

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

- Highlights 2010
- Financial statements 2010
- Market and position
- Targets and strategy

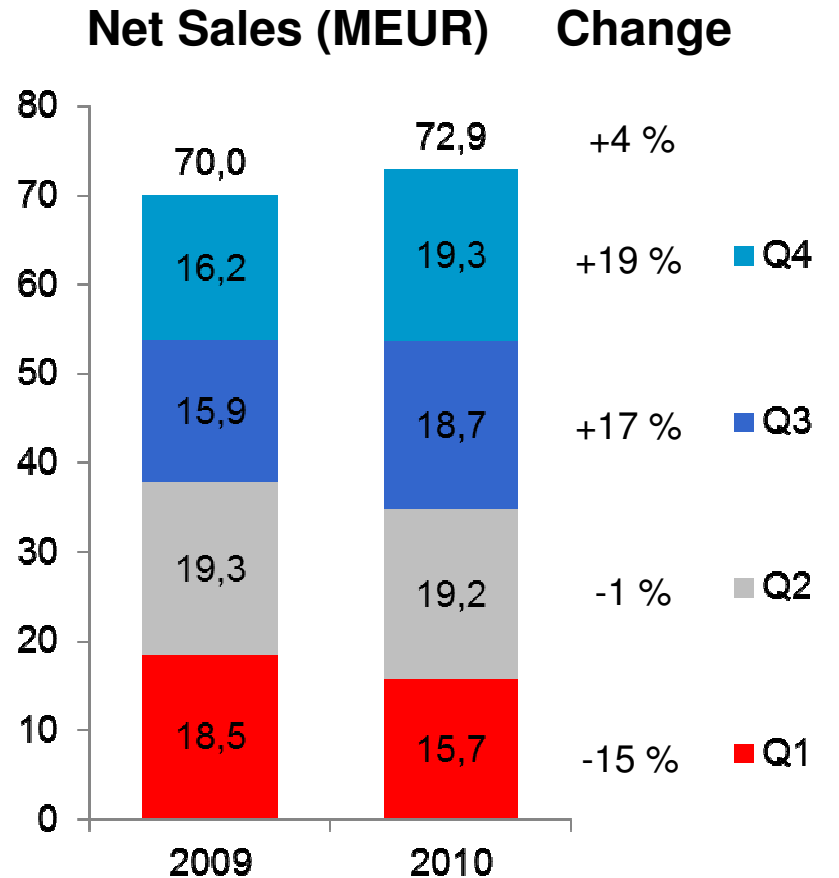
Key figures improved in 2010 despite weak Q1

