

EXEL COMPOSITES PLC'S INTERIM REPORT FOR 1 JANUARY - 30 SEPTEMBER 2011

July - September 2011 highlights

- Net sales increased to EUR 20.5 (18.7) million, up by 9.5 per cent on the previous year
- Operating profit was EUR 2.6 (2.7) million, representing 12.5 (14.3) per cent of net sales
- Net operative cash flow was positive at EUR +2.5 (+2.8) million
- Fully diluted earnings per share were EUR 0.15 (0.16)

January - September 2011 highlights

- Net sales increased to EUR 65.4 (53.5) million in the first nine months of 2011, up by 22.1 per cent on the corresponding period in 2010
- Operating profit was EUR 9.3 (6.3) million representing 14.3 (11.8) per cent of net sales
- Net operative cash flow was positive at EUR +6.5 (+6.9) million
- Fully diluted earnings per share were EUR 0.56 (0.38)

Outlook for 2011

Demand in the pultrusion industry has improved gradually in 2011, though there are recent signs of a business slowdown. We believe that Exel Composites is well positioned to take advantage of the growth opportunities in the future. As a result of improved profitability, good cash flow generation and reduced debt level we believe in Exel Composites' long-term performance. Exel Composites recorded a strong first nine months of 2011, but maintains its cautious stance for the rest of the year 2011, since market uncertainties persist.

Vesa Korpiemies, President and CEO:

"Growth continued in the third quarter of 2011. The Group's net sales for the third quarter of 2011 increased by 9.5 per cent to EUR 20.5 (18.7) million compared to the corresponding period in 2010. Strong market demand continued in the telecommunications and machine industry also during the third quarter of 2011. Building and infrastructure sales were supported by a recovery in airport products from the previous year's low levels as well as a positive trend in windows and doors driven by consistent sales efforts. Further support to quarterly sales was provided by the electrical industry following recovered demand most notably in the electrical machine industry and other electrical applications.

The operating profit percentage decreased in the third quarter of 2011. The increased raw material costs started to have an adverse effect on the margins. We shall continue price increases to offset the negative impact. Personnel costs increased as we continued to invest more resources in sales and customer-oriented product development. We will continue to strengthen the organization to ensure future growth. We also had less one-off items from Sports licensing in the other operating income this year.

The measures taken in the Chinese and British units to improve efficiency continued to show positive results. The turnaround projects will continue throughout 2011.

Exel Composites will continue its strategy of profitable growth and we have a strong focus on driving sales to current and new customers. However, we are prepared to take prompt actions to address the risk of a business slowdown.”

CONSOLIDATED KEY FIGURES, EUR million  
(unaudited)

|                                  | 1.7.-<br>30.9.<br>2011 | 1.7.-<br>30.9.<br>2010 | Change<br>% | 1.1.-<br>30.9.<br>2011 | 1.1.-<br>30.9.<br>2010 | Change<br>% | 1.1.-<br>31.12.<br>2010 |
|----------------------------------|------------------------|------------------------|-------------|------------------------|------------------------|-------------|-------------------------|
| Net sales                        | 20.5                   | 18.7                   | 9.5         | 65.4                   | 53.5                   | 22.1        | 72.9                    |
| Operating profit                 | 2.6                    | 2.7                    | -4.4        | 9.3                    | 6.3                    | 47.7        | 9.4                     |
| % of net sales                   | 12.5                   | 14.3                   |             | 14.3                   | 11.8                   |             | 12.9                    |
| Profit for the period            | 1.8                    | 1.9                    | -5.1        | 6.7                    | 4.5                    | 49.2        | 6.8                     |
| Shareholders' equity             | 32.5                   | 29.3                   | 10.9        | 32.5                   | 29.3                   | 10.9        | 32.5                    |
| Net interest-bearing liabilities | 0.2                    | 3.1                    | -93.4       | 0.2                    | 3.1                    | -93.4       | -1.4                    |
| Capital employed                 | 41.3                   | 42.8                   | -3.5        | 41.3                   | 42.8                   | -3.5        | 42.7                    |
| Return on equity, %              | 22.4                   | 26.2                   |             | 27.4                   | 21.8                   |             | 23.3                    |
| Return on capital employed, %    | 25.0                   | 25.3                   |             | 29.8                   | 20.1                   |             | 21.8                    |
| Equity ratio, %                  | 56.5                   | 50.0                   |             | 56.5                   | 50.0                   |             | 57.4                    |
| Net gearing, %                   | 0.6                    | 10.4                   |             | 0.6                    | 10.4                   |             | -4.3                    |
| Earnings per share, EUR          | 0.15                   | 0.16                   |             | 0.56                   | 0.38                   |             | 0.57                    |
| Earnings per share, diluted, EUR | 0.15                   | 0.16                   |             | 0.56                   | 0.38                   |             | 0.57                    |
| Equity per share, EUR            | 2.74                   | 2.47                   |             | 2.74                   | 2.47                   |             | 2.73                    |

