



"Challenging market environment continued"

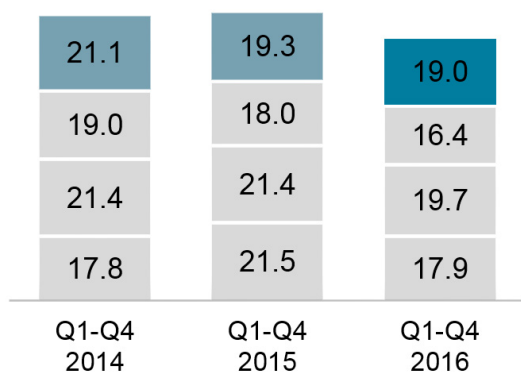
Exel Composites Plc

Financial Statements Release January - December 2016

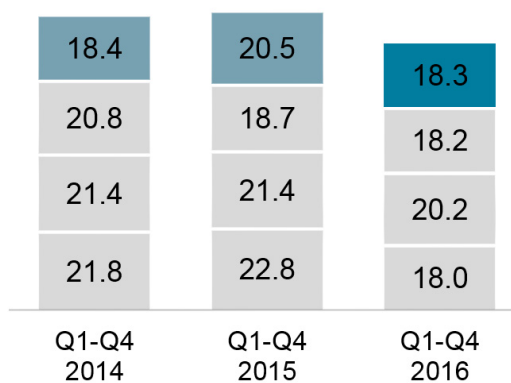


Key figures January - December 2016

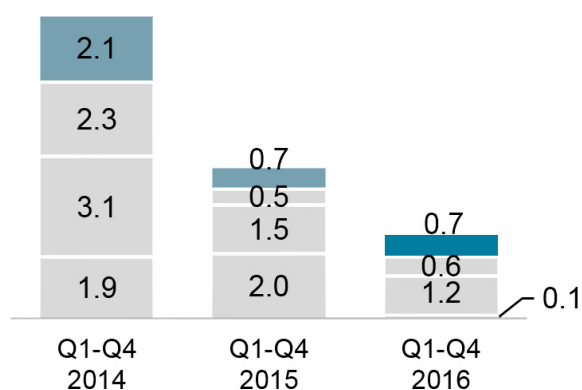
Revenue, EUR million



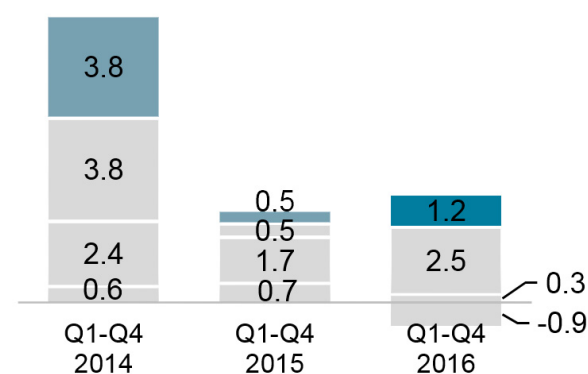
Order intake, EUR million



Adjusted operating profit, EUR million



Net cash flow, EUR million



Consolidated key figures

EUR thousand	1.10.-31.12. 2016	1.10.-31.12. 2015	Change, %	1.1.-31.12. 2016	1.1.-31.12. 2015	Change, %
Order intake	18,334	20,466	-10.4	74,778	83,374	-10.3
Order backlog 1)	16,702	15,348	8.8	16,702	15,348	8.8
Revenue	19,009	19,343	-1.7	73,079	80,196	-8.9
Operating profit	-1,209	609	-298.5	649	4,414	-85.3
% of revenue	-6.4	3.1		0.9	5.5	
Adjusted operating profit 2)	708	673	5.2	2,621	4,770	-45.1
% of revenue	3.7	3.5		3.6	5.9	
Profit for the period	-1,065	409	-360.4	198	2,844	-93.0
Net cash flow from operating activities	1,157	477	142.6	3,129	3,385	-7.6
Return on capital employed, %	-12.5	6.8		1.7	12.0	
Net gearing, %	12.2	2.0		12.2	2.0	
Earnings per share	-0.09	0.03		0.02	0.24	
Equite per share, EUR	2.27	2.58	-12.0	2.27	2.58	-12.0
Employees on average	457	493	-7.3	479	498	-3.8
Employees at end of period	455	494	-7.9	455	494	-7.9

1) As per 31 December 2016.

