

Extraordinary General Meeting

10 December 2013

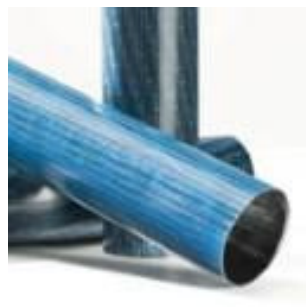
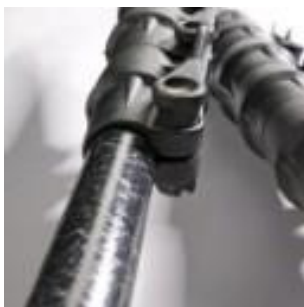
Vesa Korpimies
President and CEO

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January – September 2013 in brief
Weak market situation continued in 1-9/2013

MEUR	1-9/2013	1-9/2012	Change
Net sales	51.5	57.4	-10.2%
Operating profit before non-recurring items	3.7	5.0	-25.5%
Operating profit (%)	7.2	8.7	
Operating profit after non-recurring items	3.4	5.0	-33.0%
Operating profit (%)	6.5	8.7	
Net operative cash flow	+4.9	+3.8	
EPS	0.19	0.29	



July – September 2013 in brief

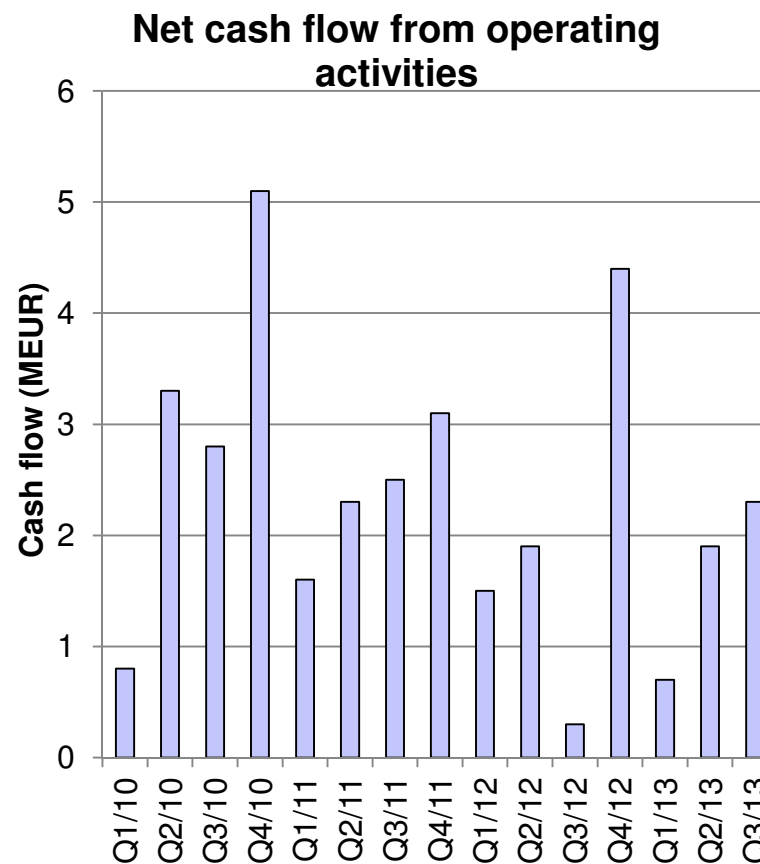
Slight improvement was seen in July – September 2013

MEUR	Q3 2013	Q3 2012	Change
Net sales	17.1	17.1	0.1%
Operating profit before non-recurring items	1.5	1.4	+6.7%
Operating profit (%)	8.5	8.0	
Operating profit after non-recurring items	1.1	1.4	-20.6%
Operating profit (%)	6.3	8.0	
Net operative cash flow	+2.3	+0.3	
EPS	0.05	0.07	