IFRS REPORTING

This interim report has been prepared in accordance with the recognition and measurement principles of IFRS, which are the same as in the 2010 financial statements.

FINANCIAL PERFORMANCE

1 July - 30 September 2011

The Group's net sales in July - September 2011 increased on the corresponding period last year and were EUR 20.5 (18.7) million.

Market conditions have continued to improve. Strong market demand continued in the telecommunications and machine industry also during the third quarter of 2011. Building and infrastructure sales were supported by a recovery in airport products from the previous year's low levels as well as a positive trend in windows and doors driven by consistent sales efforts. Further support to quarterly sales was provided by the electrical industry following recovered demand most notably in the electrical machine industry and other electrical applications.

Exel Composites' operating profit for the third quarter of 2011 was EUR 2.6 (2.7) million, or 12.5 (14.3) per cent of net sales. The increased raw material costs started to have an adverse effect on the margins. Exel Composites took measures to mitigate the effects, and passed part of the rising costs to the market by increasing product prices. Personnel costs increased as we continued to invest more resources in sales and customer-oriented product development. We will continue to strengthen the organization to ensure future growth. In the third quarter 2010 other operating income included one-off licensing income of EUR 0.4 million. In 2011 other operating income included EUR 0.1 million of one-off items.

Exel Composites' Nanjing unit in China achieved ISO 14001 Environmental Management status in September 2011. The Group's Finnish units were granted ISO 14001 environmental certificate earlier. The target is to have all the units of the Group certified.

The measures taken in the Chinese and British units to improve efficiency initiated in the last quarter of 2010 continued to show positive results. The turnaround projects will continue throughout 2011.

Exel Composites entered into trademark license agreement with E-Sports Group in relation to Exel's pole products on 1 August 2011.

1 January - 30 September 2011

The Group's net sales in January - September 2011 increased by 22.1 per cent to EUR 65.4 (53.5) million compared to the corresponding period in 2010.

Market conditions have continued to improve. In the first nine months of 2011 demand has increased especially in the machine industry and the telecommunication market segment. The number of new moulds reached record numbers in 2011. New products have been numerous especially in the machine industry.

Raw material costs have continued to increase. Exel Composites has taken action to mitigate the effects and part of the increase has been transferred into product prices.

The European Commission raised a new anti-dumping investigation on imported Chinese glass fiber raw materials in August 2011. Exel Composites has increased product prices, employed alternative sourcing opportunities and increased production in its Chinese operations in Nanjing to reduce the impact of the earlier anti-dumping tariff.

A decision to invest in five new production lines using advanced pultrusion technology to secure future growth was made in the second quarter of 2011. The first advanced line started in September in the Mäntyharju unit. It is designed to

produce more demanding and broader products. Exel Composites also invested more resources in sales and customer-oriented product development and will continue to strengthen the organization to ensure future growth.

Exel Composites' operating profit in January - September 2011 increased by 47.7 per cent to EUR 9.3 (6.3) million compared to the corresponding period last year. Operating profit as a percentage of net sales was 14.3 (11.8) per cent. In 2010 other operating expenses included one-off restructuring costs of Floorball business amounting to EUR 1.1 million and other operating income included one-off licensing income of EUR 1.6 million. In January - September 2011 other operating income included EUR 0.3 million of one-off items.

The Group's net financial expenses in January - September 2011 were EUR -0.3 (-0.2) million. The Group's profit before taxes was EUR 9.1 (6.1) million and profit after taxes EUR 6.7 (4.5) million.

Earnings per share improved to EUR 0.56 (0.38). Return on capital employed was 29.8 (20.1) per cent and return on equity 27.4 (21.8) per cent.

#### BALANCE SHEET AND FINANCIAL POSITION

Cash flow from business operations was positive at EUR 6.5 (6.9) million. Cash flow before financing, but after capital expenditure, amounted to EUR 4.4 (6.0) million.

