Interim Report January-June 2009

Exel Composites Plc
Vesa Korpimies, President and CEO
April - June 2009 highlights

- Net sales of continuing operations MEUR 19.3 (22.4), down 14.1%
- Operating profit of continuing operations MEUR 2.4 (1.9), up 22.8%
- Net operative cash flow MEUR +3.2 (+0.5)
- Fully diluted earnings per share EUR 0.16 (-0.30)
January - June 2009 highlights

- Net sales of continuing operations MEUR 37.8 (43.4), down 12.8%
- Operating profit of continuing operations MEUR 4.4 (4.6)
- Fully diluted earnings per share EUR 0.30 (-0.31)
- Net operative cash flow MEUR +6.2 (+0.4)
- Net gearing continued to improve from 123.9% (year end 2008) to 63.5%
## Key figures

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Net sales, M€</td>
<td>19.3</td>
<td>22.4</td>
<td>37.8</td>
<td>84.9</td>
</tr>
<tr>
<td>Operating profit, M€</td>
<td>2.4</td>
<td>1.9</td>
<td>4.4</td>
<td>8.6</td>
</tr>
</tbody>
</table>

*as % of sales*

### Charts

#### Net sales

![Net sales chart](chart1.png)

#### Operating profit

![Operating profit chart](chart2.png)
Exel Composites’ consolidated financial performance April-June 2009

- Net sales of continued operations in April-June 2009 MEUR 19.3 (22.4)
  - Sales in almost all geographical markets and market segments decreased
- Sales to general industries, especially defense, improved due to new applications
- Sales within the transportation segment to train and tram customers on a good level
- Truck and trailer business has been hit hard
- Operating profit of continued operations in April-June 2009 MEUR 2.4 (1.9)
Exel Composites’ consolidated financial performance January -June 2009

• Net sales of continued operations in January-June 2009 MEUR 19.3 (22.4), down 12.8%
  • Especially the machine industry, sports and leisure, paper industry and telecommunication markets affected by the recession
• Sales relatively good in Europe compared to the situation on the Asian market, which suffered from tough competition especially in China
• Several new products developed during Q2 e.g. in energy industry and general industry applications
• Operating profit of continued operations in January-June 2009 MEUR 4.4 (4.6)
• The comprehensive rationalization program has restored profitability to satisfactory levels by reducing operational costs and streamlining the capital employed
Exel Composites’ consolidated financial performance January - June 2009

• The Group’s net financial expenses MEUR +0.2 (-0.5)
  – Lower interest rates
  – Lower debt
  – Favorable currency exchange rates, especially the Australian dollar

• The Group’s profit before taxes from continued operations MEUR 4.6 (4.1) and profit after taxes MEUR 3.4 (3.0)
Balance sheet, cash flow and financing
Positive cash flow

- Directed measures continued to reduce OWC
- Cash flow from business operations MEUR +6.2 (+0.4)
- Group’s liquid assets MEUR 9.6 (5.4) million
- Equity MEUR 22.0 (17.2)
- Equity ratio 35.9 (24.5)%
- Net gearing 63.5 (178.4)%
- Return on equity 37.5 (-36.1)%
- ROCE 20.7 (-15.7)%
- Equity per share EUR 1.85 (1.44)
Outlook

• The pultrusion market is affected by the worldwide business slow-down.
  • Weakened demand has been observed in several geographical markets and market segments

• Due to the volatile situation and poor visibility of the market development, the Group has implemented comprehensive cost and capital reduction programs to protect profitability, to manage cash flow and to reduce net debt.

• Furthermore, Exel has developed contingency plans to respond promptly to further market decline.

• Due to the market uncertainty and poor visibility Exel will not give any profit guidance.
## Major Shareholders (30 June 2009)

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Number of shares</th>
<th>Percentage of share capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordstjernan AB</td>
<td>3,496,506</td>
<td>29.39</td>
</tr>
<tr>
<td>Ilmarinen Mutual Pension Insurance Company</td>
<td>689,400</td>
<td>5.79</td>
</tr>
<tr>
<td>Veikko Laine Oy</td>
<td>618,896</td>
<td>5.20</td>
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<td>Berling Capital Oy</td>
<td>465,963</td>
<td>3.91</td>
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<tr>
<td>Fondita Nordic Micro Cap Inv. Fund</td>
<td>450,000</td>
<td>3.78</td>
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<tr>
<td>Ulkomarkkinat Oy</td>
<td>446,600</td>
<td>3.75</td>
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<tr>
<td>Varma Mutual Pension Insurance Company</td>
<td>363,600</td>
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<tr>
<td>Alfred Berg Finland Inv. Fund</td>
<td>345,264</td>
<td>2.90</td>
</tr>
<tr>
<td>Suutarinen Matti</td>
<td>294,400</td>
<td>2.47</td>
</tr>
<tr>
<td>OP-Suomi Small Cap Inv. Fund</td>
<td>251,085</td>
<td>2.11</td>
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13.1% (6.0%) of shares outstanding were traded in Q2 2009.

The highest share quotation was EUR 6.20 (12.20) and the lowest EUR 2.37 (6.87).

The share price closed at EUR 5.25 (7.30) and the market capitalization at the end of the review period was EUR 62.5 (86.8) million.