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

**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*

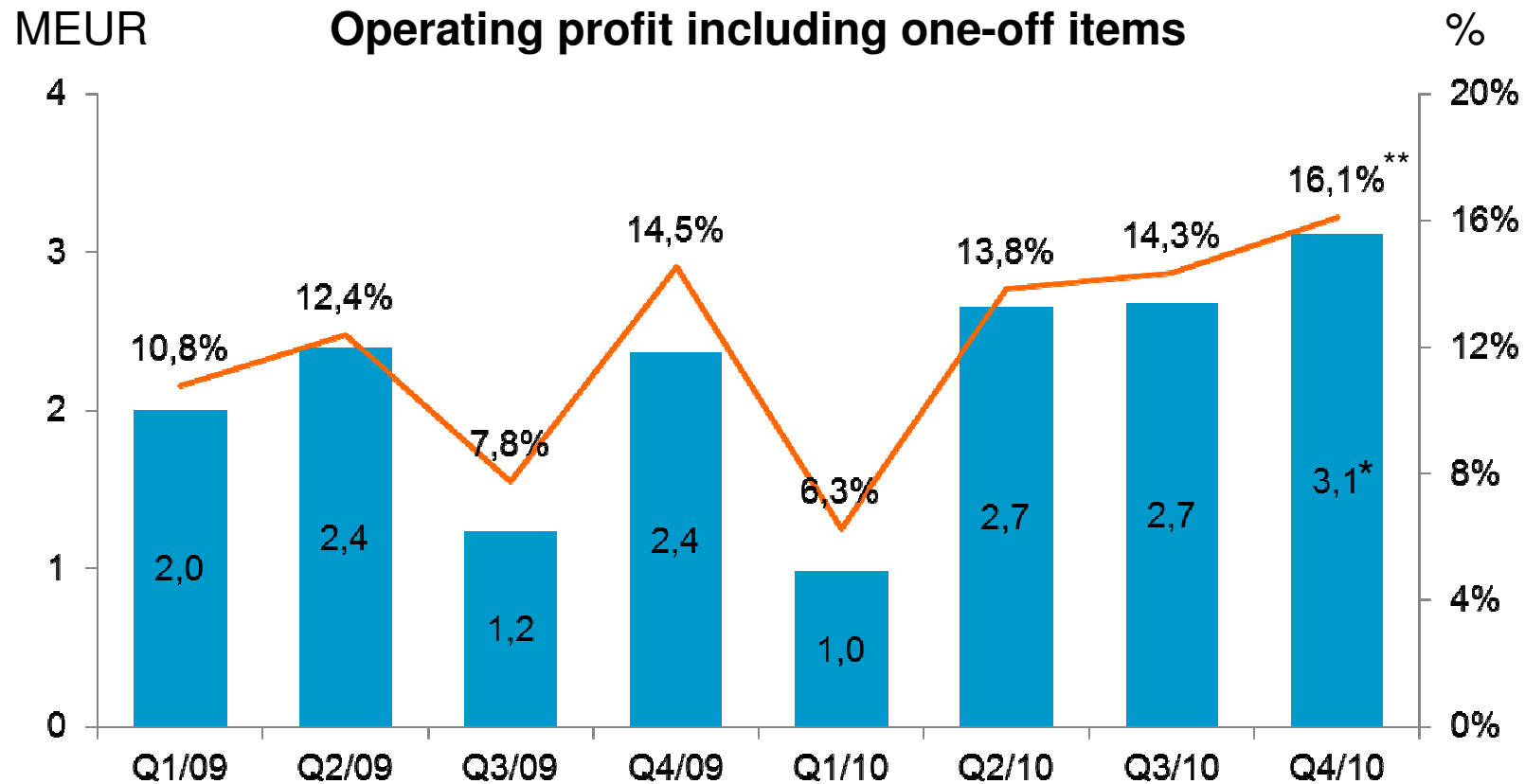
Net sales picked up in Q3 and Q4



Comments

- 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

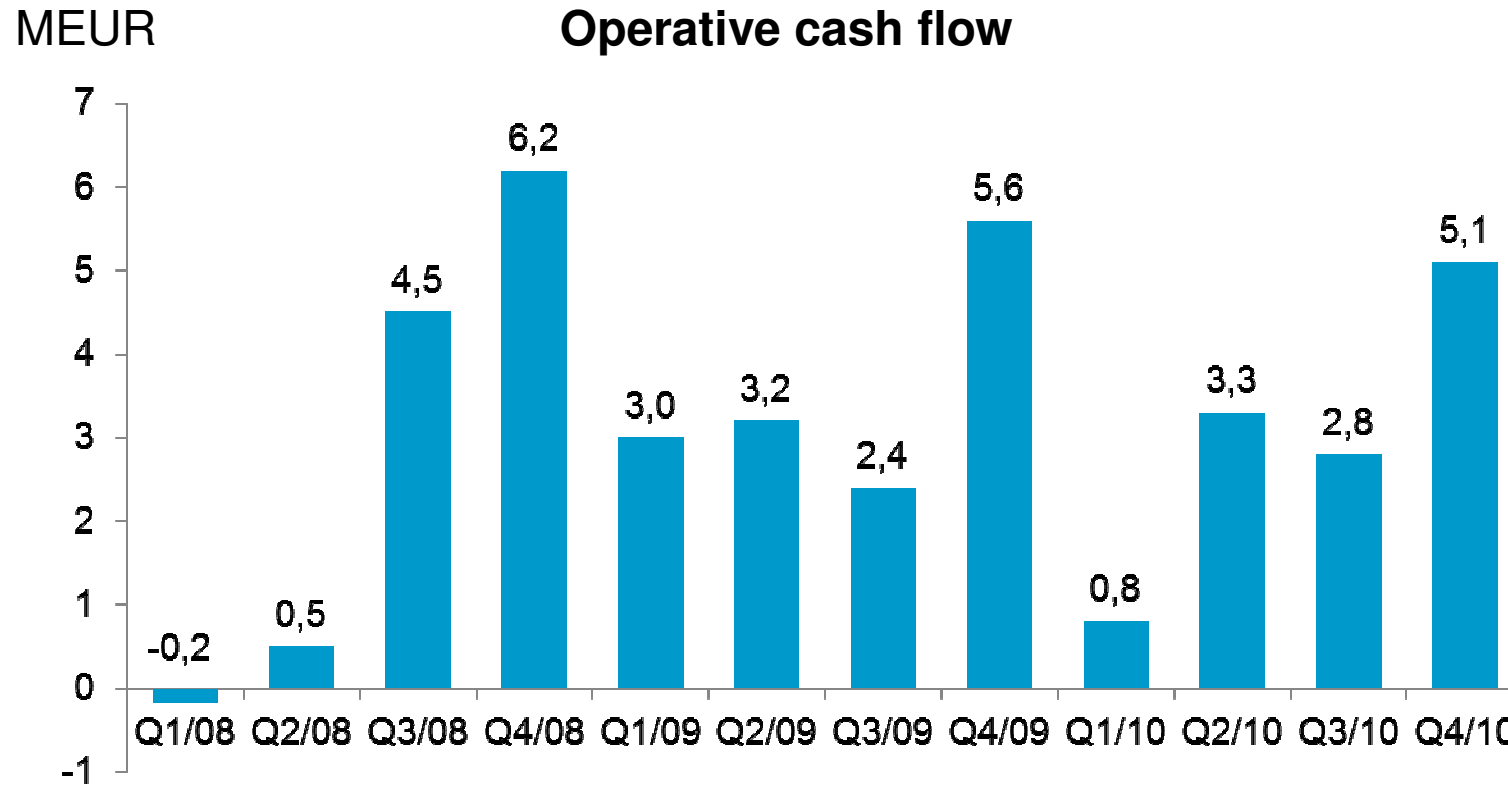
Profitability improved in all quarters except Q1