2) Excluding material items affecting comparability, such as restructuring costs, impairment losses and reversals, and costs related to planned or realized business acquisitions or disposals. For more information, please refer to the paragraph "Change in Exel Composites' financial reporting terminology" of the Half-year Financial Report published on 21 July 2016.

“Challenging market environment continued”

Q4 2016 in brief

- Order intake for the fourth quarter amounted to EUR 18.3 (20.5) million, -10.4% in comparison to previous year.
- Revenue amounted to EUR 19.0 (19.3) million, -1.7% in comparison to previous year.
- Adjusted operating profit amounted to EUR 0.7 (0.7) million, which is 3.7% (3.5) of revenue.
- Net cash flow from operating activities was positive at EUR +1.2 (+0.5) million.
- Earnings per share were EUR -0.09 (0.03).

Q1-Q4 2016 in brief

- Order intake for the period amounted to EUR 74.8 (83.4) million, -10.3% in comparison to previous year.
- Revenue amounted to EUR 73.1 (80.2) million, -8.9% in comparison to previous year.
- Adjusted operating profit amounted to EUR 2.6 (4.8) million, which is 3.6% (5.9) of revenue.
- Net cash flow from operating activities was negative positive at EUR +3.1 (+3.4) million.
- Earnings per share were EUR 0.02 (0.24).

Dividend proposal

The Board of Directors proposes that a dividend of EUR 0.10 per share be paid for the financial year 2016.

Outlook for full year 2017

Exel Composites estimates that revenue with current company structure (i.e. without the Chinese company acquisition) will increase from previous year level and adjusted operating profit will be higher than previous year level. In 2016, Exel Composites' revenue was EUR 73.1 million and adjusted operating profit was EUR 2.6 million.

President and CEO, Riku Kytömäki

The market environment has continued challenging throughout the year. Overall lower demand and toughened competition impacted some of our key markets such as telecommunications, where sales to Exel Composites' biggest customer dropped approximately by EUR 5 million. Additionally some end customer infrastructure projects were postponed. The new customer acquisition was not enough to compensate the declined volumes from some key customers, even though 'Other Applications'- customer industry grew by 6%. We have continued focused sales efforts specifically on customer industries where we see growth opportunities in the medium and longer term. New customers were developed, among other, in energy, transportation and construction industries, where we expect volume to grow during coming years. In general it is not found that Exel Composites' market shares in key customer industries would have changed compared to previous year.

During the fourth quarter of 2016 we have continued with cost savings measures mainly impacting personnel costs. Thanks to these actions, our fixed cost structure has been brought to a lower level. Thus, the adjusted operating profit for the fourth quarter was at the same level as during the same period last year, despite the fact that revenue volume was slightly lower and also our sales mix less favorable. We continue to actively adapt our operations to the prevailing market conditions. This involves efficient capacity utilization and production optimization by pooling volumes when possible and making efficiency improvements when production runs are shorter and ramp up times quicker.

At the end of the year, as disclosed in the stock exchange release published on 31 October 2016, we took an important step in the implementation of our growth strategy by acquiring a Chinese composites production company. In China the megatrends are strongly driving growth and presenting new business opportunities. In addition



to expanding manufacturing capacity, we are also expanding our local sales and product development network, our customer portfolio and the range of applications we offer to the local market. At the same, the acquisition gives us the opportunity to improve our profitability in the Asia Pacific (APAC) region by significantly down-sizing the underperforming Australian unit, reorganizing our operations in the region and improving efficiency through synergies among the two Chinese units. We expect to close the transaction during the first quarter of 2017. In connection with the acquisition we were also able to cancel the Nanjing expansion project. In addition, the project to expand operations in Austria that was initiated in 2015 is put on hold.

In the short term we expect the market conditions to remain challenging, albeit some positive signs of recovery. Recent increases in oil and metal prices are expected to improve the overall market demand. In the longer term we are confident that global megatrends will drive growth and present new business opportunities for Exel Composites.

Order intake and order backlog

Order intake for the fourth quarter of 2016 amounted to EUR 18.3 (20.5) million, which is 10.4% lower in comparison to previous year.