Capital expenditure was financed with cash flow from business operations. At the end of the period under review, the Group's liquid assets stood at EUR 8.6 (10.4) million.

The Group's consolidated total assets at the end of the review period were EUR 57.6 (58.6) million.

Interest-bearing liabilities amounted to EUR 8.8 (13.5) million, of which short-term liabilities accounted for EUR 0.7 (5.3) million. Net interest-bearing liabilities amounted to EUR 0.2 (3.1) million.

Exel Composites ensured in July 2011 a new committed 3-year revolving credit facility of EUR 20 million to refinance current credit facilities and to ensure the financing of growth.

Equity at the end of the period under review was EUR 32.5 (29.3) million and equity ratio 56.5 (50.0) per cent. The net gearing ratio was 0.6 (10.4) per cent.

#### CAPITAL EXPENDITURE AND DEPRECIATION

The capital expenditure on fixed assets amounted to EUR 2.1 (1.0) million.

Total depreciation of non-current assets during the period under review amounted to EUR 2.0 (2.2) million.

#### PERSONNEL

The number of Exel Composites Group employees on 30 September 2011 was 431 (408), of whom 200 (188) worked in Finland and 231 (220) in other countries. The average number of personnel during the reporting period was 427 (402). The increase both in Finland and abroad is due to the increased sales volumes.

## GROUP STRATEGY REDEFINED

The Group strategy was redefined and the financial goals over a business cycle remained unchanged:

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

## SHARES AND SHARE CAPITAL

At the end of September 2011, Exel Composites' share capital was EUR 2,141,431.74 and the number of shares was 11,896,843. There were no changes in the share capital during the review period.

Based on the closing price on 30 September 2011, the market capitalization totaled EUR 89.2 (65.6) million. During the reporting period 1,099,591 (1,831,394) shares were traded, accounting for 9.2 (15.4) per cent of the average number of shares outstanding.

The highest share quotation was EUR 9.40 (6.79) and the lowest EUR 6.75 (5.00). The share price closed at EUR 7.50 (5.51). The average share price during the review period was EUR 8.18 (5.81).

Exel Composites did not hold any of its own shares during the period under review.

## SHAREHOLDERS AND DISCLOSURES

Exel Composites had a total of 2,573 shareholders on 30 September 2011. Information on Exel Composites' shareholders is available on the Company website at [www.exelcomposites.com](http://www.exelcomposites.com).

Exel Composites received no flagging notifications during the period of review.

## EVENTS AFTER THE PERIOD UNDER REVIEW

No material events took place after the reporting period.

## MAJOR NEAR-TERM RISKS AND UNCERTAINTIES

The most significant near-term business risks are related to the general economic development, government regulations and a possible new financial crisis in the Euro area as well as to market demand in certain market segments. Raw material prices, energy cost and other cost increases may continue and put pressure on profitability. In case the European Commission decides on new anti-dumping tariffs to be imposed on Chinese glass fiber, it may have a negative effect on the profitability if the rising costs of glass fiber can only be transferred partially to product prices. If the measures taken in the Chinese and British units to improve efficiency prove to be unsuccessful, this may have an effect on the result of the company. Currency rate changes, price competition and alternative competing materials may also have a negative effect on the result. The availability and cost of financing may continue to have an effect on the demand and increase the risk of credit losses.

OUTLOOK FOR 2011

Demand in the pultrusion industry has improved gradually in 2011, though there are recent signs of a business slowdown. We believe that Exel Composites is well positioned to take advantage of the growth opportunities in the future. As a result of improved profitability, good cash flow generation and reduced debt level, we believe in Exel Composites' long-term performance. Exel Composites recorded strong first nine months of 2011, but maintains its cautious stance for the rest of the year 2011, since market uncertainties persist.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT  
(unaudited)

