage of initiating co-operation early on is that the solutions quickly become more established and functional."

EFG is looking forward to more collaborative projects with ProfilGruppen.

"I believe that future subcontractors will have to contribute early on to customers' projects. They have skills that are vital to us. By drawing on the skills and knowledge of subcontractors, we can also do better. This is what distinguishes good subcontractors from those who are less good."

EFG launched a number of products, including a modular screen wall system for offices, at the Stockholm Furniture Fair in February 2011. The module was developed in partnership with ProfilGruppen.

Aluminium extrusions a boost to patient lifts

For almost fifteen years now ProfilGruppen has been supplying aluminium extrusions to Norwegian company Molift, which makes patient lifts and other healthcare equipment.

Molift was founded by Hans Kasper Andresen, who, after a prolonged stay in hospital, saw what an enormous burden lifting patients was on carers.

“ProfilGruppen supplies processed aluminium extrusions for Molift’s patient lifts. There are several different parts involved,” says Morten Harald Lie, CTO at Molift.

Molift works closely with ProfilGruppen on the development of new products.

“When developing new extrusions we first produce a design, which we discuss with ProfilGruppen. That way we get the best possible solutions in terms of design, production and price.”

Why have you chosen to continue working with ProfilGruppen for fifteen years?
“ProfilGruppen make excellent processed extrusions and their customer service is very good,” explains Morten Harald Lie.

These days Molift is an international company that supplies patient lifts to large parts of the world. The lifts are manufactured in Gjøvik, Norway.

Aluminium knowledge on the schedule

To provide a better understanding of aluminium and its potential uses and functions, ProfilGruppen occationally arranges training courses for its customers. Three such training sessions were held in 2010, to which different customers were invited. A number of customer-unique courses were also arranged. These ‘design days’ also offer an insight into ProfilGruppen’s manufacturing process.

The day consists of a basic introduction to extrusion manufacture, design and processing techniques, with plenty of examples. Customers are also taken on a tour that includes the extrusion and anodisation facilities.

“This is usually a very valuable experience for the invited customers and it provides them with an opportunity to engage in some interesting discussions in smaller groups about aluminium and ideas concerning the use of extrusions,” says Andreas Helmersson, Chief Designer at ProfilGruppen.

Participants on a design day in October included the customer Laird Technologies, which designs and manufactures customised products for wireless and other advanced electronics.

“The day was very rewarding,” says Jakob Dahlgren, Sourcing Engineer at Laird Technologies.

ProfilGruppen supplies the company with both large and small heatsinks made of extruded aluminium.

“The most rewarding aspect of all was that I got new ideas and suggestions for how extruded aluminium can be used and how we can develop solutions together with the supplier,” says Jakob Dahlgren.

Involvement on several levels

ProfilGruppen is based in Åseda in Småland, Sweden, which is a community of about 2,000 inhabitants. ProfilGruppen contributes to the development throughout the region by making substantial financial and personal commitments to socially beneficial activities, associations, sports clubs and schools.

Social responsibility

Our local involvement is a key success factor for the company, not least because many of our current and future employees live in the region. What is good for the region is also good for ProfilGruppen and vice versa.

Local support

When it comes to sponsoring sports ProfilGruppen has concentrated mainly on team sports in the region. We have chosen to support a lot of activities in a small way rather than just a few in a big way. One of the larger projects we support is local sports association Åseda IF's ice rink, which is frequently used by the area's youngsters for ice hockey training.

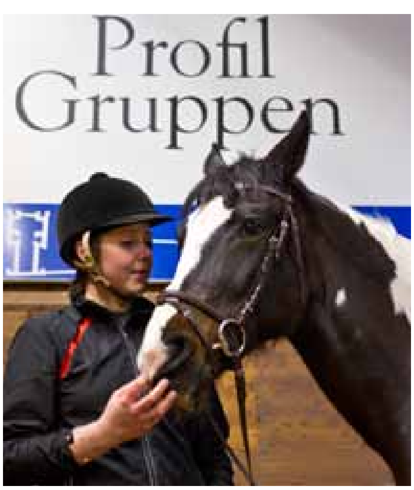
We have also been involved with and have helped to finance Hälsans Hus, thereby ensuring that our employees and others in the community have access to a well-equipped, modern fitness centre.

Educational partnership

ProfilGruppen interacts in a variety of ways with various educational institutions in the region. This work is intended partly to encourage young people to stay in Åseda and partly to increase the level of education in society. The company's future development depends on well-educated and motivated people joining the company. Our involvement with several educational boards is thus an important initiative. ProfilGruppen and a number of other companies in the region have taken the initiative in encouraging more schools to become certified as technical colleges.

"This is an important step in increasing the attractiveness and quality of education in secondary and adult education with a focus on industry," says Erik Hermansson, HR Manager at ProfilGruppen.

In addition to this, ProfilGruppen also supports Ung Företagsamhet (Young Enterprise). This initiative was set up to give young people the opportunity to train and develop their creativity, enterprising spirit and their entrepreneurial abilities within the framework of secondary school activities.



Åseda Ryttarförening (a riding club) is one of the local activities awarded sponsorship. Magda Gyllenfjell competes in the Allsvenskan league with her horse Ofelia, named after ProfilGruppen's personnel club.

An active approach to health and fitness means that all employees have free access to the Hälsans Hus fitness centre.

New funding for skills development

In December 2009 ProfilGruppen received word that its application for EU funding for skills development had been successful. The project, known as *Aluminium på nya sätt* (Aluminium in new ways), will be carried out in partnership with ProfilGruppen's most important subcontractors, which include companies that together employ more than 500 people.

"The fact that the company is able to implement a skills development project of this magnitude and in this way is very gratifying," says ProfilGruppen's HR Manager Erik Hermansson.

In all, the project was awarded funding of approx. MSEK 4.8. The project period runs until June 2011. ProfilGruppen has a project manager role, responsible for coordination and planning of courses for a total of ten companies. The various courses focus on: market development, quality, leadership, reading drawings/measurement technology, engineering, work environment and health.

For the employees, programmes to develop skills will not only improve opportunities at their respective companies, but will also strengthen their position on the general labour market.

The overall aim of the project is to try to find new applications, products and business opportunities in the aluminium industry.

Our environmental responsibility

Our activities must contribute to a society that is sustainable in the long term, in which the products and processed components we manufacture are produced with minimal environmental impact and used where their positive environmental properties provide the most benefit.

ProfilGruppen takes a preventive approach to work and continuously improves the business in order to contribute to a sustainable society. We do this primarily by seeking to reduce the amount of waste and scrap in our processes and recycling any scrap aluminium generated. Recycling aluminium through remelting provides a saving of up to 95 percent, compared with the amount of energy used in primary production.

Environmental aspects are taken into account when choosing suppliers. ProfilGruppen is environmentally certified in accordance with ISO 14001 and many of our suppliers also have environmental certification. We work proactively to create conditions for personal responsibility and commitment among all employees through training, information and active cooperation on environmental work.

ProfilGruppen's environmental impact

ProfilGruppen's environmental impact mainly comprises consumption of electricity and LPG, scrapping of aluminium during our processes, transportation and emissions of sulphates. In 2010 ProfilGruppen reduced its energy consumption by eight percent compared to 2009. Electricity consumption fell by eight percent, while consumption of LPG per kg of extrusion decreased by five percent. The amount of waste heat supplied to the district heating network increased by 40 percent.

Some of ProfilGruppen's emissions consist of sulphates from sulphuric acid used at the anodisation facility. Due to increased production, total sulphate emissions in 2010 increased, but when measured per square metre produced they decreased. Through a project to reduce emissions, we achieved a reduction of about ten percent over three years.

More efficient transport

In 2010 the proportion of scrap in the processing chain increased by 2.3 percent compared with 2009, when both production and scrap output were very low. Our goal is to reduce the amount of scrap by one percent per year.

In 2010 changes were made to transportation of scrap for recycling. Previously scrap was transported to one of the suppliers' facilities in Continental Europe. By actively working towards a more sustainable solution, we have concluded an agreement that allows us to deliver the bulk of the scrap to a nearby remelting plant, while the remainder is coordinated with deliveries of raw materials. This will reduce transportation significantly, and we have also succeeded in increasing the utilisation rate so that fewer trucks are required. These changes resulted in an annual reduction in carbon dioxide emissions of approximately 370 tons.

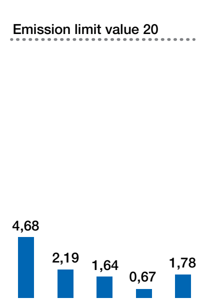
Scrap aluminium generated by the manufacturing process is taken for recycling. Changes to transportation in 2010 reduced carbon dioxide emissions by 370 tons a year.

Increased degree of processing

In the past five years, the proportion of anodised products has increased from approximately 30 to 40 percent. The higher degree of processing means that every kilogram of extrusion on average requires more energy.

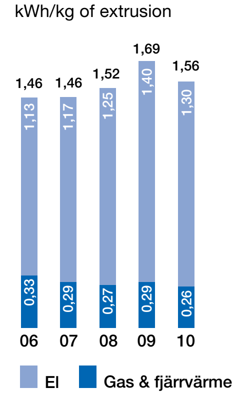
During the year ProfilGruppen prepared a new permit application that would enable production at the anodisation facility to be increased from 2.6 million square metres to 3.3 million square metres annually.

Emissions aluminium
kg/mth



Emissions of aluminium increased during the year, mainly due to increased production, but are still well below the limit value.

Energy consumption
kWh/kg of extrusion



Energy consumption decreased during the year, primarily due to improved capacity utilisation.

Employees

During the past year ProfilGruppen has focused its attention on skills development, health and safety. Each of these areas is important in order for the business to develop and to make us more attractive to the labour market. Ultimately ProfilGruppen's success rests with its staff and their overall commitment and expertise.

Continual employee development

ProfilGruppen must be an attractive workplace with excellent opportunities for professional and personal development. Skills development is largely centred on active learning as part of day-to-day work. Job rotation and developed roles are essential elements in this learning process, which applies to both operators and office workers.

A major training initiative related to ProfilGruppen's working method for Key Account Management was launched during the year. This programme aims to enhance customer relationships.

The entire management team is currently involved in the development of Key Account Management. The KAM teams meet regularly to discuss and make decisions on various initiatives to nurture existing business.

Employees and leading subcontractors will be offered further opportunities for training thanks to EU skills development funding granted to ProfilGruppen at the start of the year, see page 17.

Vision-zero for safety work

ProfilGruppen has a vision-zero policy when it comes to workplace accidents. In 2010, prioritised actions were implemented with regard to machine safety analyses. In addition, the company's safety manual has been revised in its entirety. Our intranet-based deviation system, where incidents and hazardous conditions, etc. can be reported and followed up on, contributes to a more efficient throughput of preventive efforts. Despite extensive measures there were a total of four work-related accidents in 2010.

"By systematically following up on all reports, we increase awareness of potential risks, which pays off in terms of work on preventive measures. In spite of the negative result we are convinced that it is entirely possible to achieve our goal of zero industrial accidents during a single financial year," says Erik Hermansson, HR Manager.

Even healthier employees

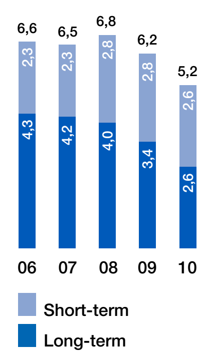
In 2010, absences due to sickness at ProfilGruppen in Sweden totalled 5.2 (6.2) percent of expected time worked. There has been a reduction in both short-term and long-term absences due to sickness, which is the result of an active and goal-oriented rehabilitation process launched during 2009, as well as significant preventive healthcare.

By helping to fund Hälsans Hus, which is a local fitness centre with pool, gym and fitness classes, ProfilGruppen has contributed to the excellent opportunities for wellness in the local area. Annual membership for all employees represents the company's single largest investment in healthcare.

"We can see that the use of Hälsans Hus is increasing among our employees, which is positive not only for ProfilGruppen but also for the area. Both the centre and the business are doing well and we have, without a doubt, achieved our objective of a positive meeting place for healthcare and health," continues Erik Hermansson.

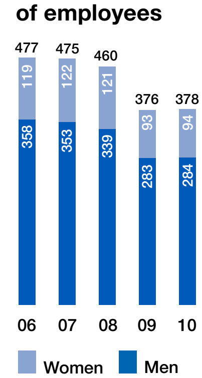
As part of its work on preventive healthcare ProfilGruppen also installed defibrillators at its premises during the year, and 100 employees have also received CPR training. This programme has already paid for itself many times over. Last spring one employee suffered a cardiac arrest but pulled through thanks to the presence of defibrillators and the colleagues' recently acquired skills.