Order intake for the full year 2016 was EUR 74.8 (83.4) million, which is a decrease by 10.3% compared to previous year. The Group's order backlog on 31 December 2016 increased to EUR 16.7 (15.3) million.

Revenue

Group revenue in the fourth quarter of 2016 amounted to EUR 19.0 (19.3) million, which is 1.7% lower in comparison to previous year.

Group revenue for the financial year amounted to EUR 73.1 (80.2) million, which is a decrease by 8.9% compared to previous year. Revenue was impacted mainly by effects of the sales mix by -6.1%, declined delivery volumes by -1.2% and exchange rates by -1.6%.

Revenue by Customer Industry

EUR thousand	1.10.- 31.12.2016	1.10.- 31.12.2015	Change, %	1.1.-31.12. 2016	1.1.-31.12. 2015	Change, %
Industrial Applications	11,271	11,191	0.7	40,297	47,386	-15.0
Construction & Infrastructure	4,188	4,476	-6.4	17,456	18,364	-4.9
Other Applications	3,550	3,676	-3.4	15,326	14,446	6.1
Total	19,009	19,343	-1.7	73,079	80,196	-8.9

Revenue by Region

EUR thousand	1.10.- 31.12.2016	1.10.- 31.12.2015	Change, %	1.1.-31.12. 2016	1.1.-31.12. 2015	Change, %
Europe	14,678	15,133	-3.0	59,636	63,896	-6.7
APAC	3,727	3,054	22.0	11,274	13,712	-17.8
Rest of world	604	1,156	-47.8	2,170	2,588	-16.2
Total	19,009	19,343	-1.7	73,079	80,196	-8.9

Operating profit

The Group's operating profit amounted to EUR -1.2 (0.6) million in the fourth quarter of 2016 and was -6.4% (3.1) of revenue. Adjusted operating profit (excluding material items affecting comparability, such as restructuring costs, impairment losses and reversals, and costs related to planned or realized business acquisitions or disposals) was EUR 0.7 (0.7) million and 3.7% (3.5) of revenue.

In 2016 and compared to previous year, operating profit decreased to EUR 0.6 (4.4) million, 0.9% (5.5) of revenue. Adjusted operating profit was EUR 2.6 (4.8) million, 3.6% (5.9) of revenue. The impact on profitability of lower order volumes from some key customers and a less favorable sales mix was reduced through cost saving measures that were initiated early in 2016 and implemented throughout the year.

The downsizing of the underperforming Australian unit resulted in one-off expenses of EUR 1.5 million and costs related to the acquisition of the Chinese composites production company of EUR 0.5 million were recorded in the group accounts.

The Group's net financial expenses in 2016 were EUR 0.0 (0.2) million. The Group's profit before taxes was EUR 0.7 (4.3) million and profit after taxes EUR 0.2 (2.8) million.

Revenue from the customer industry 'Industrial Applications' decreased compared to last year and was EUR 40.3 (47.4) million. The decrease was mainly due to overall lower demand and toughened competition which impacted some of our key customers and key markets such as telecommunications, where sales to Exel Composites' biggest customer dropped approximately by EUR 5 million. Revenue for 'Construction & Infrastructure' was EUR 17.5 (18.4) million. New customer acquisition was not enough to compensate the declined volumes in these two customer industries even though 'Other Applications' grew by 6.1% in comparison to previous year and was EUR 15.3 (14.4) million.

In our main market Europe revenue decreased by 6.7% and in region the Asia-Pacific (APAC) region by 17.8%, mainly due to lower order volumes of some key customers as well as lower market demand in Asia, particularly in Australia and China. Revenue for region Rest of the World decreased during the period under review to EUR 2.2 (2.6) million.

Financial position

Net cash flow from operating activities for 2016 was positive at EUR +3.1 (+3.4) million. Cash flow before financing, but after capital expenditure, amounted to EUR 0.0 (-1.0) million. The capital expenditure on fixed assets amounted to EUR 3.1 (4.3) million. Capital expenditure was financed with cash flow from business operations. At the end of the financial year, the Group's liquid assets stood at EUR 6.9 (7.9) million. Total depreciation, amortization and impairment of non-current assets during the financial year amounted to EUR 3.2 (2.9) million.

