



Reinforcing your business

Annual General Meeting

31 March 2010

Exel Composites Plc
Vesa Korpimies, President and CEO



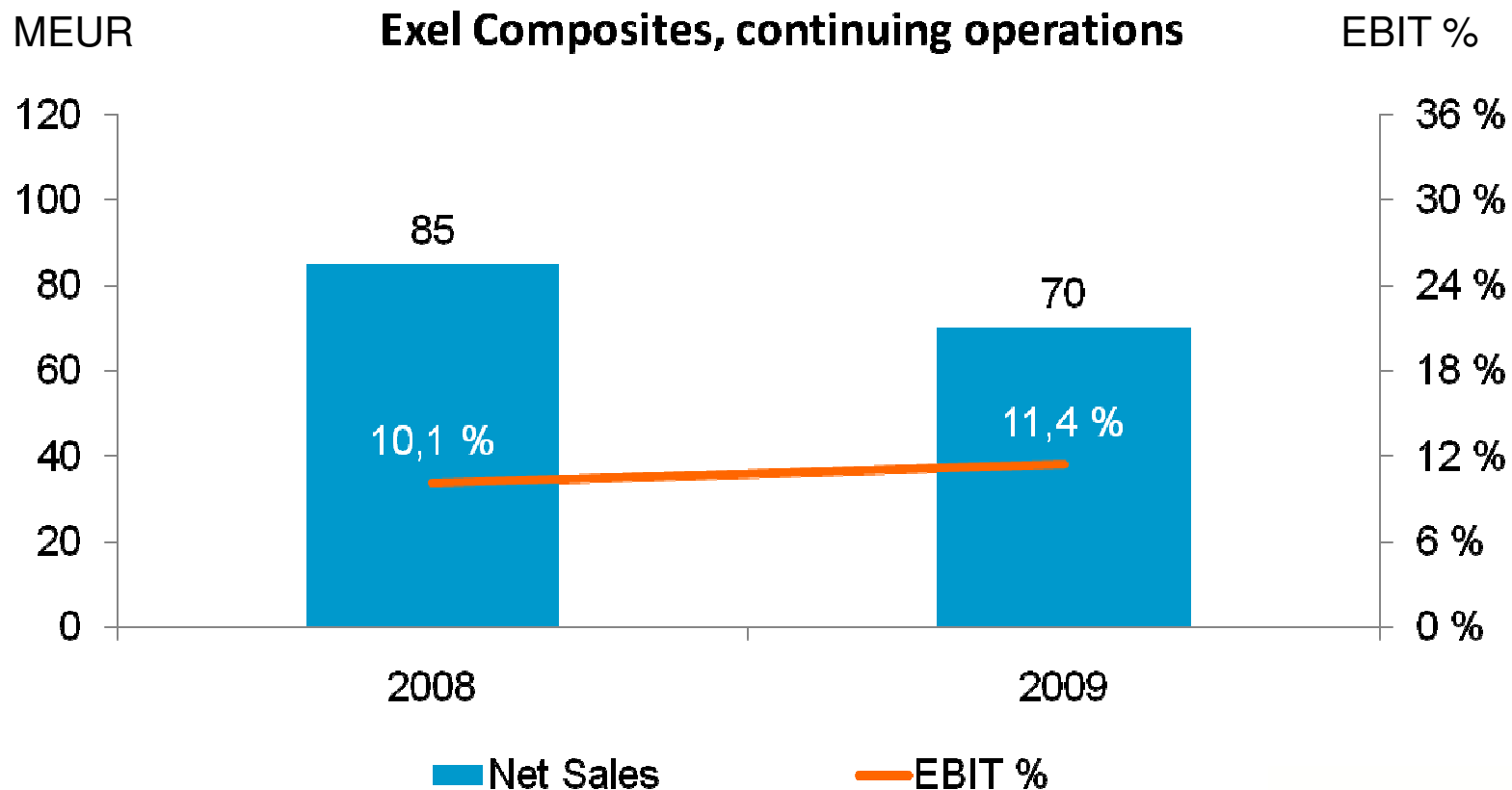
Agenda



- Restructuring and financial position the Group
- Markets and market position
- Targets and strategy



We were able to protect profitability during the financial crisis despite a decline in net sales