Absences due to sickness
percent



There have been fewer short-term and long-term absences during the year.

Average no. of employees



The average number of employees in 2010 was roughly the same as in 2009.

ProfilGruppen's values

The values that all employees at ProfilGruppen carry or should carry with them are summarised in four words. These should be guiding principles for each and every one of us in our own work situation.

Commitment

We care. We are involved and proactive. This is clear from the fact that 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. It is an important leadership skill to provide opportunities for participation, which is vital for commitment. We are accustomed to working in an integrated manner and this fosters participation.

Innovative

We will do things in new ways. It is a natural element of our work to seek new and improved ways of doing things. We want to develop innovative solutions for our customers by investing in application skills and development.

Professional

We are professional and ensure high quality in everything we do. This is evident in our consideration of what is best for the company and our understanding that customers do the same. This is also clear from the way we always strive to do a good job quality-wise.

Available

We are available to the customer and one another. We are open to dialogue and give quick responses. We do not make anyone wait for a response, and if a decision cannot be made straight away we let people know when one can be expected. We do not hide anything but are open with customers and one another.

Johan Anicic, Export Sales Manager

–"My focus is on developing new business opportunities for ProfilGruppen. In my role as a link between the customer and our organisation it is important that I ensure the participation of all those concerned, so that they feel involved and **committed** to the deal. Customers always notice the difference."

Fikreta Hadzisalihovic, Shift Foreman at Profilcenter

–"My role is to assign tasks and monitor the quality of the products we cut or process in other ways. For me, it is important that my department does its best to guarantee deliveries and quality ahead of the next stage. It's all about being **professional**."

Torbjörn Gustavsson, Maintenance Manager at ProfilGruppen Manufacturing

–"My job is to ensure that the production chain always runs smoothly. I find my duties exhilarating and learn something new every day. I try to be **innovative** by not getting stuck in a routine and by questioning the way we do things."

Iris Schindler, Logistics Department Customer Support

–"My whole job is about communicating with customers in order to find out what delivery needs they have. If a customer has questions about delivery times or capacity, for example, I or one of my colleagues must always be **available** to provide an answer. We must be reachable and provide quick and accurate information."

Risk management

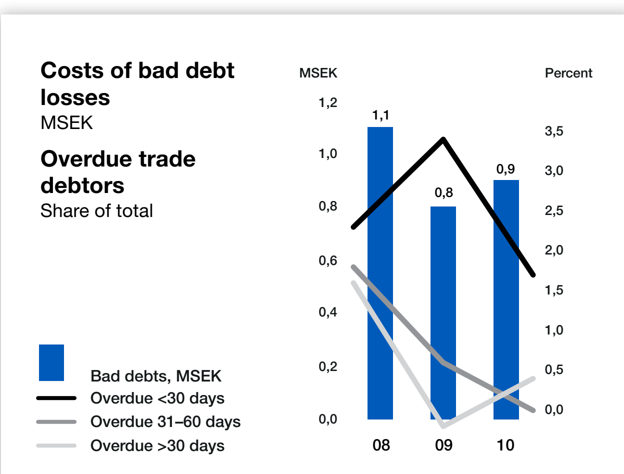
Risks are common to all business activities but well-organised risk management can create added value and prevent damage and losses. The risks can be divided into operational and financial risks. Operational risks are those that arise in day-to-day activities and may affect the Group's earnings, such as liability risk or raw material risk. Financial risks that are more financial in nature, such as currency, liquidity, interest, credit and financing risks, are managed centrally with the aim of controlling risk exposure.

The Board of Directors has overall responsibility for ProfilGruppen's risk management, while 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

The aim is a customer base without too dominant customers, as this reduces dependence on individual customers. During 2010, no customer represented more than eight percent 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 2010, 81 percent (85) of the company's customers had a rating between A and AAA. The Group has credit insurance for the majority of all customers with an outstanding credit balance in excess of MSEK 1.0. In 2010 the credit insured volume amounted to 60 percent (60) of all sales. Costs for bad debt losses are shown below.



Costs of bad debt losses
MSEK

Overdue trade debtors
Share of total

Seasonal and cyclical fluctuations

Customers belong to a number of industries in northern Europe, including the transportation, electrical engineering, domestic and office equipment, and building and construction industries, which is a 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.

A general weakening of the economy will influence the Group early on, but the same is true of a recovery in economic activity.

Liability

The Group works together with an external advisor on insurance and risk issues.

Deliveries of components to the car industry entail some liability risk, which is why a separate insurance policy has been taken out. However, the lack of own products significantly reduces the overall product liability risk.

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

Production stoppages

ProfilGruppen works on an ongoing basis on preventive measures in order to avoid production disruptions. Should such an event occur, the Group has consequential loss insurance that covers loss of contribution margins for up to 18 months.

Environmental risks

These risks refer to damage that can be caused to water, soil, air and biological processes by the Group's activities, which also includes the costs of complying with new, stricter environmental directives. The aim is to be well within the ranges specified by local 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 all companies in 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 processing, an external network of suppliers is used. They accounted for 60 percent (60) of the total processing during 2010. At our own facilities processing is largely performed where there are opportunities for a high degree of automation.

Raw materials

ProfilGruppen's main raw material, alloyed aluminium billets, is priced in USD on the London Metal Exchange (LME). Purchased raw materials accounted for 44 percent (44) of operating expenses in 2010. 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 means that the company's sensitivity to fluctuations in the raw material price is limited. Raw material purchases are controlled by the Group's raw material policy and 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 council 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 all these suppliers have a global presence, ProfilGruppen is able to guarantee its supply of raw materials, even if European consumption exceeds the production of aluminium in Europe.

Energy prices

ProfilGruppen consumes approximately 35 GWh of electrical energy per year. In total, energy represents around 3 percent of the operating expenses. The Group had secured the price for most of its 2011 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.

Due to the foreign subsidiaries having limited activities and thus a limited balance sheet, the Group only protects itself against transaction risk related to currency exposure. The Group has net inflows in all currencies. The company typically hedges 50-70 percent 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. However, raw material clauses are included in the majority of the Group's contracts, which means that exposure can be minimised.

If the exchange rate between SEK and the most significant currencies moves by ten percent, 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 percent excluding hedging activities.

	2010	2009
EUR	+/- MSEK 10	+/- MSEK 11
DKK	+/- MSEK 2	+/- MSEK 3
NOK	+/- MSEK 3	+/- MSEK 3
GBP	+/- MSEK 1	+/- 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 percent of the Group's loans must have variable interest rates.

Credit risks

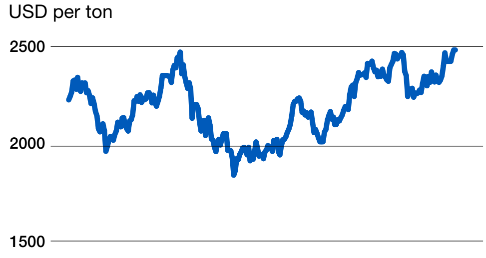
ProfilGruppen's credit risks arise in connection with investments in financial instruments. To minimise this, trading is only permitted with a few counterparties approved by the Board of Directors.

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 contains certain financial targets that must be met.

Price trends for aluminium in 2010

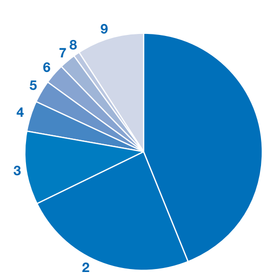
USD per ton



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.

Distribution of operating expenses

Percent



1	Raw material	44 %
2	Personnel	24 %
3	Purchased processing	10 %
4	Depreciation/amortisation	4 %
5	Freight	3 %
6	Energy	3 %
7	Extrusion dies	2 %
8	Packaging	1 %
9	Other	9 %

Total operating expenses amounted in 2010 to approx. MSEK 870.

The ProfilGruppen share

ProfilGruppen's share has been listed on Nasdaq OMX Stockholm since 19 June 1997 and is included in the Small Cap segment. The share price increased during the year by 28.5 percent. During the same period the Stockholm Stock Exchange's broad index OMX Stockholm PI climbed 23.1 percent, while Index SX-15 Materials, within which ProfilGruppen is classified, increased by 16.9 percent.

At the end of 2010, the closing price of ProfilGruppen's share was SEK 55.00 on Nasdaq OMX Stockholm. This represents a market value of MSEK 271 (211). The highest price paid during the year was SEK 58.50 and the lowest was SEK 42.40.

Shareholders

There were 1,790 (1,793) shareholders at the end of the year, which was on a par with the previous year. At year-end, Ringvägen Venture AB was the largest shareholder in the company with a holding of 14.7 percent (10.5). Major changes in ownership in 2010 involved Ringvägen Venture AB, which purchased 206,403 shares, giving it a total of 724,167 shares, and Baillie Gifford's disposal of its entire holding of 257,886 shares. The five largest individual shareholders represent 52.8 percent (49.4) of the share capital.

Trading in shares

There was increased trading in ProfilGruppen's shares in 2010. A total of 0.7 (0.6) million shares worth a total of MSEK 37 (27) were traded during the year. The share turnover rate was 15 percent (13).

ProfilGruppen cooperates with Remium Securities as a liquidity guarantor, which is intended to increase the liquidity of the share. Days with completed sales improved during the year, totalling 87 percent (66). During the fourth quarter, days with completed sales reached 97 percent. The number of completed sales amounted to 1,773 (756).

Dividend and yield

The dividend policy set by the Board of Directors states that 40 to 50 percent of the profit after tax, calculated over a business cycle, will be paid out to shareholders. When proposing a dividend, the Board primarily takes into account the company's investment needs, financial position, earnings trend and prospects for the next few years. For 2010, the Board has decided to propose to the Annual General Meeting (AGM) a dividend of SEK 1.50 (0) per share. The proposed dividend corresponds to 47 (0) percent of net earnings per share and a yield of 2.7 (0) percent calculated based on ProfilGruppen's price at the end of 2010. ProfilGruppen's total yield (the sum of any proposed dividend and share price trends) was 32 percent in 2010. Over the past five years the average annual total yield on ProfilGruppen's shares has been 45 percent.

Forecasts

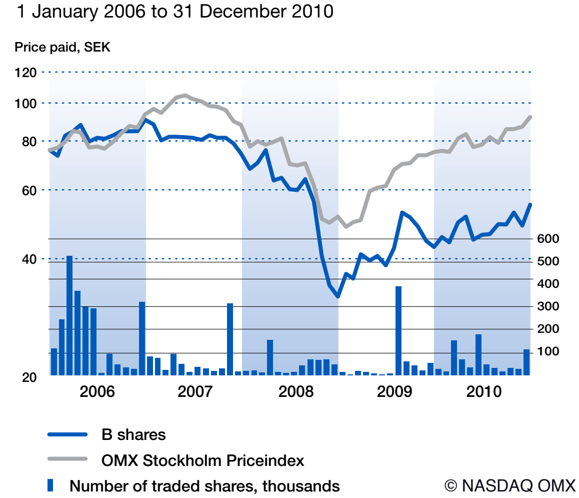
Our interim reports contain comments on the prospects according to the current rules. ProfilGruppen does not issue profit forecasts, as the industry's order stock, which is normally only a few weeks, is judged to be much too short to provide a reliable basis for forecasts for longer terms than a month.

IR information on the website

On ProfilGruppen's website, www.profilgruppen.com, you can find up-to-date information about ProfilGruppen, trends in ProfilGruppen's share price, financial reports and contact details.

ProfilGruppen's share on the Stockholm Stock Exchange

Price trends and turnover for the period
1 January 2006 to 31 December 2010



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.com.