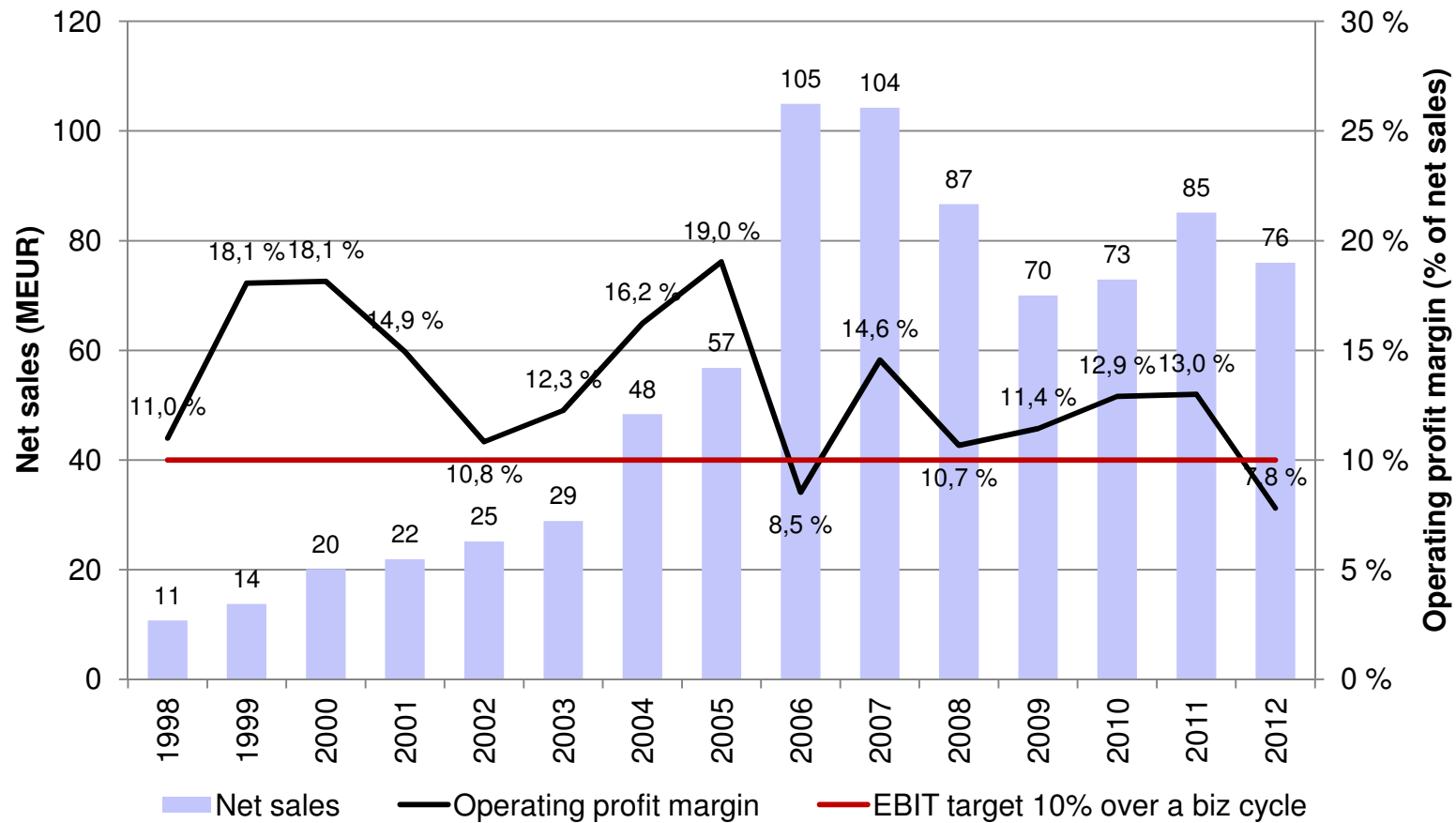


In January – September 2013 net cash flow from operating activities was positive at MEUR +4.9 (+3.8)

- ◆ In January – September 2013 net cash flow from operating activities was positive at MEUR +4.9 (+3.8)
- ◆ In July – September 2013 net cash flow from operating activities was strongly positive at MEUR +2.3 (+0.3) due to good working capital management
- ◆ Capital expenditure was MEUR 1.9 (2.1)
- ◆ On 30 September 2013, the Group's liquid assets stood at MEUR 7.6 (7.5)



Exel Composites has a history of profitable growth



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

2 OPERATIONAL DEVELOPMENT

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

3 ORGANIZATIONAL DEVELOPMENT

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

- ◆ Exel Composites is a customer-driven, leading provider of advanced composite solutions; being dynamic and innovative we reinforce your business
- ◆ Exel Composites' target is growth ahead of the market while maintaining good profitability
- ◆ We focus on OEM-customers in advanced and selected market segments

Several actions have been taken to improve Exel Composites sales and profitability

- ◆ Exel Composites has continued to invest in sales and technical sales
 - Group Management Team was strengthened by appointment of Mr. Kari Loukola, VP Sales
- ◆ Cost increases have been partly mitigated with price increases
- ◆ Savings actions via temporary lay-offs and permanent personnel reductions in all units
- ◆ Corrective actions have had a positive impact in the British business unit. Turnaround measures in Australia continue



We have built a platform to support future profitable growth. Exel Composites is well-positioned when the market recovers

- ◆ We have built a platform and harmonized practices (ERP, CRM, ExelWay) to support future profitable growth
 - As a result of the ExelWay-project, new and efficient business processes and best practices are being implemented
 - More efficient use of working capital
- ◆ Investment into new high specification laminate production line was made
 - The investment enables us to extend our product range in high specification laminates and grow in several market segments
 - New generation laminates enable new possibilities for example in applications in the building and construction industry such as reinforcing structures for walls and floors
- ◆ Despite the challenging situation the composite market is estimated to develop positively in the longer run

Exel Composites long term 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.