In response to the challenges we launched a comprehensive restructuring program

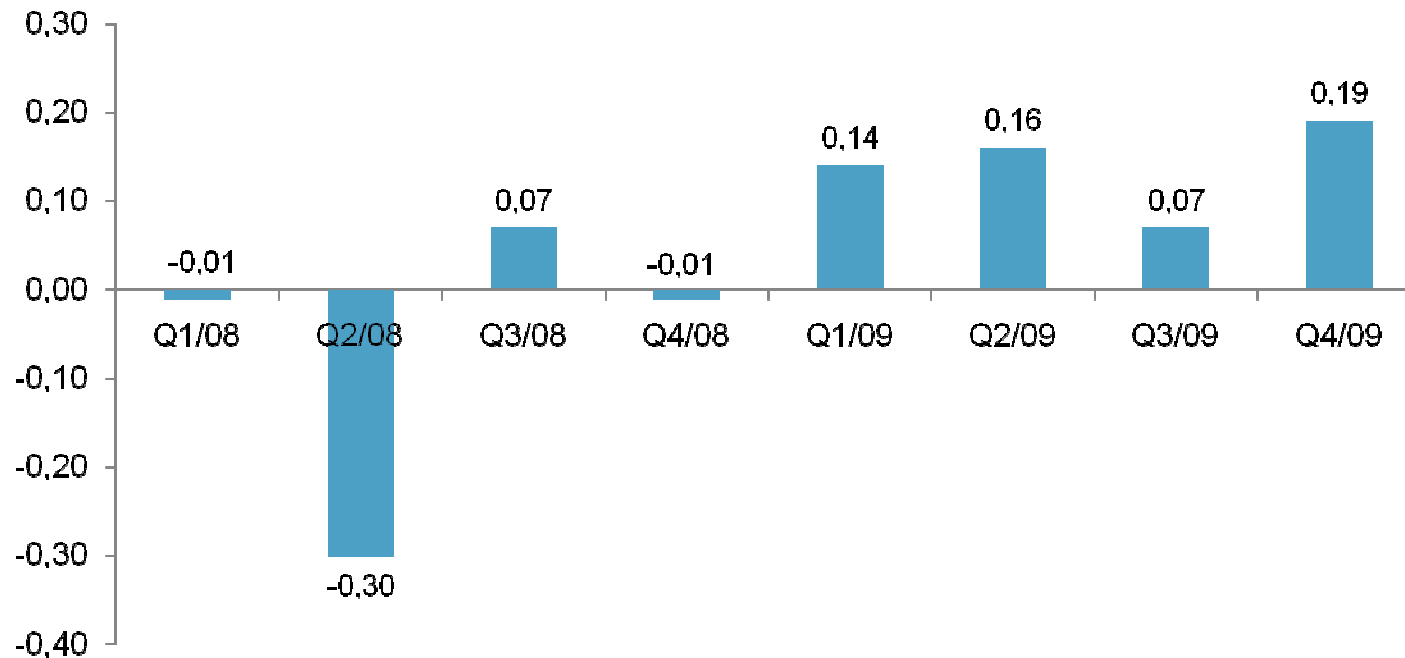
- First priority was to focus on profitability and cash flow management to reduce financial risk
 - Streamlined operations and reduced the cost base
 - Improved cash management and reduced operative working capital
 - Focus on sales
- Second priority was to focus on the core industrial activities and to divest loss-making Sports businesses

Exel Composites' EPS and financial position improved during a very challenging year

- Improved fully diluted EPS to EUR 0.56 (-0.25)
 - EPS from continuing operations improved to EUR 0.50 (0.34)
 - EPS from discontinued operations improved to EUR 0.06 (-0.59)
- Cash flow from operations MEUR +14.2 (+11.1)
- Improved net gearing ratio to 23.7 (123.9) %