Share data

		2006	2007	2008	2009	2010
Number of shares as of 31 December	thousands	4,933	4,933	4,933	4,933	4,933
Average number of shares[1]	thousands	5,624	4,933	4,933	4,933	4,933
Earnings per share	SEK	1.53	8.15	1.88	-2.77	4.78
Cash flow per share	SEK	12.90	15.89	-0.93	5.76	3.74
Equity per share	SEK	30.09	34.92	28.85	28.86	35.53
Net asset value per share	SEK	30.09	34.92	28.85	28.86	35.53
Share price, 31 December	SEK	91.00	74.50	31.90	42.80	55.00
Highest price during the year	SEK	91.00	90.50	76.00	56.00	58.50
Lowest price during the year	SEK	68.75	73.00	31.00	31.90	42.40
Price change during the year	%	20.0	-18.0	-57.0	34.0	28.5
Dividend per share[2]	SEK	2.80	3.60	1.00	0.00	1.50
P/E ratio	SEK	59	9	17	-15	12
Price/equity per share		3.0	2.1	1.1	1.5	1.5
Yield	%	3.1	4.8	3.1	0	2.7
Payout ratio	%	183	44	53	0	4.7
Average spread	%	1.05	1.31	1.95	2.64	2.17
Number of days with completed sales/number of stock market days	%	89	79	63	66	87
Total number of completed sales	qty	2,011	1,038	590	756	1,773
Average number of completed sales, per day	qty	8	4	2	3	7
Number of shares traded, full year	thousands	2,397	789	543	636	748
Number of shares traded, per day (average)	qty	9,551	3,158	2,154	2,536	2,956
Stock market value listed shares	MSEK	447	367	157	211	271
Total share sales	MSEK	196	64	31	27	37
Average sales per day	SEK 000's	780	257	123	106	144
Number of shareholders at end of year	qty	2,088	1,882	1,780	1,793	1,790

1) There is no dilution.

2) For 2010 this refers to the dividend proposed by the Board.

Analysts covering ProfilGruppen

Swedbank Markets,
Peter Näslund tel. +46 (0)8-58 59 18 23

Remium Securities,
Claes Vikbladh tel. +46 (0)8-454 32 94

The ten largest shareholders

Shareholders	Number of shares	Holding % 2010	Holding % 2009
Ringvägen Venture AB	724,167	14.7	10.5
Lars Johansson	709,227	14.4	14.4
Idea, Prior & Nilsson, Fond och Kapitalförvaltning	664,396	13.5	12.4
Mats Egeholm	348,093	7.1	6.9
Kerstin Egeholm	159,629	3.2	3.2
Nordea Life & Pensions	157,800	3.2	0.0
Rickard Behm	105,543	2.1	2.1
Svenska Handelsbanken Kundkonto	105,200	2.1	2.1
Mats Jonson	85,036	1.7	0.0
Anne Skoglund	81,164	1.6	2.1
10 largest individual shareholders	**3,140,255**	**63.7**	**53.7**
Other	1,792,262	36.3	46.3
Total	**4,932,517**	**100.0**	**100.0**

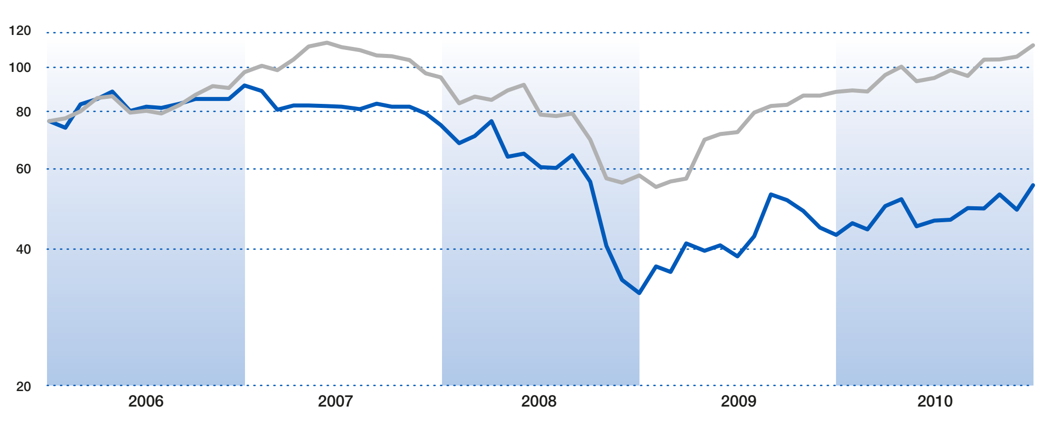
Breakdown of share capital

Holding number of shares	Number of shareholders	Proportion of shareholders in %	Share of capital in %
1-500	1,354	75.6	4.9
501-1,000	230	12.8	3.7
1,001-10,000	163	9.1	9.0
10,001-100,000	35	2.0	22.1
100,001-	8	0.4	60.2
Total	**1,790**	**100.0**	**100.0**

Owner categories

	Number of shares	Share of capital in %
Financial companies	810,095	16.4
Social security funds	16,039	0.3
Interest organisations	3,536	0.1
Other Swedish legal entities	815,675	16.5
Non-categorised legal entities	5,508	0.1
Owners resident overseas	1,019,506	20.7
Swedish physical persons	2,262,158	45.9
Total	**4,932,517**	**100.0**

ProfilGruppen's total yield



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 2010, which is ProfilGruppen's thirtieth year of operation.

ProfilGruppen conducts operations in the form of a limited company (publ.) and has its registered office in Uppvidinge Municipality in 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 901.4 in 2010, an increase of 18 percent on the previous year. The delivery volume was 20,800 tons (17,400) of aluminium extrusions, an increase of 20 percent compared to the previous year. The share of exports amounted to 50 percent (45) of the volume, and 49 percent (45) of the revenue.

The Group's operating profit amounted to MSEK 29.2 (-10.5). Cost of arbitration during the year amounted to MSEK 3.7. The profit is equivalent to an operating margin of 3.2 percent (-1.4). The target is an operating margin of six percent over a business cycle. This year-on-year improvement is mainly attributable to increased delivery volumes. Last year's profit was burdened with redundancy costs of MSEK 3.5.

The profit before tax amounted to MSEK 21.9 (-17.8). The profit after tax amounted to MSEK 15.6 (-13.7).

Earnings per share totalled SEK 3.17 (-2.77). The average number of shares in thousands was 4,933 (4,933).

Investments and depreciation

Investments amounted to MSEK 7.8 (20.4). Total depreciation according to plan amounted during the year to MSEK 31.6 (32.2). During the year there was an impairment of property of MSEK 1.4 (0.0).

Financial position and cash flow

ProfilGruppen's net debt/equity ratio decreased during the year to 0.77 (0.98). The target is to keep the net debt/equity ratio within a range of 0.75 to 1.00. Return on capital employed amounted to 9.4 percent (-3.6). The profitability target for capital employed is set at 15 percent. The Group's profitability target refers to an average over a business cycle.

The equity ratio amounted to 30.7 percent (28.5) at the end of the year.

Cash and cash equivalents amounted to MSEK 43.2 (4.2) at the end of the year, while the Group's non-utilised credit facilities, in addition to cash and cash equivalents, totalled MSEK 62.0 (153.7).

The cash flow from current operations was MSEK 18.4 (28.4) and the corresponding figure after investments was MSEK 12.3 (7.9). A previously used financing solution for the majority of the Group's raw material purchases was replaced during the first quarter by ordinary operating credit, which added MSEK 18 to interest-bearing debts and affected cash flow negatively by the same amount.

The balance sheet total at 31 December 2010 amounted to MSEK 545.2 compared with MSEK 499.3 at 31 December 2009. This increase is mainly attributable to increased trade debtors and slightly higher stock levels.

Market

The market for aluminium extrusions in Europe has shown a general upturn during the year. This upturn has primarily been driven by the transportation segment.

Deliveries to the Swedish market increased by ten percent on the previous year. All segments are showing increased revenue for the year, with the exception of the construction industry, which after an initial decline recovered towards the end of the year and show unchanged revenues compared to 2009.

Revenue from export markets increased by 27 percent compared to the previous year. On the German market, the increase was close to 35 percent, largely due to a substantial increase in demand from customers in the general engineering industry segment. On the Norwegian, British and Polish markets, the company's revenue growth has been driven mainly by growth in the automotive industry.

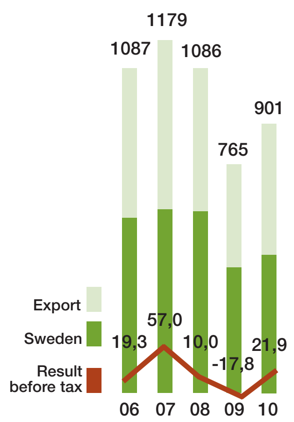
The most recent forecast from the European Aluminium association, EAA estimated that the market volume for aluminium extrusions had increased by 16 percent for the full year 2010 compared to 2009.

Manufacturing

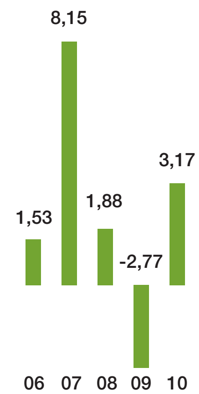
The cornerstone of ProfilGruppen's production is the extrusion of aluminiumprofiles at ProfilGruppen Extrusions AB. The company has three press lines for the manufacture of extrusions. Group production of aluminium extrusions totalled 20,900 tons (17,100) in 2010.

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.

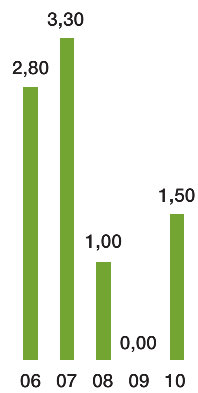
NET SALES AND PROFIT, MSEK



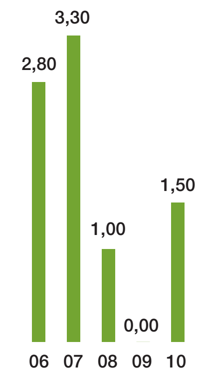
EARNINGS PER SHARE, SEK



DIVIDEND PER SHARE, SEK



INVESTMENTS, MSEK



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 to be recognised assets, but are recorded as cost of goods sold and selling expenses in the consolidated income statement, see note 7. 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 Scandinavian 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 manufacturing 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 the 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 report. The environmental policy can be viewed on our website at www.profilgruppen.com.

Risks

ProfilGruppen's activities, like all business activities, are exposed to risks, which are described in greater detail in note 20 and in the annual review.

Personnel

The average number of employees in the Group totalled 378 (376), of whom 58 (55) are employed by the processing companies ProfilGruppen Components AB and ProfilGruppen Manufacturing AB. Women make up 25 percent (25) of the Group's total workforce. Staff turnover during the year amounted to 1.9 percent (3.8).

Payroll expenses amounted to MSEK 148.3 (131.8).

Guidelines for remuneration of senior executives

A remuneration committee, appointed by the Board, prepares proposals for principles for remuneration of 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 2010 AGM remain essentially unchanged for 2011.
See note 5 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 audits or internal control are prepared by the Board's audit committee, while issues concerning remuneration are prepared by the remuneration committee. Prior to the 2011 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 and at www.profilgruppen.com.

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 percent are Ringvägen Venture AB's 14.7 percent, Lars Johansson's 14.4 percent, Prior & Nilsson Fond- och Kapitalförvaltning AB's 13.5 percent, and Mats and Kerstin Egeholm's 10.3 percent.

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 16.

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 2010 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 percent of the share capital and the votes in the company. This authority has yet to be invoked.

Outlook for 2011

The positive volume trend on the European extrusion market is expected to continue in 2011, although the rate of growth will be moderate compared with 2010.

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

The Board proposes a dividend for the 2010 financial year of SEK 1.50 (0.00) per share, corresponding to a total of SEK 7,398,776 (0). The remaining unappropriated earnings in ProfilGruppen AB (publ.) will be carried forward as detailed below.

Dividend to shareholders	SEK 7,398,776
To be carried forward	SEK 3,575,223
Total profits according to balance sheet	**SEK 10,973,999**

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 in Swedish published on ProfilGruppen's website on 10 March 2011.

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 the 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 31 March 2011.