The Group's consolidated total assets at the end of the financial year were EUR 53.1 (54.0) million. Interest bearing liabilities amounted to EUR 10.2 (8.5) million. Net interest bearing liabilities were EUR 3.3 (0.6) million.

Equity at the end of 2016 was EUR 27.0 (30.7) million and equity ratio 51.3% (57.1). The net gearing ratio was 12.2% (2.0). Fully diluted total earnings per share were EUR 0.02 (0.24). Return on capital employed in 2016 was 1.7% (12.0). Return on equity was 0.7% (9.4). A write-off of intercompany receivables and subsidiary shares related to the restructuring of the Australian unit reduced the distributable earnings of Exel Composites by EUR 4.8 million.

The Company paid total dividends during the financial year of EUR 2.6 (2.4) million. Dividend per share was EUR 0.22 (0.20).

Business development and strategy implementation

Exel Composites aims to differentiate from its competitors by providing a superior customer experience that improves competitiveness and is based on a clear value proposition. Exel's strengths are its focus on continuous innovation and own internally developed composite technology, the high level of expertise of its employees and the long-term partnerships. In addition being a globally local, world-wide player with a strong quality and brand image brings Exel competitive edge. Exel's strategy is based on five pillars: 1) protect and grow our stronghold customers 2) accelerating growth in China, 3) penetrating new applications, 4) creating true global footprint and 5) growth in new technologies.

A significant strategic milestone was reached in October 2016 when Exel announced the acquisition of a Chinese composition production company. The acquisition is an important step in the implementation of Exel's growth strategy in China where megatrends such as urbanization, demographic change, as well as sustainability and total life cycle cost management are driving increased demand and business opportunities. In addition to expanding manufacturing capacity, Exel is expanding its local sales and product development network, its customer portfolio and the range of applications to the local market. The closing of the transaction is expected to take place during the first quarter of 2017.

The above mentioned acquisition also presented an opportunity to reorganize Exel Composites' operations and improve profitability in the APAC region. Increased production capacity in China is anticipated to adequately respond to the demand for advanced composites in the APAC region that in the long term is expected to increase. Therefore operations in the underperforming Australian unit will be significantly downsized. The restructuring of the Australian unit is expected to improve Exel Composites EBIT by EUR 0.9 from 2018 onwards.

In connection to the acquisition the project to expand Exel Composites' Nanjing site in China shall be cancelled. The project to build new facilities next to the present factory building was initiated in December 2014. The profitability of Exel Composites' Chinese business unit is expected to improve through synergies with the acquired business.

In 2016 we have purposefully continued executing operational efficiency improvements across the Group for example by combining certain business units into one management entity. The operational stability and flexibility to respond to fast changing demand achieved in this way is expected to improve the combined profitability of the units. The restructurings are expected to bring growth opportunities for Exel through better service to customers in Central and Southern Europe among other.

The step-by-step implementation of a Group-wide ERP system continues and is expected to be rolled out in all units during 2018.

Research and development

Research and development costs for the financial year totaled EUR 1.7 (1.9) million, representing 2.4% (2.3) of revenue.

Risk management

At Exel Composites risk management is a continuous process, which is integrated with the daily decision making and continuous monitoring of operations as well as with preparation of half year financial reports, business reviews and annual financial statements.

The Board of Directors governs the risk management of the Company through a risk management policy. In addition, the Board of Directors makes a risk assessment as part of the review and approval process of each set of half year financial reports, business reviews and annual financial statements. Risk factors are also considered in connection with any future guidance disclosed by the Company.

The operative risk management, including risk monitoring, is part of the key duties of the operative management. Risks are considered and evaluated in conjunction with each business decision. Additionally, they are also monitored by the President & CEO and other group management on a monthly basis when the team reviews the business development and any near and long-term risks upon presentation of the business unit heads and controllers.

Risks and uncertainties related to Exel Composites can be categorized as strategic, operational, financial and hazard risks.

Strategic risks

With respect to strategic risks, a significant portion of Exel Composites' revenues is generated from certain key clients and market segments. Whereas production capacity and cost structure of the Company is planned for growing business volume, negative development of such key clients or market segments could lead to deterioration of Exel Composites' profitability. This risk is mitigated by a close cooperation with key clients. The development of key markets and consequently business volumes are actively followed and forecasted in order to be able to adjust our business and cost structures to the forecasts. New products and applications are also continuously developed in order to limit the dependency of any individual clients or market segments.

