

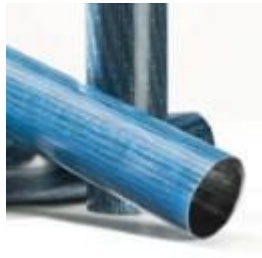
Annual General Meeting

27 March 2014

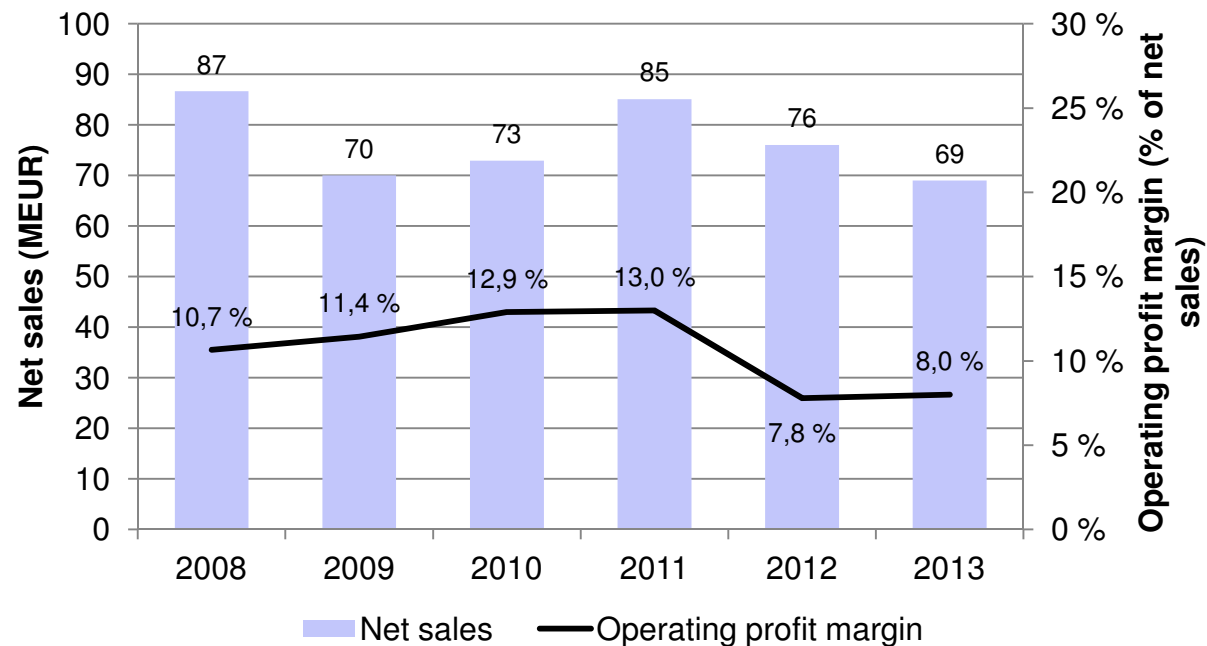
Riku Kytömäki
President and CEO

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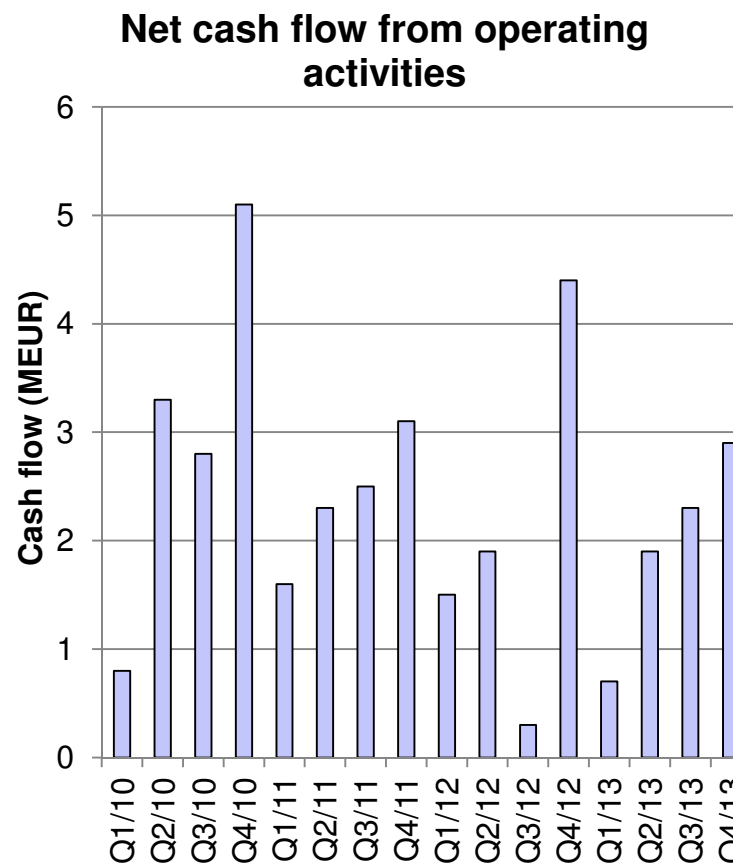
In 2013, net sales at MEUR 69.3 were -8.8% below 2012. Operating profit margin was MEUR 5.5 or 8.0% of net sales



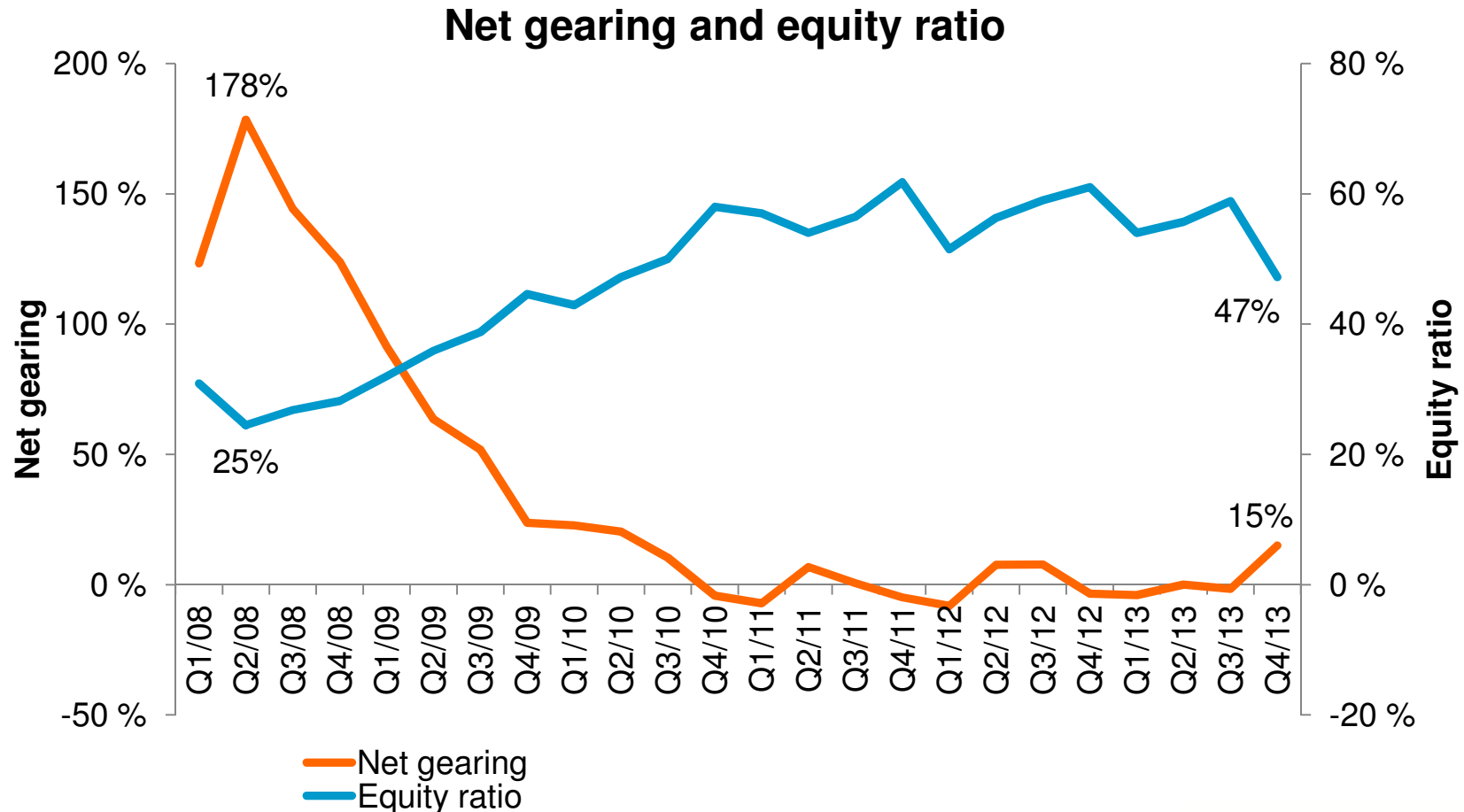
- ◆ Net sales were MEUR 69.3 (76.0), down by -8.8% from 2012
- ◆ Operating profit before non-recurring items was MEUR 5.5 (5.9) or 8.0 (7.8) % of net sales. Margin level was supported by efficiency improvements and cost control
- ◆ Operating profit after non-recurring items was MEUR 4.8 (3.4)
 - 2012 operating profit included an impairment of MEUR 2.5
 - 2013 operating profit included MEUR 0.7 of costs related to reorganization of the Australian business unit and the CEO change