FIVE-YEAR SUMMARY

		2006	2007	2008	2009	2010
Revenue	MSEK	1,086.9	1,179.4	1,086.1	764.3	901.4
Profit before depreciation, amortisation and impairment	MSEK	76.6	95.6	48.3	21.7	62.2
Operating profit	MSEK	44.2	63.3	16.5	-10.5	29.2
Operating margin	%	4.1	5.4	1.5	-1.4	3.2
Profit before tax	MSEK	19.3	57.0	10.0	-17.8	21.9
Profit margin	%	1.8	4.8	0.9	-2.3	2.4
Return on equity	%	4.4	25.1	5.9	-9.6	10.1
Return on capital employed	%	9.3	22.8	6.1	-3.6	9.4
Cash flow from current operations	MSEK	72.5	78.4	-4.6	28.4	18.4
Investments	MSEK	38.3	24.7	56.5	20.4	7.8
Liquidity reserves	MSEK	163.6	212.1	133.7	157.9	105.2
Net debt	MSEK	109.4	65.0	135.8	140.0	128.2
Interest-bearing liabilities and interest-bearing provisions	MSEK	138.2	103.6	142.4	144.1	171.3
Net debt/equity ratio	times	0.74	0.38	0.95	0.98	0.77
Balance sheet total	MSEK	606.3	615.9	563.6	499.3	545.2
Equity ratio	%	24.5	28.0	25.2	28.5	30.7
Capital turnover rate	times	3.5	4.2	3.9	2.7	2.9
Proportion of risk-bearing capital	%	33.1	36.9	32.5	37.2	39.2
Interest coverage ratio	times	3.0	9.0	2.4	-1.4	3.9
Employees						
Average number of employees		477	475	460	376	378
Number of positions at year-end		468	472	436	353	386
Staff turnover	%	3.3	5.7	3.7	3.8	1.9
Average age	years	41	43	42	43	44
Salary costs including social security contributions	MSEK	208.9	226.2	228.2	184.8	204.8
Net sales per employee (average)	SEK 000's	2,277	2,481	2,359	2,034	2,385
Profit before tax per employee (average)	SEK 000's	40	120	22	-47	58
Per share						
Average number of shares [1]	thousands	5,624	4,933	4,933	4,933	4,933
Earnings per share	SEK	1.53	8.15	1.88	-2.77	3.17
Cash flow per share	SEK	12.90	15.89	-0.93	5.76	3.74
Net asset value per share	SEK	30.09	34.92	28.85	28.86	33.92
Dividend per share [2]	SEK	2.80	3.60	1.00	0.00	1.50

[1] There is no dilution.
[2] For 2010 this refers to the dividend proposed by the Board.

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

Financial reports

Consolidated statement of comprehensive income

(MSEK)	Note	2010	2009
Revenue	2, 3	901.4	764.3
Cost of goods sold		-771.3	-688.3
Gross profit		**130.1**	**76.0**
Other operating income	4	0.3	0.2
Selling expenses		-50.8	-46.1
Administrative expenses		-50.4	-40.6
Operating profit	5, 6, 7	**29.2**	**-10.5**
Financial income	8	0.3	0.3
Financial expenses	8	-7.6	-7.6
Net financial income/expense		-7.3	-7.3
Profit before tax		**21.9**	**-17.8**
Tax 10	-6.3	4.1	
Profit/loss for the year		**15.6**	**-13.7**
Other comprehensive income			
Changes in cash flow hedges		9.8	18.2
Changes in translation reserve		-0.2	-0.1
Other		-0.3	0.6
Comprehensive income for the year		**24.9**	**5.0**
Earnings per share before and after dilution, SEK	17	**3.17**	**-2.77**

Consolidated statement of financial position

(MSEK)		Note	31-12-2010	31-12-2009
Assets	Intangible fixed assets	11	10.0	10.0
	Tangible fixed assets	12	244.5	271.3
	Other shares and participations	13	0.2	0.2
	Total fixed assets		**254.7**	**281.5**
	Inventories	14	100.6	84.0
	Trade debtors	15	120.0	98.6
	Prepaid expenses and accrued income		6.1	5.4
	Current tax assets		1.7	5.2
	Other receivables		18.9	20.4
	Cash and cash equivalents	23	43.2	4.2
	Total current assets		**290.5**	**217.8**
Total assets		3	**545.2**	**499.3**
Equity	Share capital		24.7	24.7
	Other paid-up capital		1.4	1.4
	Reserves		5.6	-4.0
	Profit brought forward, incl. profit/loss for the year		135.6	120.3
	Total equity	16	**167.3**	**142.3**
Liabilities	Long-term interest-bearing liabilities	18, 20	69.0	81.6
	Provisions for pensions	5	11.4	10.5
	Deferred tax liabilities	10	46.3	43.7
	Total long-term liabilities		**126.7**	**135.8**
	Current interest-bearing liabilities	18, 20	90.9	52.0
	Trade creditors		98.5	111.7
	Current tax liabilities		0.7	0.7
	Other liabilities		7.2	11.8
	Accrued expenses and deferred income	19	53.9	44.9
	Total current liabilities		**251.2**	**221.1**
	Total liabilities		**377.9**	**356.9**
Total equity and liabilities			**545.2**	**499.3**

For pledged assets and contingent liabilities, see note 21.

Consolidated statement of changes in equity

(MSEK)	Share capital	Other paid-up capital	Translation reserve	Hedging reserve	Profit brought forward incl. profit/loss for the year	Total equity
Equity 01-01-2009	**24.7**	**1.4**	**0.3**	**-22.4**	**138.3**	**142.3**
Profit/loss for the year					- 13.7	-13.7
Other comprehensive income			-0.1	18.2	0.6	18.7
Dividend SEK 1.00/share					-4.9	-4.9
Closing equity 31-12-2009	**24.7**	**1.4**	**0.2**	**-4.2**	**120.3**	**142.4**
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**

Consolidated statement of cash flows

(MSEK)	**Note**	**2010**	**2009**
Current operations	23		
Profit after financial items		21.9	-17.8
Adjustment for items not included in the cash flow		33.0	32.9
Paid income tax		-3.1	3.2
Cash flow from current operations prior to changes in working capital		**51.8**	**18.3**
Cash flow from changes in working capital			
Inventories [1]		-16.6	44.2
Operating receivables [1]		-13.3	4.6
Operating liabilities [2]		-3.5	-38.7
Cash flow from current operations		**18.4**	**28.4**
Investment activities			
Acquisition of tangible fixed assets		-6.9	-21.1
Sale of tangible fixed assets		0.8	0.6
Cash flow from investment activities		**-6.1**	**-20.5**
Financing activities			
Dividend to shareholders		0.0	-4.9
Loans raised [3]		41.3	0.8
Amortisation of loans		-10.8	-5.7
Amortisation of leasing liabilities		-2.1	-0.8
Cash flow from financing activities		**28.4**	**-10.6**
Cash flow for the year		**40.7**	**-2.7**
Cash and cash equivalents, opening balance		4.2	6.6
Translation differences in cash and cash equivalents		-1.7	0.3
Cash and cash equivalents, closing balance		**43.2**	**4.2**
Interest paid and dividends received			
Paid interest		-7.5	-6.6
Interest received		0.4	0.3
Dividend		0.0	0.0

[1] increase - / decrease +

[2] increase + / decrease -

[3] includes change in bank overdraft facility utilised

Parent company income statement[1)]

(MSEK)	Note	2010	2009
Revenue		28.3	24.7
Cost of goods sold		-4.9	-3.4
Gross profit		**23.4**	**21.3**
Administrative expenses		-16.8	-6.6
Operating profit	5, 6	**6.6**	**14.7**
Income from participations in subsidiaries	8	5.0	0.0
Interest income and similar profit/loss items	8	1.0	1.2
Interest expenses and similar profit/loss items	8	-4.8	-4.1
Profit after financial items		**7.8**	**11.8**
Appropriations	9	-1.5	-0.2
Profit before tax		**6.3**	**11.6**
Tax 10	-1.8	-3.1	
Profit/loss for the year		**4.5**	**8.5**

1) The parent company's income statement 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	31-12-2010	31-12-2009
Assets	Tangible fixed assets	12	94.5	98.8
	Financial fixed assets: Participations in Group companies	22	108.9	108.9
	Total fixed assets		**203.4**	**207.7**
	Receivables from Group companies		1.7	0.9
	Prepaid expenses and accrued income		0.1	0.1
	Current tax assets		1.2	3.2
	Total current receivables		3.0	4.2
	Cash and bank balances	23	0.4	0.4
	Total current assets		**3.4**	**4.6**
Total assets			**206.8**	**212.3**
Equity and liabilities				
	Restricted equity			
	Share capital		24.7	24.7
	Statutory reserves		1.3	1.3
	Non-restricted equity			
	Profit brought forward		6.4	-2.1
	Profit/loss for the year		4.5	8.5
	Total equity	16	**36.9**	**32.4**
	Untaxed reserves	9	**24.8**	**23.3**
	Provisions for taxes	10	**2.8**	**3.2**
	Long-term interest-bearing liabilities to credit institutions	18, 20	**35.3**	**44.7**
	Current liabilities			
	Interest-bearing liabilities to credit institutions	18, 20	17.3	17.5
	Non-interest-bearing liabilities			
	Trade creditors		0.7	0.1
	Liabilities to Group companies		80.1	86.6
	Other liabilities		1.5	1.4
	Accrued expenses and deferred income	19	7.4	3.1
	Current tax liabilities		0.0	0.0
	Total current liabilities		**107.0**	**108.7**
Total equity and liabilities			**206.8**	**212.3**
Pledged assets for liabilities to credit institutions		21		
	Property mortgages		78.6	78.6
	Shares in subsidiaries		101.2	101.2
Contingent liabilities				
	Guarantees for Group companies		37.8	38.8

Changes in the parent company's equity

(MSEK)	Restricted equity: Share capital	Restricted equity: Statutor reserve	Non-restricted equity	Total equity
Equity 01-01-2009	**24.7**	**1.3**	**11.0**	**37.0**
Group contribution received/made			-8.2	-8.2
Total changes in wealth recognised directly in equity, excl. transactions with owners	0.0	0.0	-8.2	-8.2
Profit/loss for the year			8.5	8.5
Total changes in wealth, excl. transactions with owners	0.0	0.0	0.3	0.3
Dividend			-4.9	-4.9
Closing equity 31-12-2009	**24.7**	**1.3**	**6.4**	**32.4**
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**
Proposed dividend for 2011			-7.4	-7.4

Parent company statement of cash flows

(MSEK)	Note	2010	2009
Current operations	23		
Profit after financial items		7.8	11.8
Adjustment for items not included in the cash flow		-0.1	3.3
Paid income tax		-0.4	-1.8
Cash flow from current operations prior to changes in working capital		**7.3**	**13.3**
Cash flow from changes in working capital			
Operating receivables [1]		-0.7	4.4
Operating liabilities [2]		3.5	-1.6
Cash flow from current operations		**10.1**	**16.1**
Investment activities			
Acquisition of tangible fixed assets		-0.4	-8.9
Cash flow from investment activities		**-0.4**	**-8.9**
Financing activities			
Dividend to shareholders		0.0	-4.9
Issuance of loans [3]		-0.2	2.7
Repayment of loans		-9.5	-5.0
Cash flow from financing activities		**-9.7**	**-7.2**
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		-3.6	-2.7
Interest received		0.0	0.0
Dividend		5.0	0.0

[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 1:3 Supplementary Accounting Regulations for Groups has also been applied.

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

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

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

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

Revised accounting principles

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

This year the Group has introduced the following standards, amendments and interpretations that entered into force in 2010 and which are approved by the EU and considered relevant to the Group.

- IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements. Since no acquisitions or transactions with minority shareholders have taken place during the year, the application of these standards has not affected the Group's accounting. However, they will affect accounting for any future acquisitions and divestments and transactions with owners without a controlling influence.
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement. The amendment has not affected the accounting.
- IFRIC 15 Agreements for the Construction of Real Estate has not had any effect on the Group's accounting.
- IFRIC 17 Distributions of Non-cash Assets to Owners. This interpretation has not affected the Group, as no decisions have been made on distributions of non-cash assets to owners.
- IFRIC 18 Transfers of Assets from Customers. No such transfers have taken place and thus the interpretation had no effect on the accounting.
- Improvements to IFRS standards. Many of the improvements made by the IASB will apply from 2010, but none of them has had any impact on the Group.

In 2010 the Group has not applied any standard, amendment or interpretation with the possibility for early adoption. The following standards and interpretations shall be applied for 2011 or later and their relevance to ProfilGruppen will be evaluated in 2011.

- IFRS 9 Financial instruments: Recognition and Measurement (not yet approved by the EU). Pending all elements of the standard being ready, the Group has not evaluated the effects.
- Amendment to IAS 24 Related Party Disclosures (approved by the EU on 19 July 2010). The Group's accounting will not be affected by these changes.
- Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (approved by the EU on 23 December 2009). Application of this standard is not expected to have any effect on the consolidated financial statements.
- Amendment to IFRIC 14 Prepayment of a Minimum Funding Requirement (approved by the EU on 19 July 2010). The amendment is deemed not to have any effect on the consolidated financial statements.
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (approved by the EU on 23 July 2010) is deemed not to have any effect on the financial statements.
- Amendments to IFRS 7 Financial Instruments: Disclosures (not yet approved by the EU). These changes may have an effect on additional disclosures in the consolidated financial statements.
- Improvements to IFRS (issued by the IASB in May 2010). These changes are not expected to affect the Group's accounting.

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. All 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 result 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 debtors

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, primarilly 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 payment will not be made, the possibilities of securing payment via credit insurance or from bankruptcy estates are also assessed. Following the best possible assessment, a provision is made corresponding to the receivable that is un risk of 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 11.