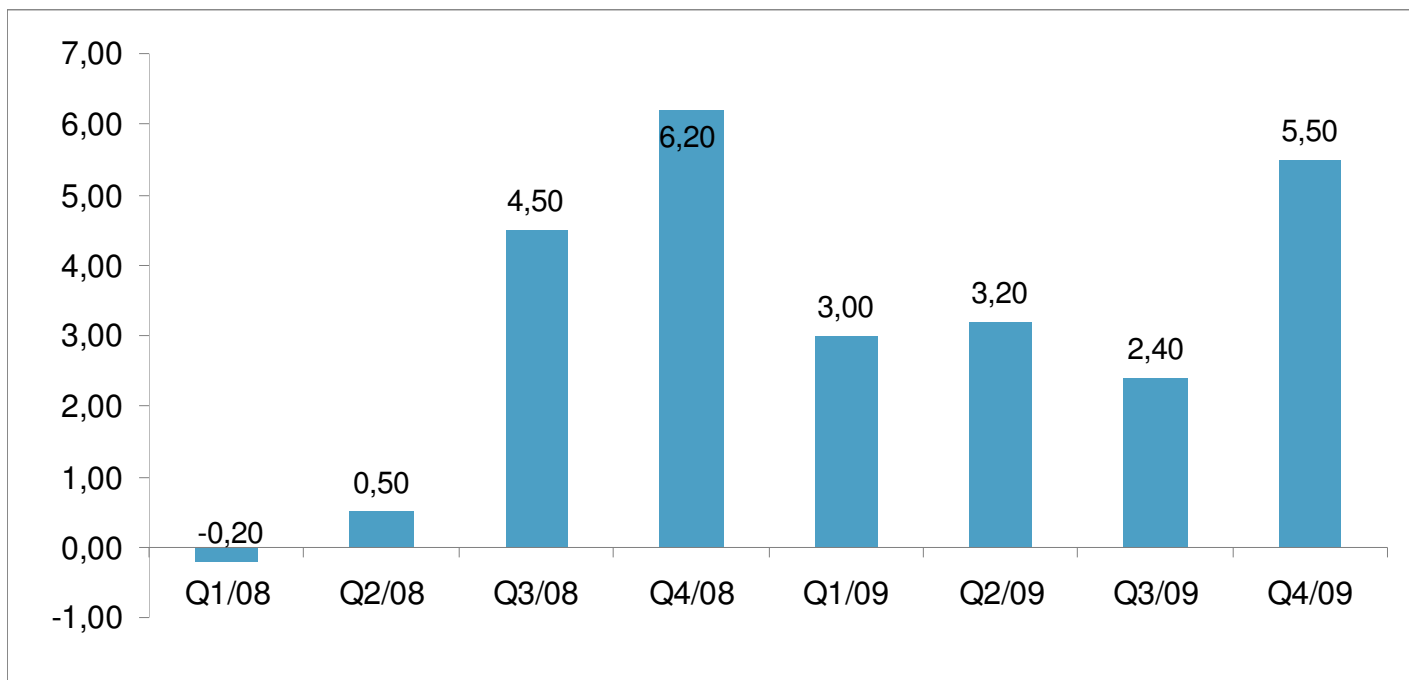
Group restructuring completed, fully diluted EPS improved, focus in future on profitable growth

Fully diluted EPS 2009 improved to EUR 0.56 (-0.25)