| EUR<br>thousand                     | 1.7.-<br>30.9.<br>2011 | 1.7.-<br>30.9.<br>2010 | Change<br>% | 1.1.-<br>30.9.<br>2011 | 1.1.-<br>30.9.<br>2010 | Change<br>% | 1.1.-<br>31.12.<br>2010 |
|-------------------------------------|------------------------|------------------------|-------------|------------------------|------------------------|-------------|-------------------------|
| Net sales                           | 20,463                 | 18,692                 | 9.5         | 65,378                 | 53,534                 | 22.1        | 72,872                  |
| Materials<br>and<br>services        | -8,156                 | -7,451                 | -9.5        | -25,829                | -20,703                | -24.8       | -28,403                 |
| Employee<br>benefit<br>expenses     | -4,820                 | -4,577                 | -5.3        | -15,714                | -13,851                | -13.5       | -18,833                 |
| Deprecia-<br>tion and<br>impairment | -683                   | -724                   | 5.7         | -2,030                 | -2,162                 | 6.1         | -2,880                  |
| Other<br>operating<br>expenses      | -4,356                 | -3,856                 | -13.0       | -13,041                | -12,908                | -1.0        | -16,808                 |
| Other<br>operating<br>income        | 113                    | 595                    | -81.0       | 565                    | 2,403                  | -76.5       | 3,481                   |
| Operating<br>profit                 | 2,560                  | 2,679                  | -4.4        | 9,328                  | 6,315                  | 47.7        | 9,430                   |
| Net<br>financial<br>items           | -126                   | -152                   | 17.1        | -253                   | -248                   | -2.0        | -493                    |
| Profit<br>before tax                | 2,434                  | 2,527                  | -3.7        | 9,075                  | 6,067                  | 49.6        | 8,936                   |
| Income<br>taxes                     | -664                   | -662                   | -0.3        | -2,393                 | -1,587                 | -50.8       | -2,165                  |
| Profit/<br>loss for<br>the period   | 1,770                  | 1,865                  | -5.1        | 6,682                  | 4,480                  | 49.2        | 6,772                   |
| Other<br>comprehensi                |                        |                        |             |                        |                        |             |                         |

ve income:

|  |       |       |       |       |       |        |        |
|--|-------|-------|-------|-------|-------|--------|--------|
| Exchange differences on translating foreign operations                     | -47   | -43   | -9.3  | -742  | 2,260 | -132.8 | 3,411  |
| Other comprehensive income, net of tax                                     | -47   | -43   | -9.3  | -742  | 2,260 | -132.8 | 3,411  |
| Total comprehensive income   | 1,724 | 1,823 | -5.4  | 5,940 | 6,741 | -11.9  | 10,183 |
| Profit/loss attributable to: Equity holders of the parent company          | 1,770 | 1,865 | -24.4 | 6,682 | 4,480 | 41.1   | 6,772  |
| Comprehensive income attributable to: Equity holders of the parent company | 1,724 | 1,823 | -5.4  | 5,940 | 6,741 | -11.9  | 10,183 |
| Earnings per share, diluted and undiluted, EUR                             | 0.15  | 0.16  |       | 0.56  | 0.38  |        | 0.57   |

#### CONDENSED CONSOLIDATED BALANCE SHEET

|              |       |       |        |        |
|--------------|-------|-------|--------|--------|
| EUR thousand | 30.9. | 30.9. | Change | 31.12. |
|              | 2011  | 2010  |        | 2010   |

#### ASSETS

|                          |        |        |        |        |
|--------------------------|--------|--------|--------|--------|
| Non-current assets       |        |        |        |        |
| Goodwill                 | 11,142 | 11,020 | 122    | 11,637 |
| Other intangible assets  | 1,921  | 2,360  | -439   | 2,426  |
| Tangible assets          | 10,870 | 10,295 | 575    | 10,427 |
| Deferred tax assets      | 557    | 1,875  | -1,318 | 1,585  |
| Other non-current assets | 63     | 64     | -1     | 64     |
| Non-current assets total | 24,554 | 25,613 | -1,061 | 26,139 |

Current assets

|                                |        |        |        |        |
|--------------------------------|--------|--------|--------|--------|
| Inventories                    | 10,868 | 9,782  | 1,086  | 9,600  |
| Trade and other<br>receivables | 13,632 | 12,849 | 783    | 9,540  |
| Cash at bank and in hand       | 8,555  | 10,399 | -1,844 | 11,606 |
| Current assets total           | 33,056 | 33,029 | 27     | 30,746 |
| Total assets                   | 57,610 | 58,643 | -1,033 | 56,885 |