Exposure to foreign currency

Changes in exchange rates can have a relatively large impact on the Group's financial results. Note 20 contains more information on the Group's exposure to foreign currencies and the measures taken to reduce the risk of the exposure.

Pension commitments

The management has estimated an expected return on the plan assets in Norway to exceed the discount rate by 1.4 percentage points, since 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 2010 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 using acquisition method of accounting. This means that the acquisition of a subsidiary is regarded as a transaction where the Group indirectly acquires the subsidiary's assets and assumes responsibility for its liabilities and contingent liabilities. The cost to the Group is established through an acquisition analysis in connection with the acquisition. The analysis determines both the cost of the participations or business and the fair value on the acquisition date of acquired identifiable assets and assumed liabilities and contingent liabilities. The cost of shares in subsidiaries and the business comprises the fair values as of the date of transfer of assets, arisen or assumed liabilities and issued equity instruments that have been provided as remuneration in exchange for the acquired net assets and transaction costs that are directly attributable to the acquisition. In case of 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 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 prevailing exchange rate of 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 of 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 time 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 related 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 financial 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 debtors, financial investments and derivatives. Items regarded as liabilities and equity include trade creditors, loans and derivatives.

A financial asset or financial liability is recognised in the accounts when the company becomes party to the instrument's contractual terms. Trade debtors 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 creditors 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 divestment 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 divests 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 methods, for example, recently completed transactions, prices of similar instruments or discounted cash flows. For additional information, see note 20.

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 the following:

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 debtors

Trade debtors belong to the Loans and receivables category. Trade debtors are expected to have a short maturity, so the value is recognised without discounting. Trade debtors are recognised at the amount they are expected to accrue after deductions for unsecured receivables that have been assessed individually. Impairment of trade debtors is recognised in the operating expenses. Trade debtors 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 creditors

Trade creditors belong to the Other financial liabilities category. Trade creditors have a short expected maturity and are measured without discounting.

Derivatives and hedge securities

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 initial recognition derivatives are measured at fair value and value changes are recognised in the manner described below.

In order to meet the requirements for hedge accounting stated by 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 have been 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 security 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 reaches maturity, 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 recognised for the Group at cost after deductions for accumulated depreciation and any impairment losses.
The cost includes the purchase price and expenses directly attributable to getting the asset into place and up to a condition so it can be used in accordance with the purpose of the acquisition. Principles for impairment losses are descibed 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 divested or when no future economic benefits are expected from use or scrapping/divestment 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 financial leases or operational leases. For classification and recognition, see Leases on previous page.

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 lives is 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. Land is not depreciated, 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 aquired business 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 part, measured in accordance with the first-in, first-out principle, and a processing part 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 value is calculated. The valuation of assets that are exempt as per the above is tested as per the relevant standard. For goodwill, the recoverable value 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 is charged against 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 gains or losses 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 at the effective interestrate that was applicable when the asset was recognised for the first time. Assets with a short maturity are not discounted.
An impairment loss charged against 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 percent 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 the expected future cash flow at an interestrate 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 has arised 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 states that the parent company in the annual accounts for the legal entity must apply all IFRS and amendments approved by the EU, provided that this is possible within the framework of the Annual Accounts Act and with regard to the connection between accounting and taxation. The recommendation states the exemptions from and additions to IFRS that 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 statements.

Revised accounting principles

No changes affecting the parent company's accounting principles for 2010 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 benefit

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 recognises Group contributions and shareholders' contributions in accordance with the statement from the Swedish Financial Reporting Board, UFR 2. Shareholders' contributions are transferred directly to the equity of the recipient and recognised as assets in shares and participations by the donor, to the extent that impairment is not required. Group contributions are recognised according to economic significance. This means that Group contributions made for the purpose of minimising the Group's total tax are recognised directly in profit brought forward after deductions for its current tax effect.

Group contributions that can be equated to a dividend are recognised as a dividend. This means that a received Group contribution and its current tax effect are recognised in the income statement. Group contributions made and their current tax effect are recognised directly in profits brought forward.

Group contributions that are on a par with shareholders' contributions are recognised, with regard to current tax effect, by the recipient directly in profit brought forward. The donor recognises the Group contribution and its current tax effect as an investment in participations in Group companies, to the extent that impairment is not required.

2 REVENUE

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

Revenue by geographical market	2010	2009
Sweden	462.2	419.5
Other Nordic countries	116.2	104.8
Rest of Europe	322.1	237.3
Other	0.9	2.7
	901.4	**764.3**

3 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. 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 12 (for investments and depreciation) and note 23 (for cash flow effects).

Information on geographical markets

Sales are mainly made towards customers within Europe, where market conditions are fairly similar. Export sales are conducted through 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	2010	2009
Sweden	462.2	419.5
Germany	122.5	90.9
Other exports	316.7	253.9
	901.4	**764.3**

Assets	2010	2009
Sweden	537.2	489.0
Export	8.0	10.3
	545.2	**499.3**

Investments in fixed assets	2010	2009
Sweden	6.6	20.0
Export	1.2	0.4
	7.8	**20.4**

No customer accounted for more than ten percent of sales in 2010 (none).

4 OTHER OPERATING INCOME

Other operating income consists of revenue not derived from sale of goods, for example, the sale of fixed assets.

5 EMPLOYEES AND PERSONNEL COSTS

	2010		2009	
Average number of employees	Total	Men	Total	Men
The parent company	**1**	**1**	**1**	**1**
Group companies in Sweden				
ProfilGruppen Components AB	24	8	19	5
ProfilGruppen Extrusions AB	310	241	311	243
ProfilGruppen Manufacturing AB	34	26	36	27
	368	**275**	**366**	**275**
Group companies outside Sweden				
Denmark, sales company	2	2	3	3
Norway, sales company	3	2	2	1
United Kingdom, sales company	1	1	1	1
Germany, sales company	3	3	3	2
	9	**8**	**9**	**7**
Group, total	**378**	**284**	**376**	**283**

Gender distribution of the Board and management

The Board (including CEO) of ProfilGruppen AB (the parent company) is made up of 75 percent (75) men. The Group's management team (including CEO) is made up of 86 percent (86) men. The Group's other company boards and management teams are made up of 91 percent (80) men.

Absence due to sickness

During the year, the total proportion of absence due to sickness affecting the Swedish part of the Group has been 5.2 percent (6.2). No distinction has been drawn in the statistics. Instead, all absence due to sickness are reported regardless of length or reason. Absence due to sickness lasting 60 days or more account for 34 percent (43) of all absence due to sickness.

Absence due to sickness by age group and gender, percent

	2010	2009		2010	2009
	Total	Total		Total	Total
Up to 29 years	4.9	4.7			
30-49 years	3.8	5.5	Men	3.7	5.1
Over 50 years	7.9	8.0	Women	9.3	9.3
Total absences due to sickness	**5.2**	**6.2**		**5.2**	**6.2**

Salaries, other remuneration and payroll overheads

	2010		2009	
	Salaries and other remuneration	Payroll overheads (pension expenses)	Salaries and other remuneration	Payroll overheads (pension expenses)
The parent company	7.6	2.2 (1.0) [1]	3.2	1.8 (0.8) [1]
Group companies	140.7	54.3 (13.4)	128.6	52.4 (14.2)
Group, total	**148.3**	**56.5 (14.4)** [2]	**131.8**	**54.2 (15.0)** [2]

[1] Of which MSEK 1.0 (0.8) relates to the Board and CEO of the parent company.
[2] Of which MSEK 2.0 (2.3) relates to the Boards and CEOs of the Group's various companies.

Salaries and other remuneration, divided between Board, CEO and other employees	2010		2009	
	Board and CEO	Other employees	Board and CEO	Other employees
The parent company	**7.6**	**0.0**	**3.2**	**0.0**
Group companies in Sweden	**0.0**	**134.0**	**0.0**	**121.9**
Group companies outside Sweden				
Denmark, sales company	0.9	0.8	0.7	1.5
Norway, sales company	1.1	1.2	1.0	0.6
United Kingdom, sales company	0.5	0.0	0.5	0.1
Germany, sales company	0.0	2.2	0.0	2.3
	2.5	**4.2**	**2.2**	**4.5**
Group, total	**10.1**	**138.2**	**5.4**	**126.4**

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 2010, 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 2010 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 2.8 (2.6). Alecta's surplus can be distributed among policyholders and/or insured parties. At the end of 2010, Alecta's surplus in the form of the collective funding ratio amounted to 143 percent (141). 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.

	The Group		The parent company	
Cost for defined-contribution pensions recognised in the income statement	**2010**	**2009**	**2010**	**2009**
as cost of goods sold	4.9	5.1	0.0	0.0
as selling expenses	3.0	2.9	0.0	0.0
as administrative expenses	4.9	4.8	1.0	0.8
	12.8	**12.8**	**1.0**	**0.8**

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.

	The Group				
Wholly or partly funded obligations	**2010**	**2009**	**2008**	**2007**	**2006**
Obligation balance, 1 January	20.3	17.5	16.7	16.9	16.5
Cost for pensions earned during the year	1.0	1.5	0.3	0.2	0.2
Interest expense	0.7	0.8	0.8	0.7	0.7
Payments	-0.6	-0.5	-0.4	-0.2	-0.2
Actuarial gains/losses	1.4	0.3	0.5	-1.4	-0.1
Translation differences	-0.5	0.7	-0.4	0.5	-0.2
Obligation balance, 31 December	22.3	20.3	17.5	16.7	16.9
Plan assets balance, 1 January	7.2	6.3	6.7	6.9	6.9
Expected return on plan assets	0.3	0.3	0.4	0.4	0.4
Payments in	0.5	0.4	0.5	0.6	0.6
Actuarial gains/losses	-0.6	-0.6	-0.8	-1.7	-0.5
Translation differences	-0.5	0.8	-0.5	0.5	-0.5
Plan assets balance, 31 December	6.9	7.2	6.3	6.7	6.9
Unrecognised actuarial gains and losses	-4.0	-2.6	-2.2	-1.4	-1.7
Net debt recognised in the balance sheet with respect to defined-benefit pensions	**11.4**	**10.5**	**9.0**	**8.6**	**8.3**
Cost recognised in the income statement	1.5	2.1	1.0	0.8	1.1
of which selling expenses	1.0	1.6	0.5	0.4	0.6
of which financial expenses	0.5	0.5	0.5	0.4	0.5

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

	Sweden		Norway	
	2010	**2009**	**2010**	**2009**
Discount rate	3.9 %	3.9 %	3.2 %	4.5 %
Expected return on plan assets	0.0 %	0.0 %	4.6 %	5.6 %
Future salary increases	-	-	4.0 %	4.3 %
Future increases in pensions	2.0 %	2.0 %	3.8 %	1.3 %
Staff turnover	-	-	-	-
Expected remaining employment period	11.80 years	12.90 years	6.60 years	6.90 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 66 percent (73). Other assets are shares 15 percent (4), real estate 17 percent (17) and other 2 percent (6).

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 principles for remuneration for the Group's CEO and other senior executives. For 2010, the Group's senior executives including the CEO, a total of seven people, have agreements on variable remuneration in addition to a fixed salary. The variable remuneration, which can amount to a maximum of 25 percent of the fixed salary, is linked partly to the profit after financial items (max. 15 percent of the fixed salary) and partly to defined individual targets (max. 10 percent of the fixed salary). This corresponds to a maximum cost, excluding social security contributions, of MSEK 1.7 for 2010. Agreements on pension benefits are arranged individually and pension expenses can amount to a maximum of 35 percent of the fixed salary and variable remuneration. Upon termination of employment by the company, there is a two-year period of notice for the CEO, and usually a six-month period of notice for other senior executives.

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

		2010	**2009**
Eva Färnstrand	chairman of the board	295	265
	chairman, remuneration committee	50	50
	member, audit committee	25	25
Lars Johansson	deputy chairman 2009	-	160
	member, remuneration committee	-	25
Mats Egeholm	board member	130	-
	member, remuneration committee	25	-
Susanna Hilleskog	board member	130	130
	member, remuneration committee	25	25
Ulf Granstrand	board member	130	130
	member, audit committee	25	25
Kjell Svensson	board member	130	130
	chairman, audit committee	50	50
Employee representatives	total of four people	55	55
Total fees		**1,070**	**1,070**

The Board of Directors proposes that these principles in all essentials remain in effect in 2011 and that the Board be given a mandate to depart from the guidelines if there are special reasons in an individual case.

In 2010, the Chairman of the Board also received SEK 120,000 (0) as remuneration for recruitment services in addition to Board duties.