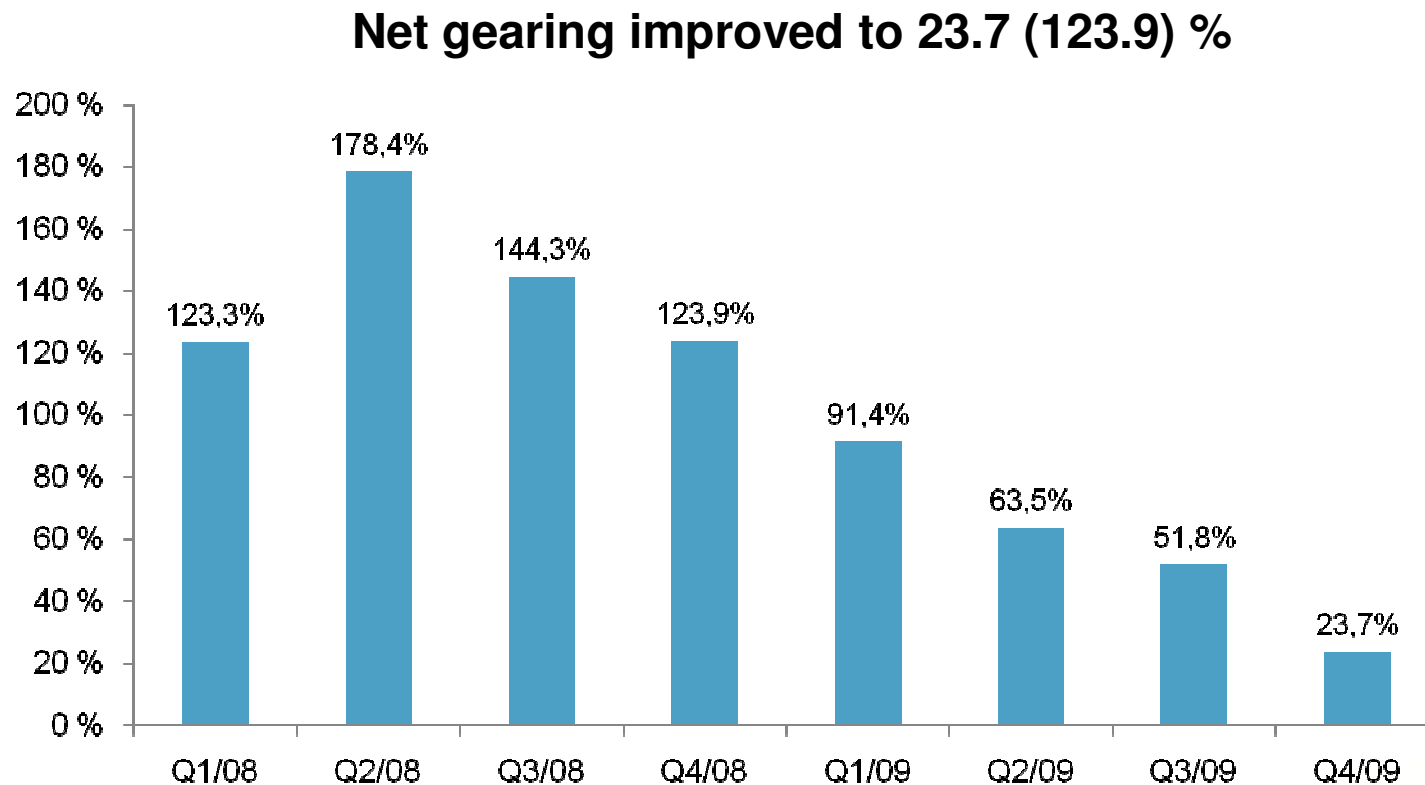


Comprehensive cost and capital reduction program improved the cash flow

Cash flow from business operations MEUR 14.2 (11.1)



The Group's financial position was strengthened, we paid back debt ~ MEUR 10



Staff numbers decreased due to the rationalization program

- On 31 December 2009 the number of Exel Composites Group employees was 419 (472) of whom 183 (208) persons in Finland and 236 (264) abroad
- The Group employed Changes in Group management:
 - Mr. Grant Pearce, MD of Exel Composites Australia and member of Exel Composites' Management Group, resigned at the beginning of October 2009
 - Mr. Lasse Orre appointed SVP Sales and member of Exel Composites' Management Group as of February 2010