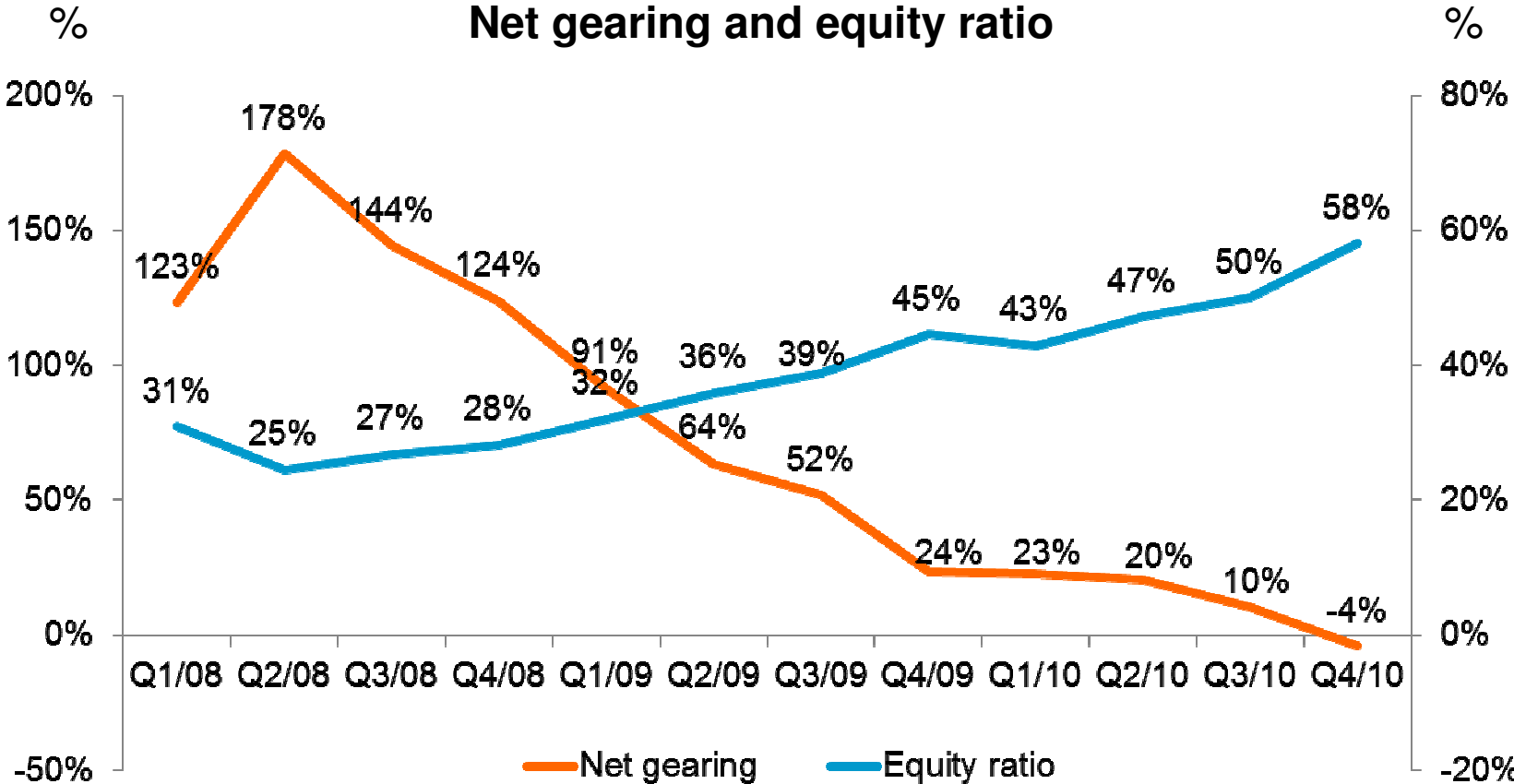
*Operating profit from continuing operations MEUR +3.1 including MEUR +0.9 non-recurring items (MEUR +2.4 including net reversal of the restructuring provisions of EUR +0.7 million)

