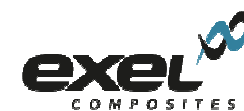


Q2 2015 RESULTS



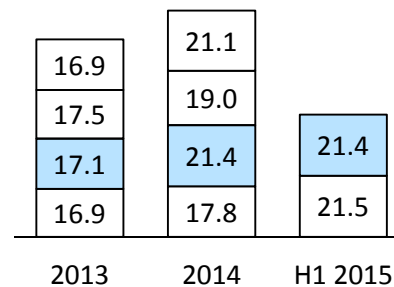
24 July 2015

Riku Kytömäki
President and CEO

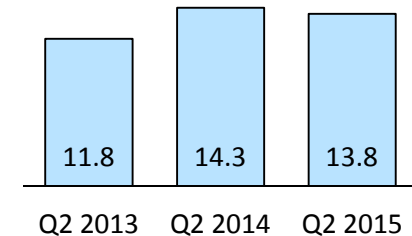
Q2 2015 In Brief

- Net sales in Q2 were MEUR 21.4 (21.4), net sales in H1 grew by 9.2%
- Operating profit decreased to MEUR 1.3 (3.1)
- Operating profit margin decreased to 6.3% (14.3%) due to higher operational costs primarily relating to the implementation of the long-term growth strategy and lower than expected volumes
- Net cash flow from operating activities was positive at MEUR +1.7 (+2.4)

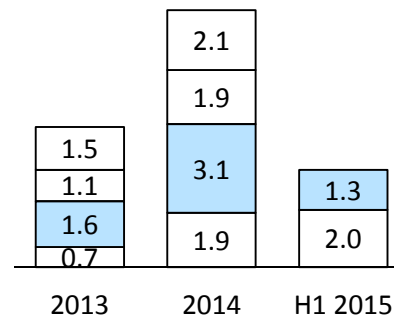
Net sales, MEUR



Order backlog, MEUR



Operating profit, MEUR



Net cash flow, MEUR



Key figures Q2 2015

MEUR	Q2 2015	Q2 2014	Change-%
Net sales	21.4	21.4	-0.3
Operating profit *)	1.3	3.1	-55.9
Operating profit, %	6.3	14.3	
Net cash flow from operating activities	+1.7	+2.4	-31.2
Order backlog	13.8	14.1	-2.3
Order intake	21.4	21.4	0.0
Return on capital employed, %	14.0	32.2	
Net gearing, %	-2.4	5.7	
EPS, EUR	0.07	0.19	

*) Operating profit before non-recurring items was MEUR 1.5 (3.1) or 7.2 (14.3) per cent of net sales