EQUITY AND LIABILITIES

|                                      |        |        |       |        |
|--------------------------------------|--------|--------|-------|--------|
| Shareholders' equity                 |        |        |       |        |
| Share capital                        | 2,141  | 2,141  | 0     | 2,141  |
| Other reserves                       | 30     | 37     | -7    | 37     |
| Invested unrestricted<br>equity fund | 8,488  | 8,488  | 0     | 8,488  |
| Translation differences              | 2,569  | 2,161  | 408   | 3,311  |
| Retained earnings                    | 12,633 | 12,039 | 594   | 11,757 |
| Profit for the period                | 6,682  | 4,480  | 2,202 | 6,772  |

|  |        |        |       |        |
|--|--------|--------|-------|--------|
| Total equity<br>attributable to equity<br>holders of the parent<br>company | 32,544 | 29,347 | 3,197 | 32,507 |
| Total equity   | 32,544 | 29,347 | 3,197 | 32,507 |

Non-current liabilities

|                                 |       |       |      |        |
|---------------------------------|-------|-------|------|--------|
| Interest-bearing<br>liabilities | 8,048 | 8,158 | -110 | 10,204 |
| Interest-free<br>liabilities    | 356   | 335   | 21   | 362    |
| Deferred tax liabilities        | 555   | 316   | 239  | 549    |

Current liabilities

|   |        |        |        |        |
|---|--------|--------|--------|--------|
| Interest-bearing<br>liabilities             | 710    | 5,299  | -4,589 | 15     |
| Trade and other non-<br>current liabilities | 15,396 | 15,188 | 208    | 13,250 |
| Total liabilities                           | 25,066 | 29,296 | -4,230 | 24,378 |

|                                 |        |        |        |        |
|---------------------------------|--------|--------|--------|--------|
| Total equity and<br>liabilities | 57,610 | 58,643 | -1,033 | 56,885 |
|---------------------------------|--------|--------|--------|--------|

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| EUR thousand | Share<br>Capital | Other<br>reserves | Invested<br>Unrestri<br>cted<br>Equity<br>Fund | Translat<br>ion<br>Differen<br>ces | Retained<br>Earnings | Total |
|--------------|------------------|-------------------|--|------------------------------------|----------------------|-------|
|--------------|------------------|-------------------|--|------------------------------------|----------------------|-------|

Balance at 1

|                              |       |    |       |       |        |        |
|------------------------------|-------|----|-------|-------|--------|--------|
| January 2010                 | 2,141 | 37 | 8,488 | -100  | 15,013 | 25,580 |
| Comprehensive result         | 0     | 0  | 0     | 2,260 | 4,480  | 6,740  |
| Dividend                     |       |    |       | 0     | -2,974 | -2,974 |
| Balance at 30 September 2010 | 2,141 | 37 | 8,488 | 2,161 | 16,519 | 29,347 |
| Balance at 1st January 2011  | 2,141 | 37 | 8,488 | 3,311 | 18,529 | 32,507 |
| Comprehensive result         | 0     | 0  | 0     | -742  | 6,682  | 5,940  |
| Other items                  | 0     | -7 | 0     | 0     | 53     | 45     |
| Dividend                     |       |    |       | 0     | -5,948 | -5,948 |
| Balance at 30 September 2011 | 2,141 | 30 | 8,488 | 2,569 | 19,315 | 32,544 |

#### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

|                                     |        |        |        |        |
|-------------------------------------|--------|--------|--------|--------|
| EUR thousand                        | 1.1.-  | 1.1.-  | Change | 31.12. |
|                                     | 30.9.  | 30.9.  |        | 2010   |
|                                     | 2011   | 2010   |        |        |
| Cash Flow from Operating Activities |        |        |        |        |
| Profit for the period               | 6,682  | 4,480  | 2,202  | 6,772  |
| Adjustments                         | 4,591  | 4,976  | -385   | 6,276  |
| Change in working capital           | -2,618 | -958   | -1,660 | 1,729  |
| Cash Flow Generated by              |        |        |        |        |
| Operations                          | 8,655  | 8,498  | 157    | 14,777 |
| Interest paid                       | -245   | -328   | 83     | -515   |
| Interest received                   | 62     | 143    | -81    | 114    |
| Other financial items               | -90    | -44    | -46    | -88    |
| Income taxes paid                   | -1,895 | -1,345 | -550   | -2,296 |
| Net Cash Flow from                  |        |        |        |        |
| Operating Activities                | 6,487  | 6,924  | -437   | 11,992 |
| Acquisitions                        |        |        |        |        |
|                                     | 0      | 0      | 0      | 0      |
| Disposal of business                |        |        |        |        |
|                                     | 0      | 0      | 0      | 0      |
| Capital expenditure                 | -2,123 | -919   | -1,204 | -1,570 |
| Proceeds from sale of fixed assets  | 0      | 0      | 0      | 0      |
| Cash Flow from Investing Activities |        |        |        |        |
|                                     | -2,123 | -919   | -1,204 | -1,570 |
| Cash Flow from Financing            |        |        |        |        |
| Share issue                         | 0      | 0      | 0      | 0      |
| Proceeds from long-term borrowings  | 0      | 0      | 0      | 0      |