**Operating profit without non-recurring items was 11.7 (10.5) per cent of net sales

Positive cash flow continued throughout the year



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

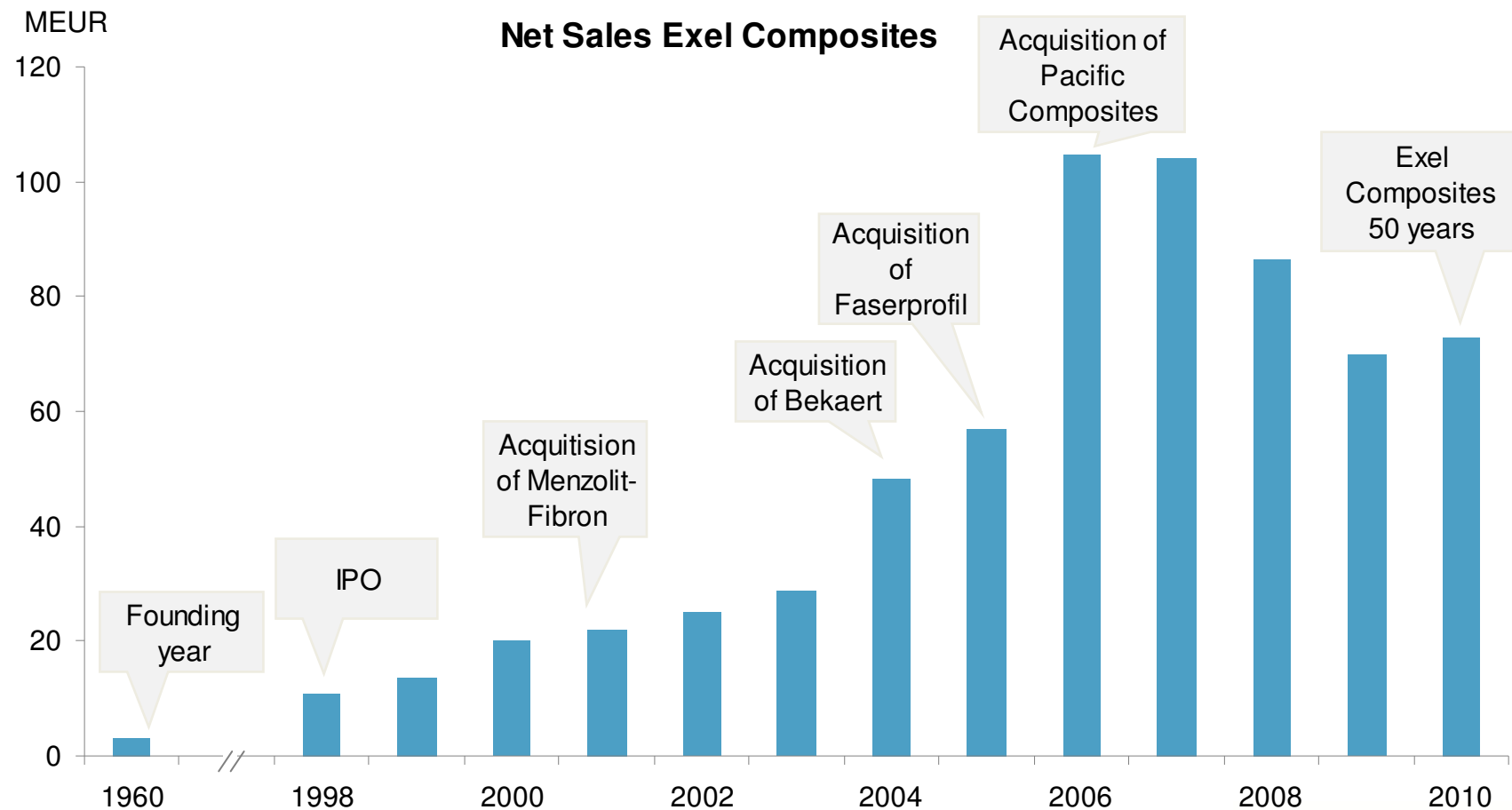
We have taken measures to reduce the impact of the anti-dumping tariff on Chinese glass fiber