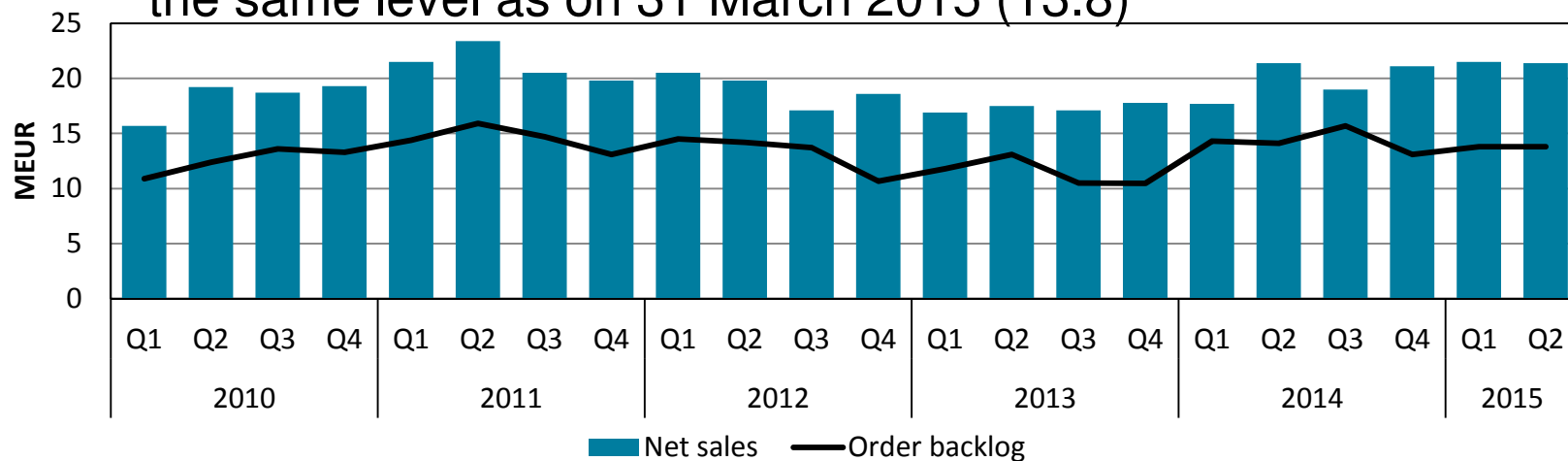
Key figures H1 2015

MEUR	H1 2015	H1 2014	Change-%
Net sales	42.8	39.2	9.2
Operating profit *)	3.3	4.9	-32.4
Operating profit, %	7.8	12.6	
Net cash flow from operating activities	+2.4	+3.1	-23.3
Order backlog	13.8	14.1	-2.3
Order intake	44.2	43.1	2.4
Return on capital employed, %	17.9	26.8	
Net gearing, %	-2.4	5.7	
EPS, EUR	0.20	0.28	

*) Operating profit before non-recurring items was MEUR 3.3 (4.9) or 7.8 (12.6) per cent of net sales

Net sales and order intake remained on the same level as in Q2 2014

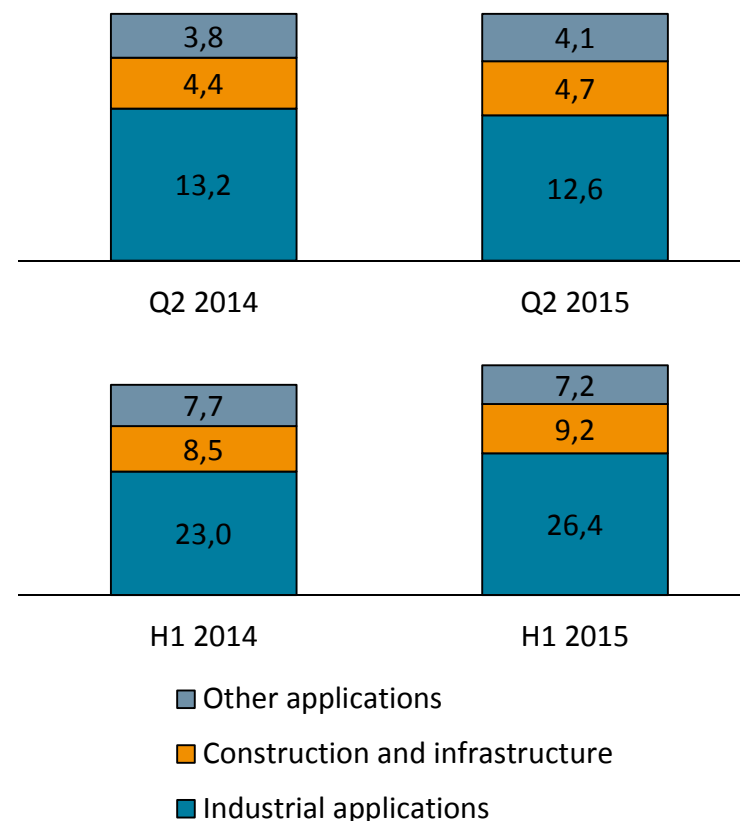
- Net sales were MEUR 21.4 (21.4)
- In H1 2015 Group net sales increased by 9.2% compared to the same period in 2014
- Order intake was on the same level as in Q2 2014 at MEUR 21.4 (21.4)
- Order backlog on 30 June 2015 was MEUR 13.8 (14.1), on the same level as on 31 March 2015 (13.8)