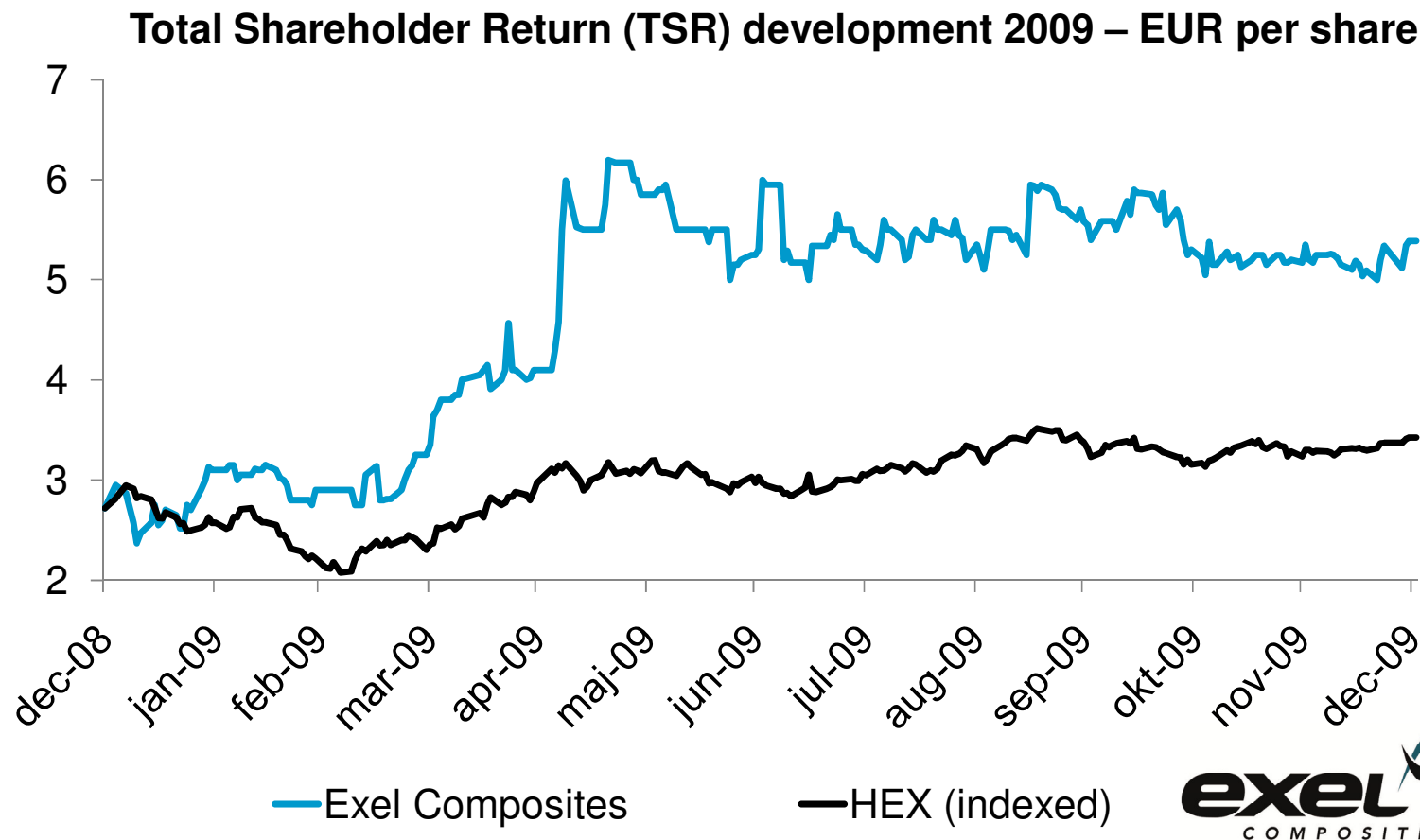
Consolidated key figures

	2009	2008
Net sales, continuing operations, MEUR	70.0	84.9
Operating profit, continuing operations, MEUR	8.0	8.6
% of net sales	11.4	10.1
Profit for the period, continuing operations, MEUR	5.9	4.0
ROCE, %	20.9	0.0
Net gearing, %	23.7	123.9
Solvency ratio, %	44.6	28.2
EPS, EUR	0.56	-0.25
Equity/share, EUR	2.15	1.40

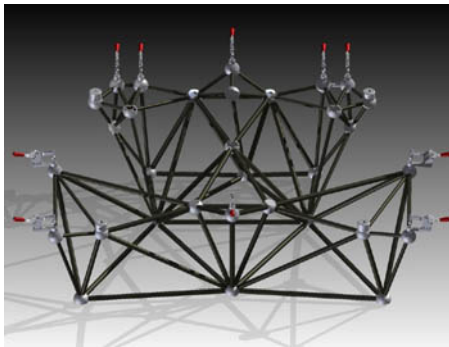
Year 2009 in brief

- We completed Group restructuring and focused on core industrial activities
- Successful turnaround accomplished despite a very challenging year
- Small signs of recovery could be seen during the year:
 - New applications in the building, construction and infrastructure market
 - New energy regulations offered opportunities e.g. in window profiles
 - New long-term agreements signed the electrical industry
 - Exel's approach masts approved for use in North America
 - Sales to general industries improved

Exel Composites Total Shareholder Return 2009 was 98 % compared to HEX 26 %



Agenda



- Restructuring and financial position of the Group

- Markets and market position



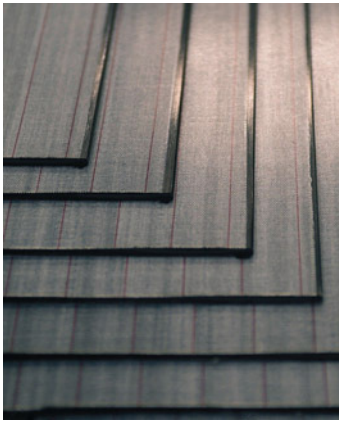
- Targets and strategy

Exel Composites is a leading company in composite profile business

- Pultrusion/Composite profile market ~ EUR 1 billion (source: E-Composites)
- The industry is fragmented with 300-400 pultrusion companies in the world