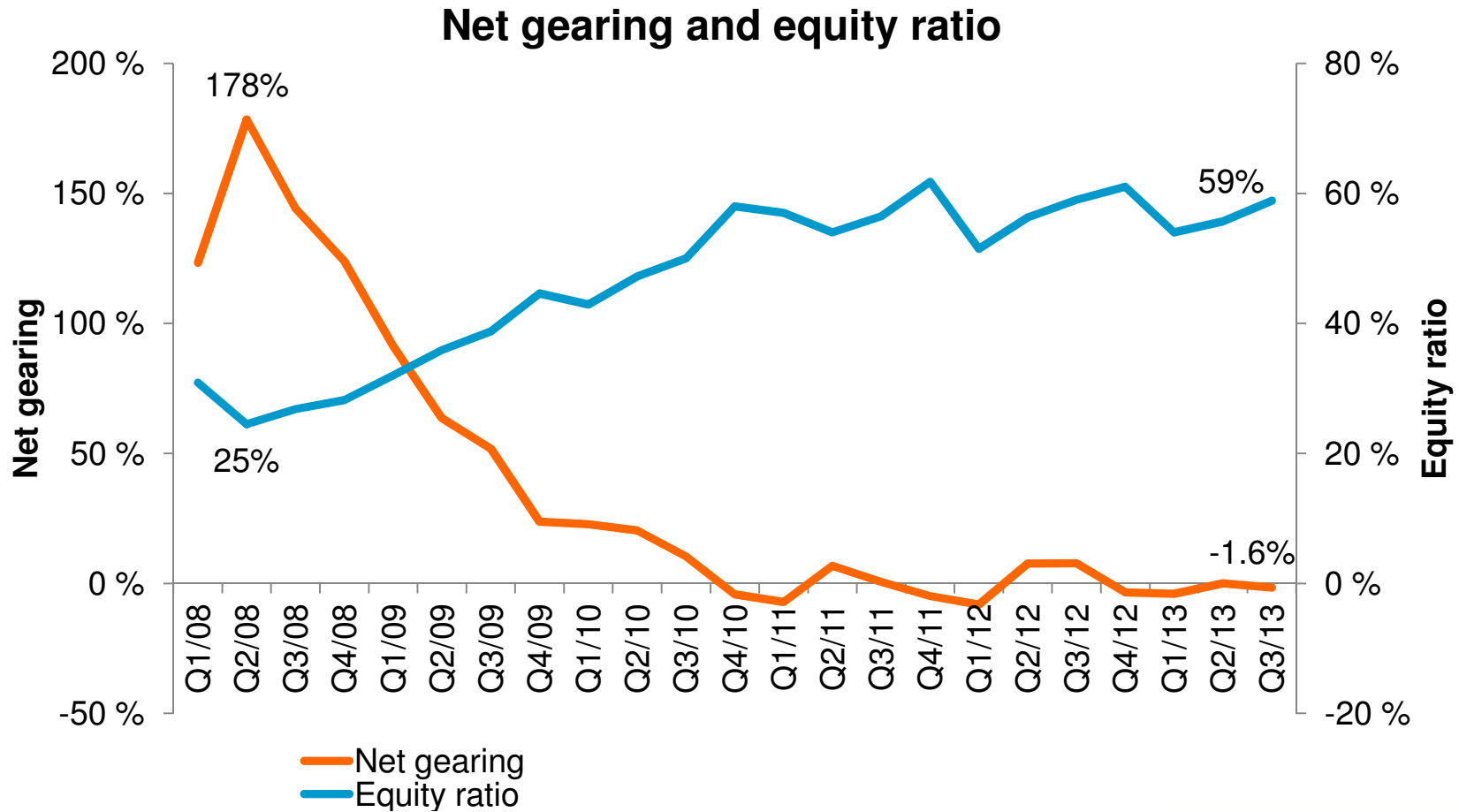
OPERATING PROFIT

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.

Exel Composites' financial position is strong



Board proposal on additional capital repayment

- ◆ The Board of Directors proposes to the Extraordinary General Meeting an additional capital repayment of EUR 0.50 per share
- ◆ The additional capital repayment will be paid from the reserve for invested unrestricted equity
- ◆ The Board of Directors of the Company considers that it will not propose any dividend distribution to the Annual General Meeting 2014 due to the additional capital repayment now proposed to the Extraordinary General Meeting



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COMPOSITES

Exel Composites' financial base remains strong even after additional capital payment

Repayment impact of 0.50 EUR per share (total MEUR 5.9 million)	Q3/2013	Q3/2013 after repayment
Shareholders' equity , MEUR	28.6	22.7
Equity ratio	58.9%	46.6%
Unrestricted equity fund, MEUR	8.5	2.5
Interest-bearing loans, MEUR	7.2	13.1
Net gearing	- 1.6%	24.2%

New president and CEO, Mr. Riku Kytömäki will assume his duties on 2 January 2014

- ◆ M.Sc. in Electrical Engineering
- ◆ Head of ABB's large AC Motor business worldwide since 2012
- ◆ Various international positions within ABB, namely
 - President for ABB Electrical Machines Ltd in China
 - Global Operations Manager for Business Unit Motors & Generators
 - Global Product Group Manager for ABB Wind Power Generators
- ◆ Born in 1971



More information is available on Exel Composites website

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

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