Annual General Meeting

6 April 2011

Exel Composites Plc
Vesa Korpimies, President and CEO
Outline

• Highlights 2010
• Financial statements 2010
• Market and position
• Targets and strategy
Highlights 2010 – improvements despite weak Q1

• Net sales increased with 4.1 per cent to MEUR 72.9 (70.0)
• Operating profit increased to MEUR 9.4 (8.0)*
• Operating profit margin improved to 12.9 (11.4) per cent**
• Net gearing improved to -4.3 (23.7) per cent
• Fully diluted EPS increased to EUR 0.57 (0.56)

*Operating profit from continuing operations MEUR +9.4 including MEUR +1.4 non-recurring items (MEUR +8.0 including net reversal of the restructuring provisions and other non-recurring items of MEUR +1.2)
**Operating profit without non-recurring items was 11.0 (9.7) per cent of net sales
Platform for growth was reinforced further

- We continued reinforcing our platform for growth in 2010
  - We took actions to strengthen our sales and technical sales team
  - Strong net cash position and balance sheet at year end
  - Successful implementation of Group-wide ERP system
  - Maintained our focus on cost efficiency and improving productivity

- We are reasonably satisfied with the overall performance 2010. However, improvement areas exist. We have taken measures in our Chinese and British units to improve efficiency, we expect a positive outcome by the end of 2011

- We are well-positioned to continue capitalizing on growth opportunities
Outline

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  • Financial statements 2010
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**Key figures improved in 2010 despite weak Q1**

<table>
<thead>
<tr>
<th>MEUR</th>
<th>2010</th>
<th>2009</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>72.9</td>
<td>70.0</td>
<td>+4 %</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>9.4</td>
<td>8.0</td>
<td>+18 %</td>
</tr>
<tr>
<td>Operating profit (%)**</td>
<td>12.9</td>
<td>11.4</td>
<td></td>
</tr>
<tr>
<td>Net operative cash flow</td>
<td>+12.0</td>
<td>+14.2</td>
<td></td>
</tr>
<tr>
<td>Return on capital employed (%)</td>
<td>21.8</td>
<td>20.9</td>
<td></td>
</tr>
<tr>
<td>Net gearing (%)</td>
<td>-4.3</td>
<td>23.7</td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>0.57</td>
<td>0.56</td>
<td>+2 %</td>
</tr>
</tbody>
</table>

*Operating profit from continuing operations MEUR +9.4 including MEUR +1.4 non-recurring items (MEUR +8.0 including net reversal of the restructuring provisions and other non-recurring items of MEUR +1.2)

**Operating profit without non-recurring items was 11.0 (9.7) per cent of net sales
Net sales picked up in Q3 and Q4

- Composite profile market very competitive
- Overcapacity in the market
- Strong demand in telecom and paper industry, electrical and machine industry and cleaning and maintenance markets
- Building and construction continued to suffer from poor demand
Profitability improved in all quarters except Q1

*Operating profit from continuing operations MEUR +3.1 including MEUR +0.9 non-recurring items (MEUR +2.4 including net reversal of the restructuring provisions of EUR +0.7 million) **Operating profit without non-recurring items was 11.7 (10.5) per cent of net sales
Positive cash flow continued throughout the year

Operative cash flow

<table>
<thead>
<tr>
<th>Quarter</th>
<th>MEUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/08</td>
<td>-0.2</td>
</tr>
<tr>
<td>Q2/08</td>
<td>0.5</td>
</tr>
<tr>
<td>Q3/08</td>
<td>4.5</td>
</tr>
<tr>
<td>Q4/08</td>
<td>6.2</td>
</tr>
<tr>
<td>Q1/09</td>
<td>3.0</td>
</tr>
<tr>
<td>Q2/09</td>
<td>3.2</td>
</tr>
<tr>
<td>Q3/09</td>
<td>2.4</td>
</tr>
<tr>
<td>Q4/09</td>
<td>5.6</td>
</tr>
<tr>
<td>Q1/10</td>
<td>0.8</td>
</tr>
<tr>
<td>Q2/10</td>
<td>3.3</td>
</tr>
<tr>
<td>Q3/10</td>
<td>2.8</td>
</tr>
<tr>
<td>Q4/10</td>
<td>5.1</td>
</tr>
</tbody>
</table>
We strengthened our financial position further.
Risk elements

- **Weakening demand**: General economic development, government regulations and a possible new financial crisis in the Euro area could have a negative effect on demand.