During the year, the CEO of ProfilGruppen AB has received SEK 2,274,000 (2,048,000) in fixed and variable remuneration, including benefits. Other senior executives, six people (six), have received SEK 5,689,000 (5,378,000) in fixed and variable remuneration including benefits.

During the year the cost of variable remuneration, excluding social security contributions, for the senior management team (seven people) amounted to a total of SEK 1,289,000 (394,000), of which SEK 426,000 (98,000) relates to the CEO. Remuneration for 2010 is to be paid in 2011 and the previous year's remuneration was paid during the year.

Pension benefits and pension agreements for senior executives

The CEO has a defined-contribution pension provision corresponding to 35 percent of total salary. The annual pension costs for the CEO amounted to SEK 770,000 (685,000), excluding special employer's contribution of SEK 187,000 (166,000). There are no agreements for early retirement.

Other senior executives, six people, are covered by the pension plan for salaried employees in Sweden (ITP). The annual pension costs for the management team, excluding the CEO, amounted to SEK 1,116,000 (1,144,000), excluding special employer's contribution of SEK 271,000 (277,000). 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 that have been described above as principles, a one-year period of notice applies in the event of the resignation of the CEO. The other senior executives are subject to a six-month period of notice upon resignation.

CEO Nils Arthur resigned on 31 December 2010, which means severance pay amounting to MSEK 4.1 has been allocated in 2010. This severance will be paid during 2011 and 2012.

There are no other agreements for severance pay.

6 AUDITORS' FEES AND EXPENSES

	The Group		The parent company	
	2010	**2009**	**2010**	**2009**
Ernst & Young AB				
Audit assignments	0.7	0.7	0.0	0.0
Other assignments	0.1	0.0	0.0	0.0
Other auditors				
Audit assignments	0.2	0.2	-	-

7 OPERATING EXPENSES DIVIDED BY TYPE OF COST

	The Group	
	2010	**2009**
Raw materials	385.9	339.5
Personnel costs	204.8	184.8
Depreciation/amortisation	31.6	32.2
Impairment of tangible and intangible fixed assets	1.4	0.0
Other operating expenses	248.8	218.5
	872.5	**775.0**

Exchange rate differences attributable to trade debtors have reduced revenue by MSEK 1.2 (reduced 14.2). Exchange rate differences attributable to trade creditors have reduced cost of goods sold by MSEK 2.4 (reduced 1.5).

Other operating expenses include leasing fees for the Group of MSEK 1.9 (1.2). The total sum of future non-redeemable leasing payments amounts to MSEK 1.3, of which MSEK 0.3 is due within one year. The remaining MSEK 1.0 falls due in one to five years. Leasing costs comprise operating lease contracts concerning IT equipment and trucks. The parent company is not a lessee.

The cost of developing products and the business amounts to MSEK 9.8 (9.6) 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.

8 FINANCIAL ITEMS

	The Group	
	2010	**2009**
Interest income	0.3	0.3
Financial income	**0.3**	**0.3**
Interest part of pension expenses for the year	0.5	0.5
Interest expenses, other	4.9	4.2
Other expenses	2.2	2.9
Financial expenses	**7.6**	**7.6**

	The parent company	
	2010	**2009**
Group contributions	5.0	0.0
Interest income, Group companies	1.0	1.2
Financial income	**6.0**	**1.2**
Interest expenses, Group companies	2.2	1.2
Interest expenses, other	2.5	2.9
Financial expenses	**4.8**	**4.1**

9 APPROPRIATIONS AND UNTAXED RESERVES

	Appropriations		Untaxed reserves	
The parent company	**2010**	**2009**	**2010**	**2009**
Accumulated depreciation in excess of plan				
buildings	0.0	0.0	0.2	0.2
equipment	-0.1	0.2	2.5	2.6
	-0.1	**0.2**	**2.7**	**2.8**
Tax allocation reserves				
Allocated/dissolved on assessment				
2005	-1.1	0.0	0.0	1.1
2006	0.0	0.0	5.8	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	2.7	0.0	2.7	0.0
	1.6	**0.0**	**22.1**	**20.5**
	1.5	**0.2**	**24.8**	**23.3**

10 TAXES

	The Group		The parent company	
Reported tax expense	**2010**	**2009**	**2010**	**2009**
Current tax	6.4	-0.1	2.2	2.9
Deferred tax related to temporary differences	-0.1	-4.0	-0.4	0.2
Total reported tax expense	**6.3**	**-4.1**	**1.8**	**3.1**

	The Group		The parent company	
Reconciliation effective tax, percent	**2010**	**2009**	**2010**	**2009**
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	1	2	2	1
Other non-deductible expenses and taxable income	1	1	0	0
Reported effective tax	**28**	**-23**	**28**	**27**

Change in reported deferred tax liability	**01-01-2010**	Recognised in profit/loss for the year	Recognised in comprehensive income	**31-12-2010**
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**

	01-01-2009	Recognised in profit/loss for the year	Recognised in comprehensive income	31-12-2009
The Group				
Tangible fixed assets	37.2	-2.9	0.0	34.3
Pension provisions	0.1	0.0	0.0	0.1
Tax allocation reserves	13.3	-2.5	0.0	10.8
Items recognised in hedging reserve	-8.1	0.0	6.6	-1.5
Other	-1.5	1.5	0.0	0.0
	41.0	**-3.9**	**6.6**	**43.7**
The parent company				
Tangible fixed assets	2.9	0.3	0.0	3.2
Other	0.0	0.0	0.0	0.0
	2.9	**0.3**	**0.0**	**3.2**

11 INTANGIBLE FIXED ASSETS

	The Group	
Goodwill	**2010**	**2009**
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. impairment losses		
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 percent (2.0). The present value of forecast cash flows has been calculated at a discount rate of 16.7 percent before tax (12.4), which corresponds to the estimated weighted average cost of capital for the Group. The impairment test has been subject to a sensitivity analysis, which revealed that probable changes in the calculation parameters do not give rise to a need for write-down.

12 TANGIBLE FIXED ASSETS

	The Group		The parent company	
Land and buildings	**2010**	**2009**	**2010**	**2009**
Accumulated cost				
At the start of the year	160.9	138.8	126.6	104.5
New acquisitions	0.0	3.7	0.0	3.7
Reclassifications	0.0	18.4	0.0	18.4
Disposals and scrapping	0.0	0.0	0.0	0.0
At the end of the year	**160.9**	**160.9**	**126.6**	**126.6**
Acc. depreciation according to plan				
At the start of the year	44.5	40.8	30.7	27.9
Sales and disposals	0.0	0.0	0.0	0.0
Depreciation for the year according to plan	3.8	3.7	3.0	2.8
Impairment losses for the year	1.4	0.0	1.4	0.0
At the end of the year	**49.7**	**44.5**	**35.1**	**30.7**
Carrying amount at end of year	**111.2**	**116.4**	**91.5**	**95.9**
of which buildings	103.9	108.8	84.8	88.9
land	3.1	3.1	2.6	2.6
land improvements	4.2	5.3	4.0	5.0
Rateable value, buildings	49.8	49.7	45.0	45.0
Rateable value, land	6.1	6.1	5.0	5.0
	55.9	**55.8**	**50.0**	**50.0**

During the year a write-down loss of MSEK 1.4 (0.0) for a piece of real estate was recorded. It is intended to adjust the property's book value to the market value.

	The Group		The parent company	
Machinery and equipment	**2010**	**2009**	**2010**	**2009**
Accumulated cost				
At the start of the year	441.4	412.4	4.4	4.2
New acquisitions	6.9	16.1	0.2	0.2
Reclassifications	0.1	15.4	0.0	0.0
Translation differences	-0.4	0.0	0.0	0.0
Disposals and scrapping	-6.3	-2.5	0.0	0.0
At the end of the year	**441.7**	**441.4**	**4.6**	**4.4**
Acc. depreciation according to plan				
At the start of the year	277.9	250.9	1.5	1.2
Disposals and scrapping	-5.0	-1.5	0.0	0.0
Translation differences	-0.2	0.0	0.0	0.0
Depreciation for the year according to plan	27.9	28.5	0.2	0.3
At the end of the year	**300.6**	**277.9**	**1.7**	**1.5**
Acc. impairment losses				
At the start of the year	11.6	11.6	0.0	0.0
Impairment losses for the year	0.0	0.0	0.0	0.0
At the end of the year	**11.6**	**11.6**	**0.0**	**0.0**
Carrying amount at end of year	**129.5**	**151.9**	**2.9**	**2.9**

There was no write-down of machinery and equipment during the year (none).

The Group possesses machinery held through finance lease contracts with a carrying amount of MSEK 7.1 (9.2).

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 130.2 (119.8).

	The Group		The parent company	
Construction in progress and advance payments for tangible fixed assets	**2010**	**2009**	**2010**	**2009**
At the start of the year	3.0	36.3	0.0	18.4
Reclassifications	-0.1	-33.8	0.0	-18.4
New acquisitions	0.9	0.5	0.1	0.0
Carrying amount at end of year	**3.8**	**3.0**	**0.1**	**0.0**
Total carrying amount, tangible fixed assets	**244.5**	**271.3**	**94.5**	**98.8**

Useful lives	The Group	The parent company
Land and buildings		
Industrial premises, depending on component	30-50 years	30-50 years
Office premises, depending on component	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	**2010**	**2009**	**2010**	**2009**
Cost of goods sold	30.9	31.3	3.2	3.1
Selling expenses	0.5	0.7	0.0	0.0
Administrative expenses	0.2	0.2	0.0	0.0
	31.6	**32.2**	**3.2**	**3.1**

13 OTHER SHARES AND PARTICIPATIONS

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

14 INVENTORIES

	The Group	
	2010	**2009**
Raw materials and consumables	39.7	27.2
Work in progress	48.4	46.5
Finished products and goods for resale	12.5	10.3
	100.6	**84.0**

Some of the inventory has been valued at net realisable value due to fixed contracts with the customer. This impairment represents less than one per-cent of the total inventory value.

15 TRADE DEBTORS

Trade debtors 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.

16 EQUITY

Specification of reserves	2010	2009
Translation reserve, opening balance	0.2	0.3
Translation differences for the year	-0.2	-0.1
Translation reserve, closing balance	0.0	0.2
Hedging reserve, opening balance	-4.2	-22.4
Cash flow hedges recognised in other comprehensive income	13.3	25.3
Change due to changed tax rate	0.0	-0.5
Tax attributable to hedges for the year	-3.5	-6.6
Hedging reserve, closing balance	5.6	-4.2
Total reserves	**5.6**	**-4.0**

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 is 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 recognised 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 sta-tements. 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 conver-tibles or options that involve the dilution of share capital.
However, the Board has the authority to decide on a new issue of series B shares in the event of acquisitions (see Directors' Report).

Dividend
After the closing day, the Board proposed a dividend for the 2010 financial year of SEK 1.50 per share, equivalent to MSEK 7.4. The average number of shares is 4,932,517. The dividend is subject to approval by the Annual General Meeting on 31 March 2011.

During the year no dividend was paid.

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 avail-able for dividends to shareholders.

17 EARNINGS PER SHARE

The calculation of earnings per share is based on the consolidated profit/loss for the year, attributable to the parent company's shareholders, amounting to MSEK 15.6 (-13.7) and a weighted average number of shares in 2010 amounting to 4,932,517 (4,932,517), which is calculated in accordance with IAS 33. There is no dilution.

18 INTEREST-BEARING LIABILITIES

	The Group			
	Long-term		Current	
Interest-bearing liabilities	**2010**	**2009**	**2010**	**2009**
Bank loans	63.1	74.0	0.0	0.0
Bank overdraft facilities	-	-	89.7	50.4
Finance lease liabilities	5.9	7.6	1.2	1.6
	69.0	**81.6**	**90.9**	**52.0**

The parent company's liabilities to credit institutions comprise bank loans, of which MSEK 17.3 (17.5) are bank overdraft facilities. Of the bank loans, MSEK 1.3 (1.8) 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 covenants that the company must meet, see note 20.

	The Group		The parent company	
Interest-bearing liabilities by currency	**2010**	**2009**	**2010**	**2009**
SEK	140.1	133.6	52.6	62.2
EUR	15.8	0.0	0.0	0.0
DKK	2.1	0.0	0.0	0.0
NOK	1.6	0.0	0.0	0.0
GBP	0.0	0.0	0.0	0.0
USD	0.3	0.0	0.0	0.0
	159.9	**133.6**	**52.6**	**62.2**

	The Group	
Finance lease liabilities, due dates	**2010**	**2009**
Within one year	1.2	1.6
Between one and five years	3.7	3.9
More than five years	2.2	3.7
	7.1	**9.2**

The Group's financial lease fees amounted to MSEK 1.2 (0.8) during the year.