- 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

Outline

- Highlights 2010
- Financial statements 2010
- Market and position
- Targets and strategy

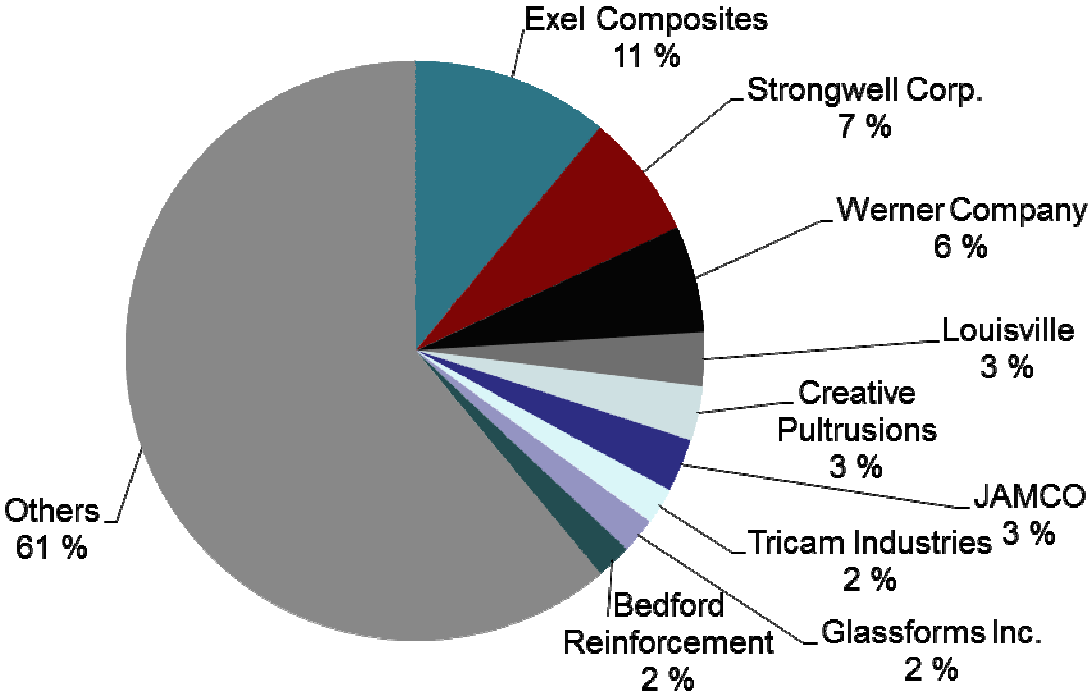
50 years of growth and innovation



Note: Until 2007 figures represent the Industry division and thereafter continuing operations

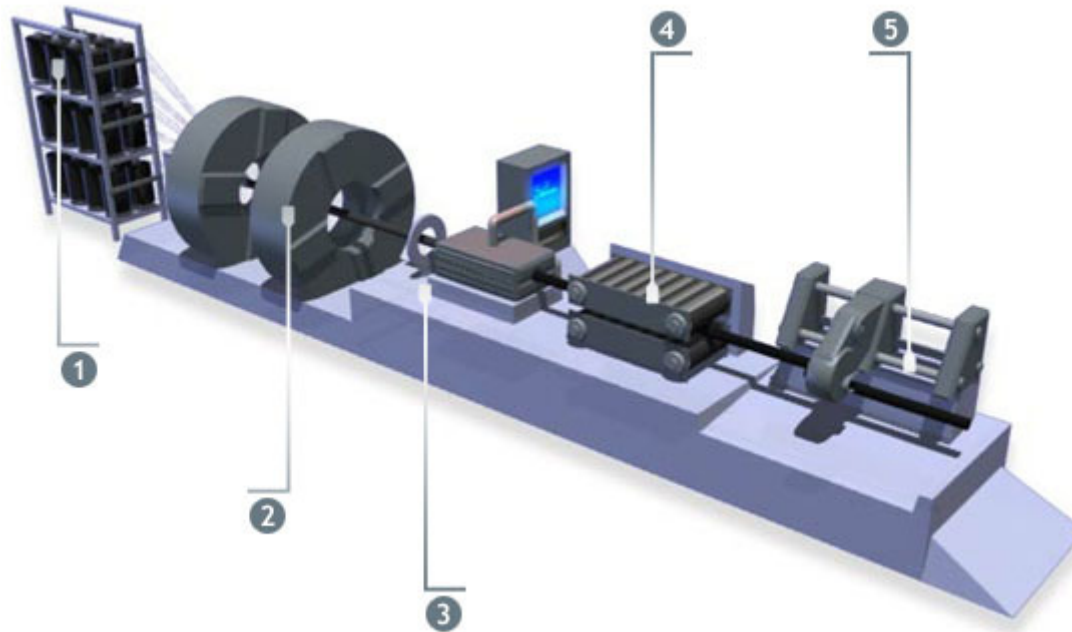
We are the global #1 composite profile provider