Exel Composites provides tailored solutions to its customers



- ✓ Light weight
- ✓ High strength and stiffness and weight/density ratio
- ✓ Good chemical resistance
- ✓ Corrosion free
- ✓ Excellent fatigue properties
- ✓ Thermal insulator

High-speed textile machines, machine parts, transportation equipment

Bridge concrete reinforcements, light structure applications

Waste water treatment, chemical industry

Chemical industry, off shore applications

Wind turbine blade reinforcements

Refrigerated vehicles, windows and doors

Exel Composites has a strong market share in selected niche markets

- Transportation
- Building/infrastructure
- Energy industry
- Telecommunication
- Paper industry



Over 1,000 glass and carbon fiber profile applications

- Electrical industry
- Cleaning and maintenance
- Sport and leisure industry
- Machine industry
- General industries



Exel Composites is the only composite profile manufacturer able to offer genuinely international services to its customers



Agenda



- Restructuring and financial position of the Group
- Markets and market position
- Targets and strategy



Exel Composites is well positioned for future growth

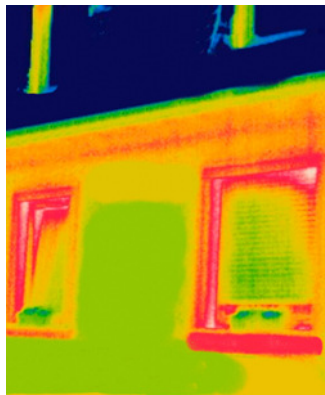
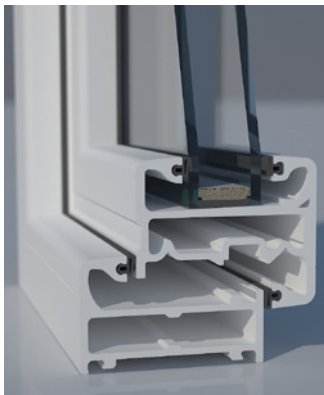
- Exel Composites is today a group focusing on key industrial activities with less operational and financial risks than in 2008
 - Competitive in costs and innovative in product development
 - Reinforced sales organization
 - Strong balance sheet to capture opportunities
- The market conditions remain challenging in 2010, but Exel Composites' long-term prospects are favorable

Our short-term priorities are to further increase sales focus and to improve productivity

- In 2010 our priorities are sales and developing new applications with our customers
- We continue to improve productivity and cost efficiency
- Idle capacity utilization allows us to grow without major investments
- Risk management is still an essential part of the business

Many growing markets/opportunities, traditional materials are constantly being replaced by composites

- Growth opportunities in many segments:
 - Window and Door Profiles
 - Energy Industry
 - Machine Industry
 - Water Treatment



exel
COMPOSITES

Exel Composites continues its strategy of profitable growth and pursuing international leadership in the pultrusion industry

- Our target is to be the leading provider in selected niche market segments characterized by attractive growth and profitability attributes
- Exel Composites focuses on designing, manufacturing and marketing demanding, customer-tailored products for industrial OEM customers
- Focus on continuous production technologies
 - Pultrusion
 - Pullwinding
 - Continuous lamination
- Acquisitions are a part of our strategy

Exel Composites has been one of the few consolidators in the industry, we keep a close look on the market

Acquisitions in the pultrusion business

- **2001:** Acquisition of Menzolit-Fibron, Germany
- **2004:** Acquisition of Bekaert, Belgium
- **2005:** Acquisition of Faserprofil, Austria
- **2006:** Acquisition of Pacific Composites, Australia, UK, China



Exel Composites' long-term financial targets over a business cycle

- **Growth:** the objective is that Exel Composites Group's average organic growth annually exceeds market growth of the industry. Growth achieved through acquisitions is part of Exel's strategy.
- **Operating profit:** Exel Composites' operating profit to exceed 10 per cent of net sales.
- **Dividend policy:** Exel Composites aims to distribute 40 per cent of net income in dividends, as permitted by the financial structure and growth opportunities.

Exel Composites 1960-2010