- **Raw material price increases**: Raw material prices and other cost increases may pressure profitability. The EC’s anti-dumping tariffs imposed on Chinese glass fiber could have also have a negative effect.

- **Internal efficiency**: We have taken measures in the Chinese and British units to improve efficiency, in case we are unsuccessful, this may have an effect on the result of the company.

- **Financing**: The availability and cost of financing may continue to have an effect on the demand and increase the risk of credit loss.
We have taken measures to reduce the impact of the anti-dumping tariff on Chinese glass fiber:

- The European Commission imposed an anti-dumping tariff of 43.6 per cent on imported Chinese glass fiber in September 2010. Final duty 13.8%
- Exel Composites’ actions to reduce the impact of the tariff
  - Increasing product prices
  - Employing alternative sourcing opportunities
  - Improving efficiency in Exel’s Nanjing unit in China
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50 years of growth and innovation

Net Sales Exel Composites

Acquisition of Pacific Composites
Acquisition of Faserprofil
Acquisition of Bekaert
Acquisition of Menzolit-Fibron

Founding year
IPO

Note: Until 2007 figures represent the Industry division and thereafter continuing operations
We are the global #1 composite profile provider

Market share 2008 (MUSD)

- Exel Composites: 11%
- Strongwell Corp.: 7%
- Werner Company: 6%
- Louisville: 3%
- Creative Pultrusions: 3%
- JAMCO: 3%
- Tricam Industries: 3%
- Bedford Reinforcement: 2%
- Glassforms Inc.: 2%

Others: 61%

Source: Lucintel; Growth Opportunities in the Pultrusion Market 2009-2014: Global Market Outlook
Our core technology: continuous processes

Principle drawing of Exel Composites pullwinding process

1. Reinforcements
2. Cross-winding units
3. Resin Injection Mould
4. Pulling Device
5. Cutting Device
Unique platform for numerous applications

Customer application know-how → Development co-operation creating the optimized solution

Exel Composites’ core competence and solution platform

Customer application specialists

Solution and Product

Exel experts in composite design

Fiber Technology

Chemistry know how

Process know-how

People and capabilities

Polyester

Pultrusion

People and capabilities

Glass Fibre

Vinylester

Pull-Winding

Other Fibres

Carbon Fibre

Epoxy

Co-Winding

New resins

Lamination

Exel

Composites
Exel Composites has a strong market position in selected niche segments

- Transportation
- Building and infrastructure
- Energy industry
- Telecommunication
- Paper industry
- Electrical industry
- Cleaning and maintenance
- Sport and leisure industry
- Machine industry
- General industries
Exel Composites has a history of profitable growth.

![Graph showing Exel Composites' sales (MEUR) and EBIT margin (%) from 1998 to 2010. Until 2007 figures represent the Industry division and thereafter continuing operations.]
We will continue our profitable growth strategy

• We are well-positioned to capitalize on the growth opportunities on the gradually recovering markets

• We are constantly looking for bolt-on acquisitions to strengthen our business portfolio and market position

• We will also continue to invest in the sales teams as well as to develop applications together with customers

• As an international company we support our Western customers also in China and in Asia
Exel Composites Group’s financial targets over a business cycle

- **Growth**: to exceed the market growth of the industry
- **Operating profit**: to exceed 10 per cent of net sales
- **Dividend policy**: at least 40 per cent of net income
Exel Composites Total Shareholder Return 2010 was 36% compared to HEX 20%
Forward-looking statements

Certain statements in this presentation, which are not historical facts, including, without limitation, those regarding expectations for general economic development and market situation; regarding customer industry profitability and investment willingness; regarding Company growth, development and profitability; regarding cost savings; regarding fluctuations in exchange rates and interest levels; regarding the success of pending and future acquisitions and restructurings; and statements preceded by "believes," "expects," "anticipates," "foresees" or similar expressions are forward-looking statements.

These statements are based on current expectations and currently known facts. Therefore, they involve risks and uncertainties that may cause actual results to differ materially from results currently expected by the Company.