Net cash flow from operating activities continued to be positive in 2013 at MEUR +7.8 (MEUR +8.2)

- ◆ In January - December 2013 net cash flow from operating activities was MEUR +7.8 (+8.2)
- ◆ Capital expenditure was MEUR 2.8 (2.8)
- ◆ On 31 December 2013, the Group's liquid assets stood at MEUR 9.4 (9.2)



Financial position remained strong. Net gearing increased to 15% due to additional capital repayment of MEUR 5.9 (0.50 EUR per share)

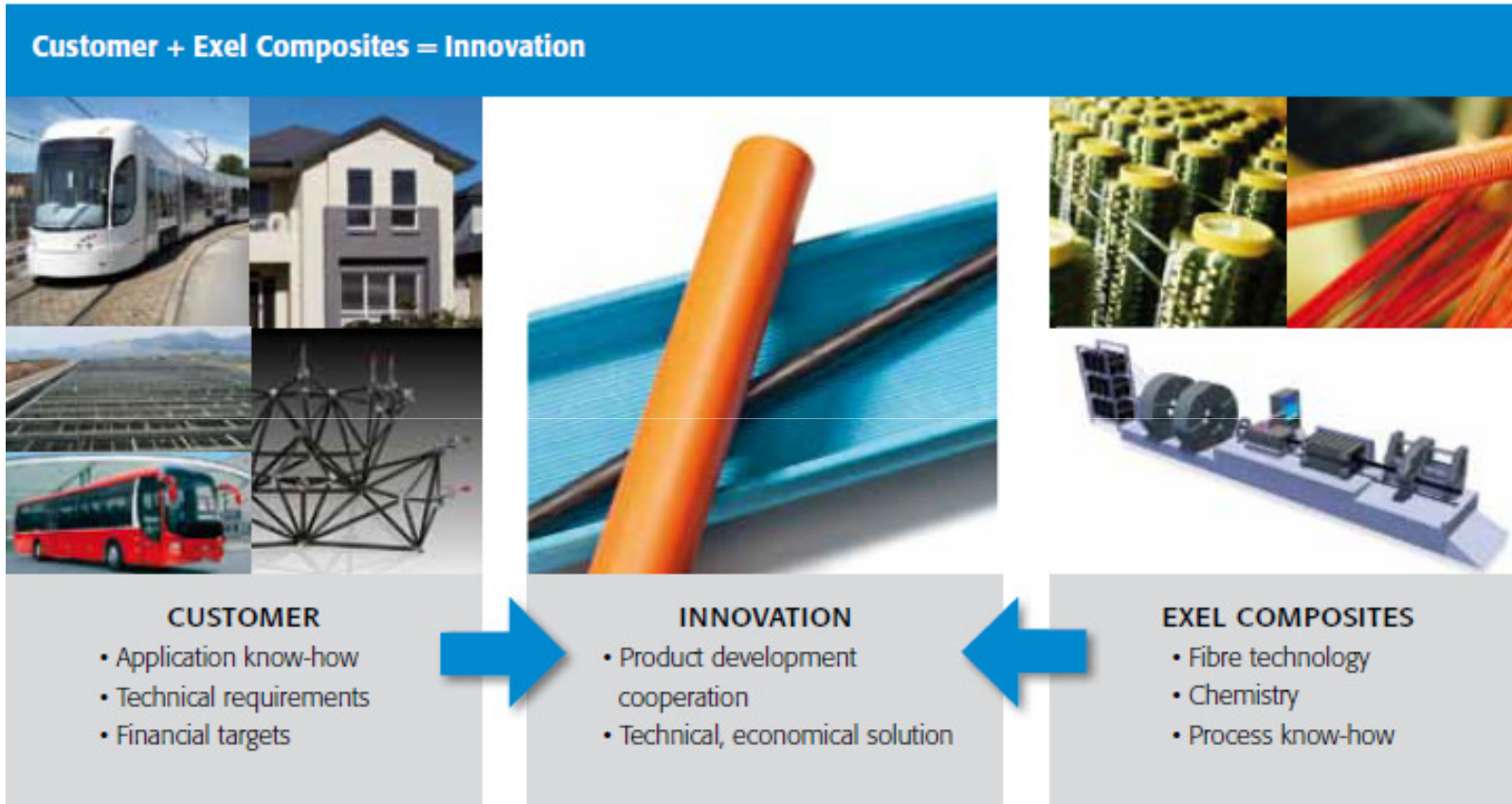


EPS in 2013 was EUR 0.26 (0.17) per share Board of Directors proposes that no dividend be paid for 2013

- ◆ Fully diluted earnings per share was EUR 0.26 (0.17)
- ◆ Total shareholder return was 11 (-16) per cent in 2013
- ◆ Board of Directors proposes that no dividend be paid for 2013
 - An additional capital repayment of EUR 0.50 per share amounting to MEUR 5.9 was paid to shareholders in December 2013 in addition to already paid dividend of EUR 0.30 per share amounting to MEUR 3.6 decided by the 2013 AGM. The additional capital repayment was paid from the reserve for invested unrestricted equity.
 - Taking this into account, the Board of Directors does not propose any dividend distribution to the AGM 2014 for the financial year 2013



Markets grow with new applications. Innovation happens through combining customer's and Exel Composites' know-how



Some market highlights

- ◆ Some positive signs can be seen especially in laminate market and demanding carbon tubes market
- ◆ New laminate production line investment at Mäntyharju enables
 - Extension of product range to high specification laminates
 - Growth in several market segments
- ◆ New possibilities e.g. in building and construction industry
 - Reinforcing structures for walls and floors
- ◆ In transportation industry laminates are used e.g. in refrigerated trucks as part of wall structures
- ◆ In sporting goods industry requirements set for stiffness, light weight and durability can be obtained with glass and carbon fibre laminates
 - Snowboards, skis, ice hockey sticks, archery equipment
- ◆ Continuous development for demanding applications in cleaning and maintenance applications and other telescopic light-weight structures

Exel Composites' competitive situation is strong. Exel Composites aims at being #1 pultruder also in the future