Strategic risks also include risks related to acquisitions where the realized level of benefits and synergies may differ from the planned.

Operational risks

The most significant operational risks relate to product development and sales as well as production. Exel Composites' product range is very broad and often customer customized, which adds complexity to the product development and production. Designing, producing and selling a product that does not meet the requirements agreed with a client could potentially lead to substantial losses and damages. In addition, availability of skilled employees, protection of self-developed proprietary technology, fraud, availability and pricing of key raw materials and health problems due to long-term exposure to chemicals belong to the most significant operational risks. Pre-emptive management of operative risks through careful contracting as well as appropriate business processes and working instructions are in key roles to prevent possible damages.

Financial risks

Financial risks consist of currency, interest rate, liquidity and funding risks, as well as credit and other counter party risks. Currency and interest rate risks are managed primarily by natural hedging or by using derivative instruments. Credit insurance is in place to cover risks related to trade receivables.

Hazard risks

Hazard risks, such as damages caused to property because of fire or chemical spill, as well as losses resulting from related business interruptions, are mainly covered by insurance policies. This type of risks are also regularly audited by third parties that provide recommendations for improvement to reduce risk probability.

Major near-term risks and uncertainties

Exel Composites' most significant near-term business risk relates to the fact that a significant portion of revenue is generated from certain key clients and market segments, the continued negative development of which could deteriorate the company's profitability. Furthermore, a rapid increase of raw material prices could on the short term negatively impact the company's profitability, even if in the longer term it would improve the competitiveness of composite materials.

The Company has recently announced an acquisition and further continues the screening process of potential acquisition targets. The acquisition prices may be based on such benefits and synergies that will not materialize as planned.

Organization and personnel

At the end of December 2016, Exel Composites employed 455 (494) people, of whom 206 (213) in Finland and 249 (281) in other countries. The average number of employees during the financial year was 479 (498).

Environment, health and safety

Environment, health and safety are high priority at Exel Composites. Environmental issues are managed using ISO 14001 standard as a guideline in all the units of the Group and the company plays a leading role in industry associations such as EuCIA (European Composites Industry Association).

In 2016 we continued with preventative reporting and follow-up on occupational health and safety, and target to further reduce, among others, the number of lost time incidents. The work to expand the OHSAS 18001 certification (Occupational Health and Safety Assessment Series) in the company continued in 2016. During the year, the business units in Belgium and the United Kingdom got their OHSAS 18001 certificates.

Shares and shareholders

Exel Composites' share is listed on Nasdaq Helsinki Ltd in the Industrials sector.

At the end of December 2016, Exel Composites' share capital was EUR 2,141,431.74 and the number of shares was 11,896,843 each having the counter-book value of EUR 0.18. There were no changes in the share capital during the financial year. There is only one class of shares and all shares are freely assignable under Finnish law.

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

At the end of December 2016 the share price closed at EUR 5.02. During the financial year, the average share price was EUR 5.05, the highest share price EUR 6.85 and the lowest share price EUR 4.71.

A total of 3,080,024 shares were traded at Nasdaq Helsinki Ltd., which represents 25.9% of the average number of shares. On 31 December 2016 Exel Composites' market capitalization was EUR 59.7 (77.7) million. Total shareholder return (TSR) in 2016 was -22.2% (-20.5).

Exel Composites had a total of 3,034 shareholders on 31 December 2016 and during the financial year received one flagging notification in accordance with the Finnish Securities Market Act Chapter 9 Section 5 regarding change in shareholdings.

Information on the company's shareholders is available on the corporate website at www.exelcomposites.com under the Investor section.

Events after the review period

The project to expand operations in Austria that was initiated in 2015 is put on hold.

Outlook for full year 2017

Exel Composites estimates that revenue with current company structure (i.e. without the Chinese company acquisition) will increase from previous year level and adjusted operating profit will be higher than previous year level. In 2016, Exel Composites' revenue was EUR 73.1 million and adjusted operating profit was EUR 2.6 million.

Board proposal for dividend distribution

Exel Composites' financial goals include distributing dividends minimum 40% of the profit for the financial year as permitted by the financial structure and growth opportunities.