Market share 2008 (MUSD)



Source: Lucintel; Growth Opportunities in the Pultrusion Market 2009-2014: Global Market Outlook

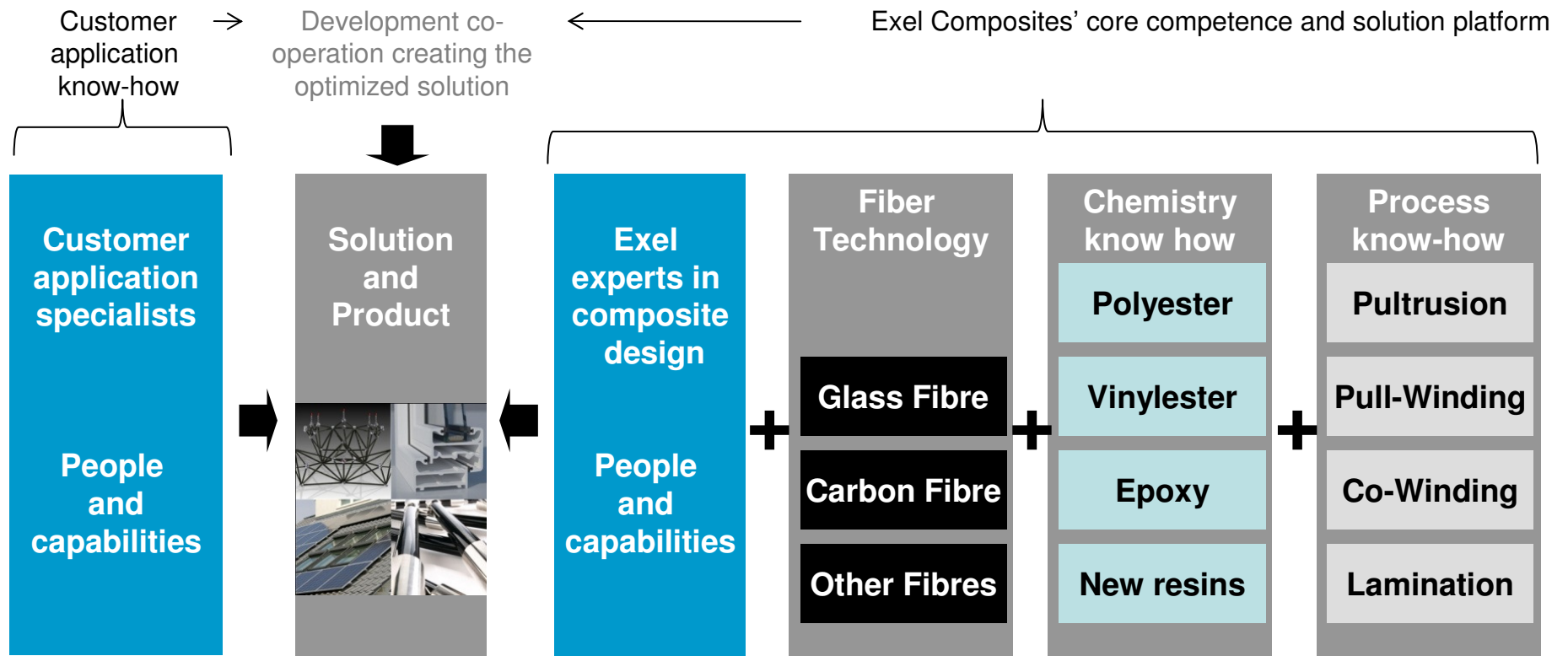
Our core technology: continuous processes