- ◆ Pultrusion market is fragmented with several hundred competitors globally
- ◆ Exel Composites' competitive situation is strong due to
 - Being one of the few large pultrusion companies
 - Having solid balance sheet, and
 - Having positive cash flow
- ◆ Global footprint
 - Production in 7 countries
 - Exel Composites is the only genuinely international pultrusion company
- ◆ Exel Composites aims at being #1 pultruder also in the future by
 - Continuous innovation in close co-operation with customers
 - Developing the balanced customer and product portfolios further
 - Investing in attractive market segments
 - Maintaining and recruiting knowledgeable management and personnel
 - Continuing the consolidation of the pultrusion industry: strong balance sheet enables acquisitions

Exel Composites' strategy targets profitable growth

Exel Composites' strategy consists of three key elements:

1 BALANCED BUSINESS PORTFOLIO

- Continue organic growth and selected acquisitions
- Build sustainable customer portfolio of OEM-customers
- Focus on attractive segments with growth potential

STATUS

- ◆ Several new products esp. in building and construction, machine industry and transportation industry market segments
- ◆ No acquisitions were implemented

2 OPERATIONAL DEVELOPMENT

- Improve process efficiency and yield
- Harmonize processes across units
- Drive environmental standards

STATUS

- ◆ Improved process efficiency to support Group's operating profit
- ◆ ExelWay-project to improve efficiency and drive harmonization
- ◆ ISO 18001 to China unit

3 ORGANIZATIONAL DEVELOPMENT

- Invest in technical sales and development
- Boost innovation
- Move towards a more integrated organization

STATUS

- ◆ Group management team strengthened
- ◆ Global functions development

In 2013, Exel Composites reinforced the organization and continued to work on sales development and on efficiency and productivity improvement

- ◆ Group management strengthened – New CEO and SVP Sales & Marketing
- ◆ The Company has reinforced the organization to work on sales development as well as on operational efficiency and productivity improvement.
- ◆ Corrective actions had a positive impact especially in the UK unit and improved the financial performance
- ◆ Turnaround measures in Australia were largely completed. Measures taken are expected to improve the Australian unit's profitability
 - Change in the operating model
 - Transfer of Brisbane unit to Melbourne
- ◆ Harmonization of the Group's operations was continued under the ExelWay-program
 - Target is to implement best practices, new global functions and efficient business processes throughout the Group

Focus on increasing sales from existing and new customers

- ◆ In 2014 our focus will be on increasing sales from existing and new customers
 - Develop product and customer portfolios
 - Prioritize selected segments
 - Implement business plans in Australia
 - Grow further in China
- ◆ We will continue to develop the operations in terms of safe working environment, operational efficiency and productivity improvement
 - Efficiency and yield improvement program
 - Equipment and process harmonization
- ◆ Implementation of global structures and practices will be boosted. Existing processes will be refined and harmonized in ExelWay-project
- ◆ Exel Composites is well-positioned to grow profitably when the markets recover
- ◆ We will further reinforce our platform for sustainable profitable growth
- ◆ We will monitor the general market development and react with additional measures if needed

Exel Composites financial targets over a business cycle

Exel Composites Group's financial targets over a business cycle are as follows:

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 Composites' strategy.

OPERATING PROFIT

Exel Composites' target is the operating profit to exceed 10 per cent of net sales.

DIVIDEND POLICY

Exel Composites aims to distribute at least 40 per cent of net income in dividends, as permitted by the financial structure and growth opportunities.

Outlook for 2014

- ◆ The Company has reinforced the organization to work on sales development as well as on operational efficiency and productivity improvement
- ◆ The market has stabilized but remains challenging
- ◆ The Company will monitor the general market development and react with additional measures if needed. Uncertainties relating to general growth prospects in the economy continue, however some positive signs can be seen especially in laminate and demanding carbon tubes market.
- ◆ The Company is well-positioned to grow profitably when the markets recover.



More information is available on Exel Composites website

- ◆ Exel Composites website www.exelcomposites.com
- ◆ For further information contact

Riku Kytömäki
President and CEO
+358 50 511 8288
riku.kytomaki@exelcomposites.com

Ilkka Silvanto
CFO
+358 50 598 9553
ilkka.silvanto@exelcomposites.com