On 31 December 2016 Exel Composites Plc's distributable funds totaled EUR 10.4 million, of which loss for the financial period accounted for EUR 765 thousand.

The Board has decided to propose to the Annual General Meeting that a dividend of EUR 0.10 (EUR 0.22) per share.

As a basis for its proposal, the Board of Directors has made an assessment of the Group's financial position and ability to meet its commitments, as well as the Group's outlook and investment requirements. The Board considers the proposed dividend well-balanced given the prospects, the capital requirements and the risks of the Group's business activities.

The Board of Directors has decided to propose the record date for dividends to be 6 April 2017. If the Annual General Meeting approves the Board's proposal, it is estimated that the dividend will be paid on 13 April 2017.

Financial reporting and Annual General Meeting 2017

Exel Composites publishes the following reports in 2017:

- Financial Statements Release 2016: 14 February 2017
- Business Review January - March: 4 May 2017
- Half Year Financial Report January - June: 20 July 2017
- Business Review January - September: 25 October 2017

Annual Financial Report, Corporate Governance Statement and Remuneration Statement for 2016 will be published on Tuesday 14 March 2017 in electronic format at the company's website www.exelcomposites.com.

The Annual General Meeting will be held on Tuesday 4 April 2017 at 10:00 at Scandic Marina Congress Center at the address of Katajanokanlaituri 6, Helsinki, Finland.

Financial results briefing

Exel Composites will hold a financial results briefing regarding the financial statements on Tuesday 14 February 2017 at 12:30 at Scandic Hotel Simonkenttä's Roba meeting room (address Simonkatu 9, Helsinki, Finland).

Vantaa, 14 February 2017

Exel Composites Plc
Board of Directors

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Summary and notes to the Financial Statements January – December 2016

Accounting principles

This Financial Statements Release is based on Financial Statements that have been prepared in accordance with IAS 34, Interim Financial Reporting. The same accounting policies have been applied as in the previous financial statements.

Preparation of financial statements in accordance with the IFRS standards requires Exel Composites' management to make estimates and assumptions that have an effect on the amount of assets and liabilities on the balance sheet at the closing date as well as the amounts of income and expenses for the financial period. In addition, the management must exercise its judgment regarding the application of accounting policies. Since the estimates and assumptions are based on the views at the date of the financial statements, they include risks and uncertainties. The actual results may differ from the estimates and assumptions.

The amounts presented in the income statement and balance sheet are Group figures. The amounts presented in the release are rounded, so the sum of individual figures may differ from the sum reported.

The financial statements are audited and the auditor's report for the financial statements has been issued.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

EUR thousand	1.10.- 31.12.2016	1.10.- 31.12.2015	Change, %	1.1.- 31.12.2016	1.1.- 31.12.2015	Change, %
Revenue	19,009	19,343	-1.7	73,079	80,196	-8.9
Materials and services	-8,211	-7,633	7.6	-28,998	-30,001	-3.3
Employee benefit expenses	-5,632	-6,092	-7.6	-22,952	-25,280	-9.2
Depreciation and impairment	-970	-746	30.0	-3,244	-2,903	11.7
Other operating expenses	-5,523	-4,626	19.4	-17,613	-18,151	-3.0
Other operating income	118	363	-67.5	376	553	-32.0
Operating profit	-1,209	609	-298.5	649	4,414	-85.3
Net financial items	-43	167	-125.7	29	-157	-118.5
Profit before tax	-1,252	775	-261.5	678	4,257	-84.1
Income taxes	187	-367	-151.0	-480	-1,413	-66.0
Profit/loss for the period	-1,065	409	-360.4	198	2,844	-93.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
Exchange differences on translating foreign operations	23	376	-93.9	-1,244	492	-352.8
Income tax relating to components of other comprehensive income	0	0	0	0	0	0
Items that will not be classified to profit or loss:						
Defined benefit plan actuarial gains(+)/loss(-), net tax	-40	51	-178.4	-40	51	-178.4
Other comprehensive income, net of tax	-17	427	-104.0	-1,284	543	-336.5
Total comprehensive income	-1,082	836	-229.4	-1,086	3,387	-132.1
Profit/loss attributable to:						
Equity holders of the parent company	-1,065	409	-360.4	198	2,844	-93.0
Comprehensive income attributable to:						
Equity holders of the parent company	-1,082	836	-229.4	-1,086	3,387	-132.1
Earnings per share, diluted and undiluted, EUR	-0.09	0.03		0.02	0.24	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	31.12.2016	31.12.2015	Change
ASSETS			
Non-current assets			
Goodwill	9,793	9,597	196
Other intangible assets	516	490	26
Tangible assets	13,834	14,359	-525
Deferred tax assets	362	383	-21
Other non-current assets	83	87	-4
Non-current assets total	24,589	24,916	-328
Current assets			
Inventories	9,861	9,670	191
Trade and other receivables	11,681	11,507	174
Cash at bank and in hand	6,944	7,874	-930
Total current assets	28,486	29,052	-566
Total assets	53,075	53,968	-893
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	2,141	2,141	0
Other reserves	126	106	20
Invested unrestricted equity fund	2,539	2,539	0
Translation differences	2,781	4,025	-1,244
Retained earnings	19,227	19,060	167
Profit for the period	198	2,844	-2,646
Equity attributable to holders of the parent company	27,013	30,716	-3,703
Total equity	27,013	30,716	-3,703
Non-current liabilities			
Interest-bearing liabilities	2,594	3,531	-937
Interest-free liabilities	571	553	18
Deferred tax liabilities	393	629	-236
Total non-current liabilities	3,558	4,713	-1,155
Current liabilities			
Interest-bearing liabilities	7,633	4,945	2,688
Trade and other non-current liabilities	14,871	13,594	1,277
Total liabilities	22,504	18,539	3,965
Total equity and liabilities	53,075	53,968	-893