19 PREPAID, ACCRUED AND DEFERRED EXPENSES AND INCOME

Prepaid expenses and accrued income	The Group		The parent company	
	2010	**2009**	**2010**	**2009**
Prepaid salaries	1.2	1.7	0.0	0.0
Other prepaid expenses	4.9	3.7	0.1	0.1
	6.1	**5.4**	**0.1**	**0.1**

Accrued expenses and deferred income	The Group		The parent company	
	2010	**2009**	**2010**	**2009**
Holiday pay and other personnel expenses	43.7	35.0	5.1	1.3
Accrued Board fees	0.7	0.8	0.7	0.8
Other	9.5	9.1	1.6	1.0
	53.9	**44.9**	**7.4**	**3.1**

20 FINANCIAL INSTRUMENTS

The Group's main financial liabilities comprise bank loans, bank overdraft facilities, trade creditors and finance leases. The purpose of these financial instruments is to finance the Group's activities. The Group has financial assets such as trade debtors 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 1.8 (-13.8), and the financial expenses line, MSEK 0.7 (0.8).

Receivables in a foreign currency amounted as of 31 December to MSEK 33.3 (25.5) and liabilities in a foreign currency to MSEK 44.1 (26.2). Of the liabilities in a foreign currency MSEK 19.8 (0) are interest-bearing, see note 18.

The transaction exposure below is based on an estimated payment surplus 12 months ahead from 31 December 2010 onward.

Currency	Estimated net inflow, MSEK	Hedged portion (percent)	Average forward rate
EUR	102	62	9.70 SEK/EUR
DKK	24	94	1.28 SEK/DKK
NOK	28	51	1.16 SEK/NOK
GBP	11	90	11.06 SEK/GBP
Total		**66**	

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 5
DKK	Change +/- 5 %	+/- MSEK 1
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 23 percent (36) of the long-term interest-bearing liabilities. In the 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 (percent)
1 Jan-30 Jun 2011	41.1	3.5
1 Jul-31 Dec 2011	27.9	2.6
2012	0.0	0.0
2013	0.0	-
2014-	0.0	-

Of the above, MSEK 35.2 of the parent company's interest-bearing liabilities has an average interest rate of 3.3 percent.

If the interest rate level in 2011 were to increase in relation to 2010 by one percentage point, the interest expenses for long-term liabilities would increase by MSEK 0.6.

Market risks

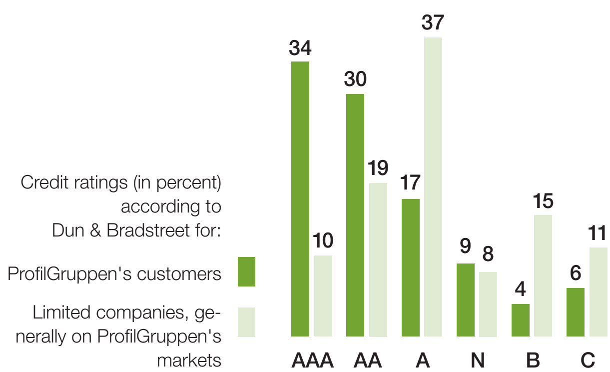
Market risks consist primarily of declining demand and changes in raw material prices. ProfilGruppen's production is characterised by a high proportion of fixed costs, meaning activities are highly volume-dependent. Small variations in demand thus have a relatively large impact on profit.

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 2010 amounts to MSEK 130.8 (119.0). The largest individual receivable amounts to 6 percent (6) of the total credit risk. The distribution of credit risk is shown in the following table.

Concentration of credit risk as of 31-12-2010	Number of customers	Percent of number of customers
Exposure < MSEK 1.5	362	95 %
Exposure MSEK 1.5-5.0	15	4 %
Exposure > MSEK 5	2	1 %
	379	**100 %**

Of the total trade debtors, 2.1 percent (3.9) are overdue receivables. 1.7 percent (3.4) have been outstanding for 30 days or less, while 0.4 percent (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 62.0 (153.7).

For due dates for interest-bearing liabilities, see note 18. The lender agreement contains key figures that the company must meet. In 2010, these were met every quarter.

Carrying amount and fair value of financial instruments

	The Group				
	Carrying amount		Fair value		
Class	**2010**	**2009**	**2010**	**2009**	Category
Shares and other participations	0.2	0.2	0.2	0.2	Loans and receivables
Trade debtors	120.0	98.6	120.0	98.6	Loans and receivables
Other receivables	18.9	20.4	18.9	20.4	Loans and receivables
of which forward contracts	8.9	0.0	8.9	0.0	Assets at fair value through profit or loss
Cash and cash equivalents	43.2	4.2	43.2	4.2	Available-for-sale financial assets
Interest-bearing liabilities	159.9	133.6	159.9	133.6	Other financial liabilities
Trade creditors	98.5	111.7	98.5	111.7	Other financial liabilities
Accrued expenses	53.9	0.0	53.9	0.0	Other financial liabilities
Other liabilities	7.2	11.8	7.2	11.8	Other financial liabilities
of which forward contracts	0.0	4.8	0.0	4.8	Liabilities at fair value through profit or loss
interest swaps	0.2	0.9	0.2	0.9	Liabilities at fair value through profit or loss

	The parent company				
	Carrying amount		Fair value		
Class	**2010**	**2009**	**2010**	**2009**	Category
Cash and cash equivalents	0.4	0.4	0.4	0.4	Available-for-sale financial assets
Interest-bearing liabilities	52.6	62.2	52.6	62.2	Other financial liabilities
Accrued expenses	7.4	0.0	7.4	0.0	Other financial liabilities
Other liabilities	1.5	1.4	1.5	1.4	Other financial liabilities

No reclassification between categories has taken place 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 0.77 (0.98).

	The Group	
	2010	**2009**
Interest-bearing liabilities	159.9	133.6
Interest-bearing provisions	11.4	10.5
Cash and cash equivalents	-43.2	-4.2
Total net debt	**128.1**	**139.9**
Equity	167.3	142.4
Reserves in equity	-5.6	4.0
Equity to administrate	161.7	146.4
Total capital to administrate	**289.8**	**286.3**
Net debt/equity ratio	**0.77**	**0.98**

21 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	The Group		The parent company	
	2010	**2009**	**2010**	**2009**
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 debtors	108.4	0.0	0.0	0.0
Shares in subsidiaries	202.8	194.1	101.2	101.2
Contingent liabilities				
Guarantees for Group companies	-	-	37.8	38.8
Guarantees for other companies	1.0	1.0	0.0	0.0
Guarantee commitments FPG/PRI	0.2	0.2	0.0	0.0

22 PARTICIPATIONS IN GROUP COMPANIES

Company	Corp. ID no.	Number of shares	Participation, percent	Carrying amount 2010	Carrying amount 2009
Subsidiaries					
Bergströms Utveckling AB	556568-6440	1,000	100	7.6	7.6
ProfilGruppen Extrusions AB	556206-5119	940,000	100	101.2	101.2
ProfilGruppen Manufacturing AB	556262-3990	1,000	100	0.1	0.1
				108.9	**108.9**
Second tier subsidiaries					
Subsidiaries 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.

No changes in ownership have occurred during the year. Four subsidiaries of ProfilGruppen Extrusions AB were merged during the year with their parent company.

Bergströms Utveckling AB is dormant.

23 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	**2010**	**2009**	**2010**	**2009**
Depreciation, amortisation and impairment of assets	33.0	32.2	4.6	3.1
Gain/loss from the sale of fixed assets	0.0	-0.2	0.0	0.0
Unrealised exchange rate differences	-1.1	-0.8	0.0	0.0
Provisions for pensions	0.9	1.2	0.0	0.0
Other profit/loss items not affecting liquidity	-10.5	0.5	-4.7	0.2
	22.3	32.9	-0.1	3.3
Investments in tangible fixed assets				
Capitalised in balance sheet	7.8	20.4	0.4	3.9
Acquired through finance leases	-0.4	-6.9	0.0	0.0
Unpaid	-0.9	-0.3	0.0	0.0
Investments from previous year, paid this year	0.4	7.9	0.0	5.0
	6.9	21.1	0.4	8.9
Translation differences in cash and cash equivalents				
Exchange rate gains (+)/losses (-) in opening cash and cash equivalents	0.3	0.6	0.0	0.0
Exchange rate gains (+)/losses (-) in change in cash and cash equivalents	-2.0	-0.3	0.0	0.0
	-1.7	0.3	0.0	0.0

24 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The parent company has related parties which have a controlling influence over its subsidiaries, see note 22. 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 percent of the votes in ProfilGruppen AB (not a Board member in 2009). The other Board members together control 0.7 percent (0.6) of the votes. One of the Board's deputies holds 0.7 percent (0.7) of the votes. Senior executives control a total of 0.5 percent (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 5.

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 2011

Eva Färnstrand
Chairman of the Board

Claes Seldeby
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

Audit Report

To the annual meeting of the shareholders of ProfilGruppen AB (publ) Coprp.ID 556277-8943

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of ProfilGruppen (publ) AB for the year 2010 (the financial year). The annual accounts and the consolidated accounts of the company are included in the printed Swedish version of this document on pages 22-43. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member 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 our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with the international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group´s financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the statements of comprehensive income and financial position for the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Växjö February 21, 2011

Kerstin Mouchard
Authorised Public Accountant
Ernst & Young AB

Åke Andersson
Authorised Public Accountant
Ernst & Young AB

Corporate Governance Report for ProfilGruppen 2010

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

Deviations from the Swedish Corporate Governance Code

No deviations have occurred during 2010.

Annual General Meeting 2010

ProfilGruppen's Annual General Meeting on 25 March 2010 was attended by shareholders representing 38.2 percent of the total number of votes in the company. The meeting was attended by the CEO and the Group's management, the company's auditors and the Board of Directors. The minutes from the meeting have been published on the company's website. Items dealt with included the re-election of Eva Färnstrand, Nils Arthur, Kjell Svensson, Ulf Granstrand and Susanna Hilleskog to the Board of Directors and the election of Mats Egeholm.

Annual General Meeting 2011

The Annual General Meeting will be held on 31 March 2011 at Folkets Hus in Åseda. Shareholders who wish to have matters considered at the meeting must have submitted their proposals to the nomination committee by 3 February 2011 at the latest. Proposals for the nomination committee are to be submitted by e-mail to valberedningen@profilgruppen.se or by post to: Valberedningen (Nomination Committee), ProfilGruppen AB, Box 36, SE-360 70 Åseda, Sweden.

Board of Directors

At ProfilGruppen the Board of Directors shall comprise at least three and not more than seven members, as well as a maximum of three deputies. At the 2010 Annual General Meeting it was decided that the number of members should be six, with no deputies. In addition, the Board comprises two members and two deputies appointed by the employees. There is an introduction to the Board on page 47.

Nomination Committee 2011

The nomination committee for the 2011 Annual General Meeting comprises

Representative	Shareholder	Share of votes
Lars Johansson	Lars Johansson	14.4%
Torgny Prior	Prior & Nilsson Fond och Kapitalförvaltning AB	13.2%
Gunnel Smedstad	Gunnel Smedstad	0.00%
Eva Färnstrand, Chairman of the Board at ProfilGruppen		

Lars Johansson is chairman of the nomination committee. For work ahead of the 2011 Annual General Meeting, fees totalling SEK 100,000 will be paid to the nomination committee, to be distributed within the group.

Since the nomination committee was elected, its members have held four minuted meetings. In addition, its members have also kept in regular contact.

The work of the Board of Directors

Following the election of its members, the Board of Directors holds an inaugural Board meeting. At this meeting, members are elected to the Board's committees and a formal work plan for the coming year is established. The Board's mandate to the CEO is formulated in a set of instructions for the CEO.

Remuneration for the Board

In accordance with decisions made at the AGM, the fee paid to Board members for the period until the next AGM amounts to a total of SEK 1,070,000 (1,070,000), including committee fees.