|  |        |        |        |         |
|--|--------|--------|--------|---------|
| Instalments of long-term borrowings      | -2,160 | -4,357 | 2,197  | -6,857  |
| Change in short-term loans               | 700    | 0      | 700    | -106    |
| Instalments of finance lease liabilities | -7     | -872   | 865    | -1,477  |
| Dividends paid                           | -5,948 | -2,974 | -2,974 | -2,974  |
| Net Cash Flow from Financing             | -7,415 | -8,203 | 788    | -11,414 |
| Change in Liquid Funds                   | -3,051 | -2,198 | -853   | -992    |
| Liquid funds in the beginning of period  | 11,606 | 12,597 | -991   | 12,597  |
| Change in liquid funds                   | -3,051 | -2,198 | -853   | -992    |
| Liquid funds at the end of period        | 8,555  | 10,399 | -1,844 | 11,606  |

#### QUARTERLY KEY FIGURES

| EUR thousand  | III/<br>2011 | II/<br>2011 | I/<br>2011 | IV/<br>2010 | III/<br>2010 | II/<br>2010 | 1/<br>2010 |
|---|--------------|-------------|------------|-------------|--------------|-------------|------------|
| Net sales   | 20,463       | 23,367      | 21,548     | 19,338      | 18,692       | 19,173      | 15,671     |
| Materials and services                                | -8,156       | -9,295      | -8,378     | -7,700      | -7,451       | -7,189      | -6,062     |
| Employee benefit expenses                             | -4,820       | -5,672      | -5,221     | -4,982      | -4,577       | -4,892      | -4,381     |
| Depreciation and impairment                           | -683         | -663        | -684       | -719        | -724         | -763        | -675       |
| Operating expenses                                    | -4,356       | -4,424      | -4,262     | -3,901      | -3,856       | -4,229      | -4,824     |
| Other operating income                                | 113          | 317         | 135        | 1,078       | 595          | 553         | 1,255      |
| Operating profit                                      | 2,560        | 3,630       | 3,137      | 3,115       | 2,679        | 2,653       | 983        |
| Net financial items                                   | -126         | -104        | -23        | -246        | -152         | -10         | -86        |
| Profit before taxes                                   | 2,434        | 3,527       | 3,115      | 2,869       | 2,527        | 2,643       | 897        |
| Income taxes  | -537         | -948        | -782       | -578        | -662         | -706        | -219       |
| Profit/loss for the period from continuing operations | 1,770        | 2,579       | 2,333      | 2,291       | 1,865        | 1,937       | 678        |
| Profit/loss for the period                            | 1,770        | 2,579       | 2,333      | 2,291       | 1,865        | 1,937       | 678        |

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Earnings per share, EUR                           | 0.15   | 0.22   | 0.20   | 0.19   | 0.16   | 0.16   | 0.06   |
| Earnings per share, EUR, diluted                  | 0.15   | 0.22   | 0.20   | 0.19   | 0.16   | 0.16   | 0.06   |
| Average number of shares, undiluted, 1,000 shares | 11,897 | 11,897 | 11,897 | 11,897 | 11,897 | 11,897 | 11,897 |
| Average number of shares, diluted, 1,000 shares   | 11,897 | 11,897 | 11,897 | 11,897 | 11,897 | 11,897 | 11,897 |
| Average number of personnel                       | 433    | 432    | 416    | 408    | 402    | 397    | 408    |

#### COMMITMENTS AND CONTINGENCIES

| EUR thousand        | 30.9.2011 | 30.9.2010 | 31.12.2010 |
|---------------------|-----------|-----------|------------|
| On own behalf       |           |           |            |
| Mortgages           | 2,783     | 2,783     | 2,783      |
| Corporate mortgages | 12,500    | 12,500    | 12,500     |
| Lease liabilities   |           |           |            |
| - in next 12 months | 784       | 253       | 886        |
| - in next 1-5 years | 2,347     | 1,416     | 2,770      |
| Other commitments   | 24        | 154       | 10         |