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	1.1.–31.12.2016	1.1.–31.12.2015	Change
Cash flow from operating activities			
Profit for the period	198	2,844	-2,646
Adjustments	2,539	5,207	-2,668
Change in working capital	998	-2,271	3,269
Cash flow generated by operations	3,735	5,780	-2,045
Interest paid	-97	-80	-17
Interest received	10	52	-42
Other financial items	-131	-218	87
Income taxes paid	-388	-2,149	1,761
Net cash flow from operating activities	3,129	3,385	-256
Cash flow from investing activities			
Purchases of non-current assets	-3,129	-4,295	1,166
Proceeds from sale of non-current assets	0	0	0
Cash flow from investing activities	-3,129	-4,295	1,166
Cash flow before financing activities	0	-910	910
Cash flow from financing activities			
Share issue	0	0	0
Proceeds from long-term borrowings	0	0	0
Instalments of long-term borrowings	-1,000	-1,000	0
Change in short-term loans	2,687	3,945	-1,258
Instalments of finance lease liabilities	0	0	0
Dividends paid	-2,617	-2,379	-238
Net cash flow from financing activities	-930	566	-1,496
Change in liquid funds	-930	-344	-586
Liquid funds in the beginning of period	7,874	8,218	-344
Liquid funds at the end of period	6,944	7,874	-930

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR thousand	Share capital	Share premium reserve	Other reserves	Invested unrestricted equity fund	Translation differences	Retained earnings	Total
Balance at 1 January 2015	2,141	0	79	2,539	3,534	21,426	29,719
Comprehensive result					492	2,844	3,336
Defined benefit plan actuarial gains (+)/ loss (-), net of tax						51	51
Other items			27			-27	0
Dividend						-2,379	-2,379
Correction of an error in previously issued financial statements 1)						-11	-11
Balance at 30 June 2015	2,141	0	106	2,539	4,025	21,904	30,716
Balance at 1 January 2016	2,141	0	106	2,539	4,025	21,904	30,716
Comprehensive result					-1,244	198	-1,046
Defined benefit plan actuarial gains(+)/ loss(-), net of tax						-40	-40
Other items			20			-20	0
Dividend						-2,617	-2,617
Balance at 30 June 2016	2,141	0	126	2,539	2,781	19,424	27,013

1) Correction of actuarial losses in prior year related to the pension liability in Exel Composites N.V.