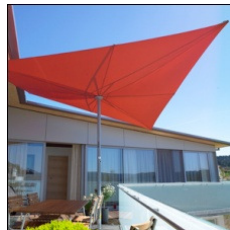
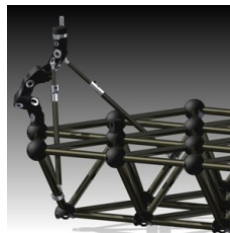
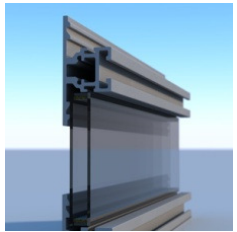
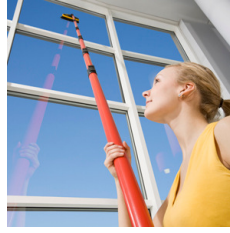
1. Reinforcements
2. Cross-winding units
3. Resin Injection Mould
4. Pulling Device
5. Cutting Device

Principle drawing of Exel Composites pullwinding process

Unique platform for numerous applications

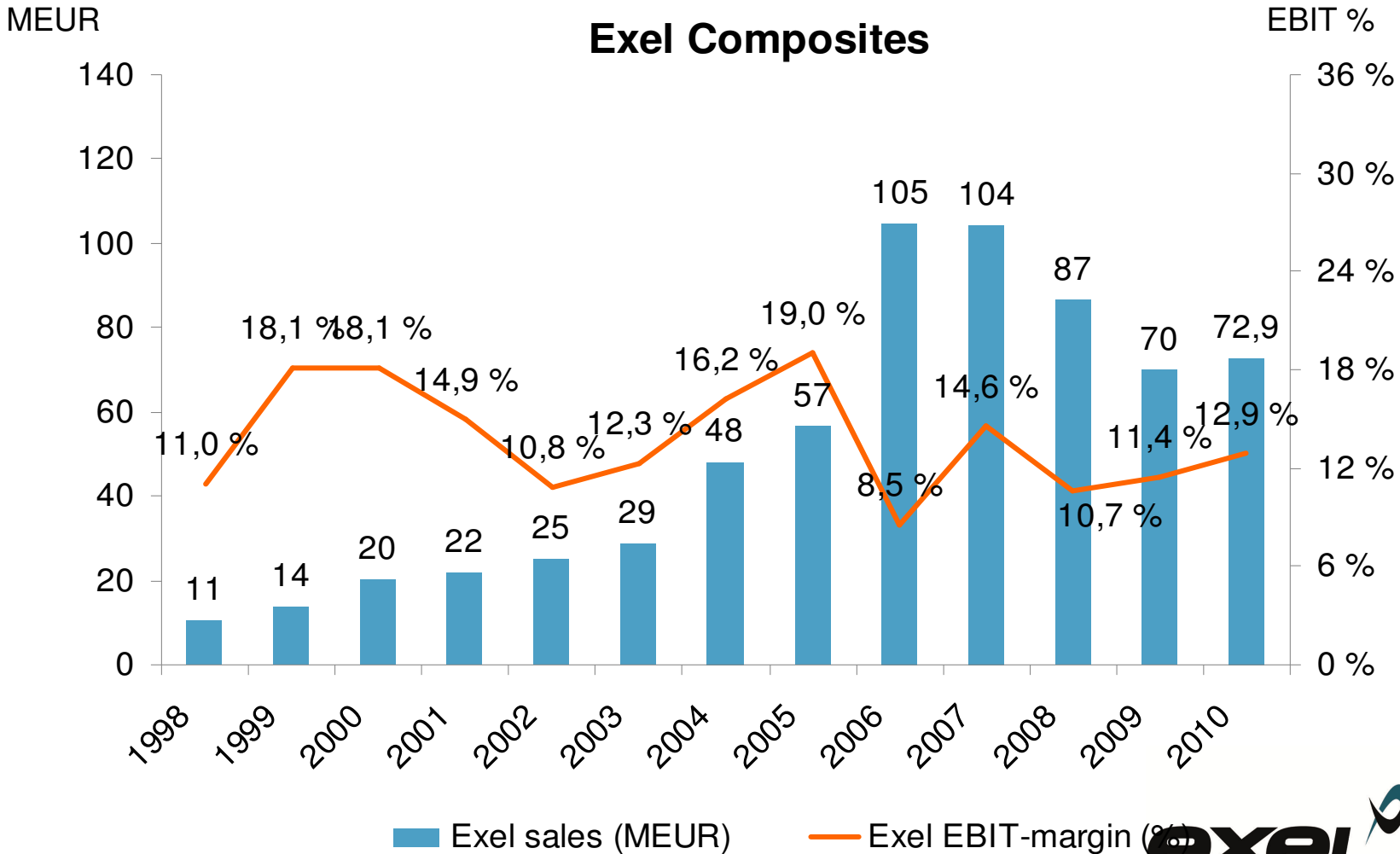


Exel Composites has a strong market position in selected niche segments



- 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



Until 2007 figures represent the Industry division and thereafter continuing operations