#### DERIVATIVE FINANCIAL INSTRUMENTS

| Nominal values<br>EUR thousand | 30.9.2011 | 30.9.2010 | 31.12.2010 |
|--------------------------------|-----------|-----------|------------|
| Interest rate derivatives      |           |           |            |
| Interest rate swaps            | 10,000    | 10,000    | 10,000     |

#### CONSOLIDATED KEY FIGURES

| EUR thousand          | 1.1.-<br>30.9.<br>2011 | 1.1.-<br>30.9.<br>2010 | Change % | 31.12.<br>2010 |
|-----------------------|------------------------|------------------------|----------|----------------|
| Net sales             | 65,378                 | 53,534                 | 22.1     | 72,872         |
| Operating profit      | 9,328                  | 6,315                  | 47.7     | 9,430          |
| % of net sales        | 14.3                   | 11.8                   |          | 12.9           |
| Profit before tax     | 9,075                  | 6,067                  | 49.6     | 8,936          |
| % of net sales        | 13.9                   | 11.3                   |          | 12.3           |
| Profit for the period | 6,682                  | 4,480                  | 49.2     | 6,772          |

|                                  |        |        |       |        |
|----------------------------------|--------|--------|-------|--------|
| % of net sales                   | 10.2   | 8.4    |       | 9.3    |
| Shareholders' equity             | 32,544 | 29,347 | 10.9  | 32,507 |
| Interest-bearing liabilities     | 8,759  | 13,457 | -34.9 | 10,219 |
| Cash and cash equivalents        | 8,555  | 10,399 | -17.7 | 11,606 |
| Net interest-bearing liabilities | 203    | 3,058  | -93.4 | -1,387 |
| Capital employed                 | 41,302 | 42,804 | -3.5  | 42,725 |
| Return on equity, %              | 27.4   | 21.8   |       | 23.3   |
| Return on capital employed, %    | 29.8   | 20.1   |       | 21.8   |
| Equity ratio, %                  | 56.5   | 50.0   |       | 57.4   |
| Net gearing, %                   | 0.6    | 10.4   |       | -4.3   |
| Capital expenditure              | 2,123  | 919    | 131.0 | 1,570  |
| % of net sales                   | 3.2    | 1.7    |       | 2.2    |
| Research and development costs   | 1,188  | 962    | 23.5  | 1,312  |
| % of net sales                   | 1.8    | 1.8    |       | 1.8    |
| Order stock                      | 14,727 | 13,568 | 8.5   | 13,316 |
| Earnings per share, EUR          | 0.56   | 0.38   | 49.2  | 0.57   |
| Earnings per share, EUR, diluted | 0.56   | 0.38   | 49.2  | 0.57   |
| Equity per share, EUR            | 2.74   | 2.47   | 10.9  | 2.73   |
| Average number of shares         |        |        |       |        |
| - cumulative                     | 11,897 | 11,897 | 0.0   | 11,897 |
| - cumulative, diluted            | 11,897 | 11,897 | 0.0   | 11,897 |
| Average number of employees      | 427    | 402    | 6.2   | 404    |

#### PRESS CONFERENCE

Exel Composites will host an analyst and press conference to present the interim report today Wednesday 26 October 2011 at 12.30 pm in the Espa Cabinet of the Scandic Hotel Simonkenttä at Simonkatu 9, Helsinki, Finland.

#### FORWARD-LOOKING STATEMENTS

Certain statements in this report, 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.

Vantaa, 26 October 2011

EXEL COMPOSITES PLC  
Board of Directors

Vesa Korpimies  
President and CEO

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EXEL COMPOSITES IN BRIEF

Exel Composites is a technology company which designs, manufactures and markets composite profiles and tubes for industrial applications. The Group is the leading composite profile manufacturer in the world and concentrates on growing niche segments.

The core of the operations is based on own, internally developed composite technology, product range based on it and a strong market position in selected segments with a strong quality and brand image. Profitable growth is pursued by a relentless search for new applications and development in co-operation with customers. The personnel's expertise and high level of technology play a major role in Exel Composites' operations.

Exel Composites Plc share is listed in the Small Cap segment of NASDAQ OMX Helsinki Ltd.