ADJUSTED OPERATING PROFIT

EUR thousand	1.10.-31.12.2016	1.10.-31.12.2015	1.1.-31.12.2016	1.1.-31.12.2015
Operating profit	-1,209	609	649	4,414
Restructuring costs	1,508		1,508	
Impairment losses and reversals				
Costs related to planned or realized business acquisition and disposal	410	64	464	356
Sale of intangible and tangible assets				
Expenses related to changes in legislation or legal proceedings				
Adjusted operating profit	708	673	2,621	4,770

QUARTERLY KEY FIGURES

EUR thousand	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1
Revenue	19,009	16,431	19,720	17,919	19,343	18,006	21,352	21,495
Materials and services	-8,211	-6,489	-7,421	-6,877	-7,633	-6,819	-7,778	-7,771
Employee benefit expenses	-5,632	-4,876	-6,379	-6,065	-6,092	-6,005	-6,733	-6,450
Depreciation and impairment	-970	-753	-772	-749	-746	-721	-725	-711
Operating expenses	-5,523	-3,817	-4,111	-4,161	-4,626	-4,033	-4,937	-4,556
Other operating income	118	69	109	79	363	38	169	-16
Operating profit	-1,209	565	1,147	146	609	466	1,348	1,991
Net financial items	-43	46	31	-5	167	-209	-187	72
Profit before taxes	-1,252	611	1,178	142	775	257	1,161	2,063
Income taxes	187	-227	-296	-144	-367	-180	-361	-506
Profit/loss for the period	-1065	384	882	-2	409	78	800	1,557
Earnings per share, diluted and undiluted, EUR	-0.09	0.03	0.07	0.00	0.03	0.01	0.07	0.13
Average number of shares, diluted and undiluted 1,000 shares	11,897	11,897	11,897	11,897	11,897	11,897	11,897	11,897
Average number of personnel	457	480	487	492	493	500	513	487

COMMITMENTS AND CONTINGENCIES

EUR thousand	31.12.2016	31.12.2015
Commitments on own behalf		
Mortgages	2,783	2,783
Floating charges	12,500	12,500
Operating leases		
Not later than one year	774	1,040
1 - 5 years	456	904
Other liabilities	312	312

DERIVATIVE FINANCIAL INSTRUMENTS NOMINAL VALUE

EUR thousands	31.12.2016	31.12.2015
Interest rate swaps	1,800	2,400

CONSOLIDATED KEY FIGURES

EUR thousand	1.1.-31.12.2016	1.1.-31.12.2015	Change, %
Revenue	73,079	80,196	-8.9
Operating profit	649	4,414	-85.3
% of revenue	0.9	5.5	
Adjusted operating profit 1)	2,621	4,770	-45.1
% of revenue	3.6	5.9	
Profit before tax	678	4,257	-84.1
% of revenue	0.9	5.3	
Profit for the period	198	2,844	-93.0
% of revenue	0.3	3.5	
Shareholders' equity	27,013	30,716	-12.1
Interest-bearing liabilities	10,227	8,476	20.7
Cash and cash equivalents	6,944	7,874	-11.8
Net interest-bearing liabilities	3,283	602	445.3
Capital employed	37,239	39,192	-5.0
Return on equity, %	0.7	9.4	-92.6
Return on capital employed, %	1.7	12.0	-85.8
Equity ratio, %	51.3	57.1	-10.2
Net gearing, %	12.2	2.0	510.0
Capital expenditure	3,129	4,295	-27.1
% of revenue	4.3	5.4	
Research and development costs	1,747	1,850	-5.6
% of revenue	2.4	2.3	
Order intake	74,778	83,374	-10.3
Order backlog	16,702	15,348	8.8
Earnings per share, diluted and undiluted, EUR	0.02	0.24	-91.7
Equity per share, EUR	2.27	2.58	-12.0
Average number of shares, diluted and undiluted, 1,000 shares	11,897	11,897	0
Average number of employees	479	498	-3.8
Personnel at year end	455	494	-7.9

1) Excluding material items affecting comparability, such as restructuring costs, impairment losses and reversals, and costs related to planned or realized business acquisitions or disposals. For more information, please refer to the paragraph "Change in Exel Composites' financial reporting terminology" of the Half-year Financial Report published on 21 July 2016.



Exel Composites in brief

Exel Composites is a leading composite technology company that designs, manufactures and markets composite products and solutions for demanding applications. Exel Composites provides superior customer experience through continuous innovation, world-class operations and long-term partnerships.

The core of the operations is based on own, internally developed composite technology, product range based on it and 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 Nasdaq Helsinki Ltd.

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