We will continue our profitable growth strategy

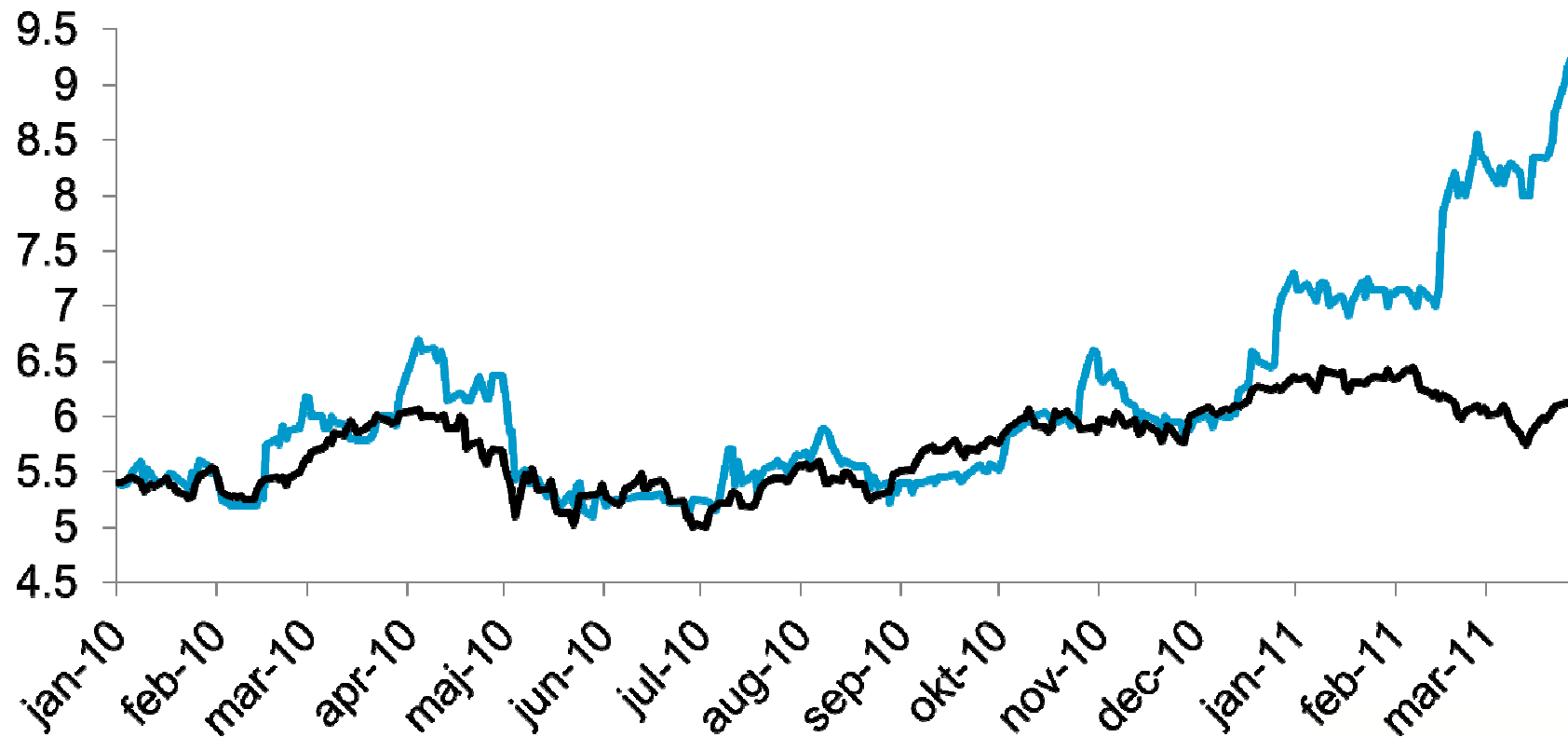
- We are well-positioned to capitalize on the growth opportunities on the gradually recovering markets
- We are constantly looking for bolt-on acquisitions to strengthen our business portfolio and market position
- We will also continue to invest in the sales teams as well as to develop applications 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%

Share price development 2010 and YTD 2011 – EUR per share



— Exel Composites

— HEX (indexed)

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.



ENGLAND

Runcorn

BELGIUM

Oudenaarde

GERMANY

Voerde

AUSTRIA

Kapfenberg

FINLAND

Heinävaara

Mäntyharju

CHINA

Nanjing

AUSTRALIA

Brisbane

Melbourne

exel[™]
COMPOSITES