Board member	Role on Board	Board	Remuneration Committee	Audit Committee	Total
Eva Färnstrand	Chairman, appointed at AGM	295,000	50,000 *	25,000	370,000
Mats Egeholm	Board member, appointed at AGM	130,000	25,000		155,000
Ulf Granstrand	Board member, appointed at AGM	130,000		25,000	155,000
Susanna Hilleskog	Board member, appointed at AGM	130,000	25,000		155,000
Kjell Svensson	Board member, appointed at AGM	130,000		50,000 *	180,000
Nils Arthur	Board member, appointed at AGM	0			0
Peter Cederborg	Deputy member, appointed by employees	13,750			13,750
Kurt Nilsson	Board member, appointed by employees	13 750			13 750
Ulf Näslund	Board member, appointed by employees	13,750			13,750
Tage Johansson	Deputy member, appointed by employees	13,750			13,750
Total fees		**870,000**	**100,000**	**100,000**	**1,070,000**

** Committee chairman*

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

Since the 2010 Annual General Meeting, the Board has met on eight occasions. Attendance at these is shown in the table to the right. Key issues at these meetings are drawn from the formal work plan. The following items have been dealt with during the year:

March	inaugural meeting
April	interim report, first quarter and monitoring of investments, business intelligence and market conditions
June	strategy review
July	interim report, second quarter
August	extra meeting about recruiting a new CEO
September	customer visits, budgetary objectives and strategy review follow-up
October	interim report, third quarter and preliminary budget, evaluation of the work of the Board and management
February 2011	year-end report, accompanying press release, annual report and auditor's report

During the year efficiency improvement programmes have been a recurring theme, and the recruitment of a new CEO was one item that attracted considerable attention.

The company's CEO and CFO, who is also the Board's secretary, were present at these meetings. However, they were not present at the management evaluation meeting.

Members of the Board of Directors receive monthly reports from the management team on the company's current financial and operational development.

There is a procedure in place for an annual assessment of the Board's work, and while this year's review praised the Board's work it also revealed that there is room for improvement. The evaluation serves as a basis for an action plan for improvements and contributes to the work of the nomination committee in putting the Board together.

Remuneration Committee

Principles for remuneration for senior executives are determined by the AGM. The remuneration committee is responsible for preparing proposals for these principles and determining remuneration levels for the company management. Issues that concern the CEO's other employment conditions are prepared by the remuneration committee and decided by the Board. The conditions are reviewed annually. The committee also prepares matters concerning the supply of skills for the Board.

Salary for company management in 2010 consisted of one fixed element and one variable element. The amount of variable remuneration was linked to the Group's profit after financial items and defined personal targets. A ceiling for the variable remuneration was set at 25 percent of the fixed salary. More information on remuneration for the CEO and the rest of the management team can be found in note 5.

The committee comprised Eva Färnstrand, who is its chairman, Mats Egeholm and Susanna Hilleskog. Neither the CEO nor the HR Manager are members of the committee, but are invited to attend meetings when their presence is appropriate. All the meetings were minuted.

Audit Committee

The audit committee is responsible for preparing the Board's work on guaranteeing the quality of the company's financial reporting, liaising with the auditors, evaluating the audit, and ensuring that the company has a satisfactory system in place for internal control and related matters. During the year the committee held four meetings, three of which were attended by the auditors. The work of the external auditors has been evaluated and the committee has made a recommendation to the nomination committee ahead of the appointment of auditors at the 2011 Annual General Meeting. The audit committee during the year consisted of Kjell Svensson, who is its chairman, Ulf Granstrand and Eva Färnstrand. As representatives of the management the CEO, the CFO and the Head of Group Accounting have participated in the committee's meetings. All the meetings were minuted.

Board member attendance and number of meetings

Board	Board	Remuneration committee	Audit committee
Eva Färnstrand	8	3	4
Mats Egeholm	8	3	-
Susanna Hilleskog	8	3	-
Ulf Granstrand	8	-	4
Kjell Svensson	8	-	4
Nils Arthur	8	-	-
Ulf Näslund[1]	8	-	-
Kurt Nilsson[1]	8	-	-
Tage Johansson[2]	7	-	-
Peter Cederborg[2]	8	-	-
Total number of meetings since 2010 AGM	**8**	**3**	**4**

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

CEO and Group Management

ProfilGruppen's Group management comprises the CEO and six different function managers. Group management is responsible for planning, managing and following up on day-to-day operations. There is an introduction to the entire management team on page 48. The CEO runs the business in accordance with the framework established by the Board, which includes a set of work instructions. The CEO is responsible for keeping the Board informed on operations and for ensuring that the Board has the necessary data for decisions. A new CEO was appointed at the end of 2010. Nils Arthur resigned after nine years as the company's CEO and was succeeded by Claes Seldeby. Find out more about the new CEO on page 48. Nils Arthur also resigned from the company's Board.

Auditors

At the 2007 Annual General Meeting, Ernst & Young were elected as auditors for an initial period of four years. At the same time, Kerstin Mouchard, born 1952, was appointed chief auditor. Kerstin is an authorised public accountant and an auditor for Alfa Laval AB, Cardo AB and Strålfors AB, among other companies. Åke Andersson, born 1957, is also an auditor for the company. Åke is an authorised public accountant, performing audits on behalf of companies such as JLT Mobile Computers AB and Rottne Industri AB.

In order to examine the Board's management of the company and satisfy the Board's information requirements, the auditors have participated in four meetings of the Board and the audit committee since the 2010 Annual General Meeting. Other than the audit and consultancy assignments relating to accounting and tax issues, the auditors carry out no other assignments for ProfilGruppen. Information on remuneration for the auditors can be found in note 6.

The Board's report on internal control for 2010

The Board is responsible for the company having satisfactory internal control. Responsibility for maintaining an effective control environment and the ongoing work on internal control and risk management has been delegated to the Group's management team.

The five main activities included in ProfilGruppen's work on internal control are creation of a control environment, risk assessment, control activities, information and communication, and follow-up.

Control environment

An important element of the Board's work is creating a relevant and effective control environment. The Board's formal work plan and instructions for its committees and the company's CEO aim to ensure clear allocation of roles and division of responsibility, which promotes effective management of the operation's risks. The Board has also established a number of governing documents that are important for internal control. Examples of such documents are:

- Policies for granting credit, raw material purchases, financing, hedging, remuneration and information security.
- Group-wide accounting and reporting manual.
- Authorised signatory policies, including decision-making procedures for investments, which must be familiar to everyone concerned.
- Balanced scorecard containing both financial targets and operational objectives.

The responsibility structure requires the Board to evaluate the performance of the business and its results based on monthly reports from the management team, which follow up on economic outcomes and important key figures, for example.

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

Risk assessment

The company's CFO is responsible for annually assessing the risks in the financial reporting presented to the Board's audit committee.

The assessment and management of the most significant risks for ProfilGruppen are described in greater detail on pages 18-19.

Control activities

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

Information and communication

The governing documents are distributed via the intranet, internal meetings, etc.

There are guidelines for external communication which ensure that ProfilGruppen meets the stringent requirements concerning provision of accurate information to the financial markets.

Follow-up

The audit committee has the task of evaluating how the company's internal control system functions, as well as keeping up to date on important evaluations and assessments that provide the basis for the financial statements. The company's CFO is responsible for regular follow-up of the internal control and reports to the Board's audit committee. Many of the governing documents and systems used at ProfilGruppen are part of the company's overall quality system and compliance is observed by means of audits conducted by the internal quality department. Financial management and control are the responsibility of the Group's finance department.

At least once a year the audit committee meets with the external auditors to discuss the auditors' assessment of the company's internal control. The auditors report their findings to the audit committee through regular reviews and a year-end audit of the third quarter's interim report and the annual accounts.

Given how well the organisation of internal control works, the Board has determined that there is currently no need for a separate internal audit or review function.

Åseda, 16 February 2011
The Board of ProfilGruppen AB

Auditor's statement on the corporate governance report

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

Assignment and allocation of responsibility

We have audited the corporate governance report for 2010 in Swedish. The Board of Directors is responsible for the corporate governance report and for this being prepared in accordance with the Annual Accounts Act. Our responsibility is to express an opinion on the corporate governance report based on our audit.

Focus and scope of the audit

The audit has been conducted in accordance with the auditing standard RevU 16, The auditor's examination of the corporate governance report. This standard requires that we plan and perform the audit to obtain reasonable assurance that the corporate governance report is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the information included in the corporate governance report. We believe that our audit procedures provide a reasonable basis for our opinion set out below.

Statement

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

Åseda, 21 February 2011

Kerstin Mouchard
Authorised Public Accountant, Ernst & Young AB

Åke Andersson
Authorised Public Accountant, Ernst & Young AB

Board

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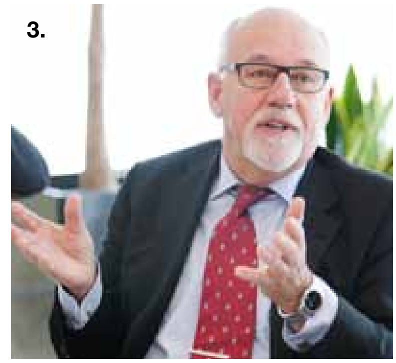
3.



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10.

1. Eva Färnstrand
Born 1951
Chairman
M.Sc.Eng
Former site manager of Södra Cell Mönsterås, CEO of Tidningstryckarna AB and senior posts within SCA
Board member since 2008
Other directorships: Director of Indutrade AB, Domsjö Fabriker AB and Sveaskog AB
Member of the Royal Swedish Academy of Engineering Sciences (IVA)
Shareholding in ProfilGruppen: 4,000

2. Kurt Nilsson[1]
Born 1956
Employed at ProfilGruppen since 1981
Employee representative
Board member since 2006
Shareholding in ProfilGruppen: 0

3. Mats Egeholm[2]
Born 1945
B.Sc.Econ.
Former CFO of ProfilGruppen (1980-2004)
Board member since 2010
Other directorships: Chairman of Veg Tech AB (publ). Director of Nelson Garden AB.
Other positions: CEO of Östers Support AB (publ)
Shareholding in ProfilGruppen: 507,722

4. Nils Arthur[1]
Born 1950
CEO of ProfilGruppen up to 31 December 2010
M.Sc.Eng
Board member since 2002, resigned from Board on 31 December 2010
Shareholding in ProfilGruppen: 25,800

5. Ulf Granstrand
Born 1947
M.Sc.Eng
Former deputy CEO of Alfa Laval AB
Board member since 2008
Other directorships: Chairman of Alfdex AB. Director of Exir AB.
Shareholding in ProfilGruppen: 1,500

6. Kjell Svensson
Born 1948
Structural engineer and market economist
Former CEO and President of Cardo AB (publ).
Board member since 2006
Other directorships: Director of Interlogic AB, Krucom AB and Indus AB
Shareholding in ProfilGruppen: 2,000

7. Susanna Hilleskog
Born 1963
B.Sc.Econ.
Responsible for the Nordic Division within Trelleborg Wheel Systems, a business unit within the Trelleborg Group
Board member since 2009
Other directorships: Director of Trelleborg Savsjo AB and of Svensk Däckåtervinning AB
Shareholding in ProfilGruppen: 500

8. Tage Johansson[1]
Born 1951
Employed at ProfilGruppen since 1981
Employee representative
Deputy since 2001
Shareholding in ProfilGruppen: 32,958

9. Peter Cederborg[1]
Born 1963
Employed at ProfilGruppen since 1990
Employee representative
Deputy since 2001
Shareholding in ProfilGruppen: 0

10. Ulf Näslund[1]
Born 1952
Employed at ProfilGruppen since 1990
Employee representative
Board member since 2006
Shareholding in ProfilGruppen: 0

1) According to the Swedish Corporate Governance Code, these Board members are to be regarded as dependent in relation to the company and its management.

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

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

Group Management

1. Roger Dahn
Production Manager
Born 1950
Employed since 1981
Shareholding
in ProfilGruppen: 0

2. Peter Pettersson
Vice President Marketing & Sales
Born 1964
Employed since 2007
Shareholding
in ProfilGruppen: 0

3. Claes Seldeby
President and CEO
(from 1 January 2011)
Born 1969
Employed since 2011
B.Sc.Econ and power engineer
Claes spent seven years with the Schneider Group in roles including Business Development Manager for the Nordic and Baltic countries, and was also CEO of Schneider Electric Sverige AB and Wibe AB.
Shareholding in ProfilGruppen: 2,000

4. Erik Hermansson
HR Manager
Born 1967
Employed since 2007
Shareholding
in ProfilGruppen: 0

5. Ulrika Svensson
Financial Manager
Born 1974
Employed since 2000
Shareholding
in ProfilGruppen: 0

6. Peter Schön
CFO
Born 1969
Employed since 2006
Shareholding
in ProfilGruppen: 1,300

7. Anders Månsson
Purchasing Manager
Born 1968
Employed since 2005
Shareholding
in ProfilGruppen: 0


1.


2.


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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

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

Financial calendar

2011 Annual General Meeting	31 March 2011
Interim report, first quarter	26 April 2011
Interim report, second quarter	19 July 2011
Interim report, third quarter	24 October 2011
Year-end report 2011	February 2012

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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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Profil Gruppen.

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

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