Sales of Construction and Infrastructure applications and Other applications increased slightly in Q2 2015

- In Q2 2015 Group net sales were MEUR 21.4 (21.4)
- Net sales of Industrial applications decreased by 4.5% to MEUR 12.6 (13.2)
- Net sales of Construction and Infrastructure applications increased by 6.8% to MEUR 4.7 (4.4)
- Net sales of Other applications increased by 7.9% to MEUR 4.1 (3.8)

Net sales by customer industry, MEUR



Note: Customer industries include the following markets:

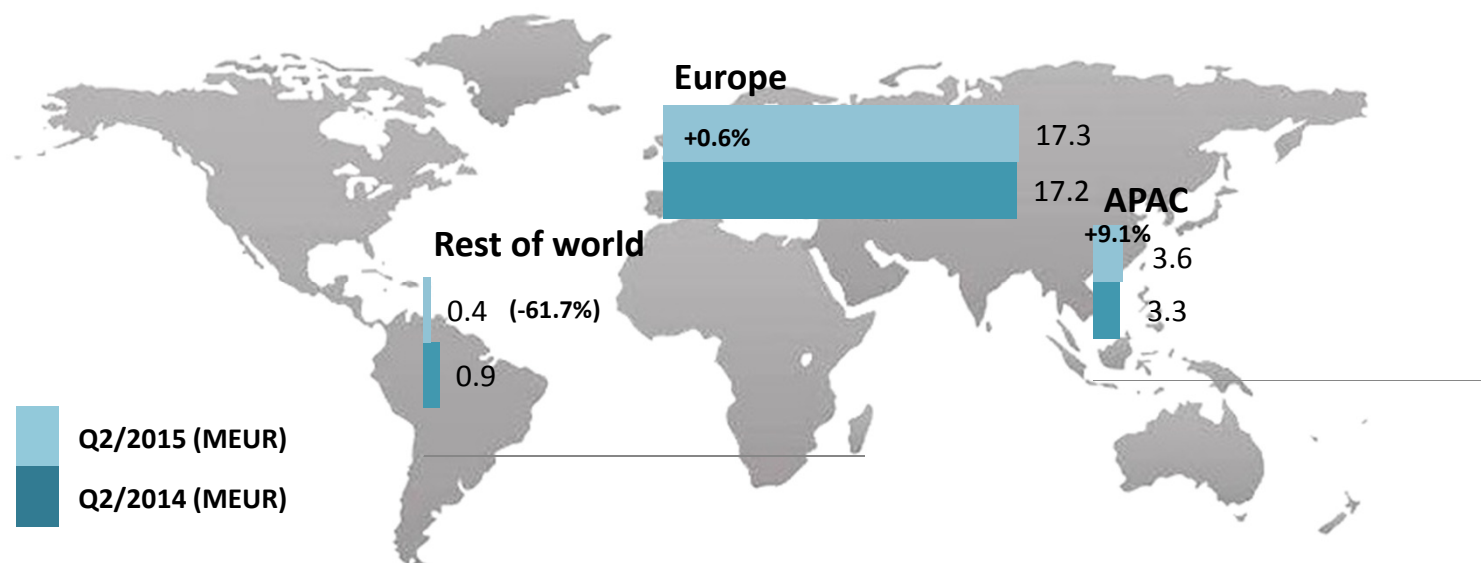
Construction and infrastr. = Building, Construction & Infrastructure, Energy industry

Industrial applications = Telecommunication, Paper, Electrical, Machine, and Transportation industries

Other applications = Cleaning & Maintenance, Sports & Leisure Industry, General Industries

Numbers may not add up due to rounding

Net sales remained on the same level as in Q2 2014, APAC grew 33.4% in H1



Rest of world

Net sales in the region Rest of world decreased by 61.7% in Q2 2015

Europe





















Net sales in Europe increased by 0.6% in Q2 2015

APAC

Net sales in the region APAC increased by 9.1% in Q2 2015

APAC was the fastest growing region in H1 2015, up by 33.4%

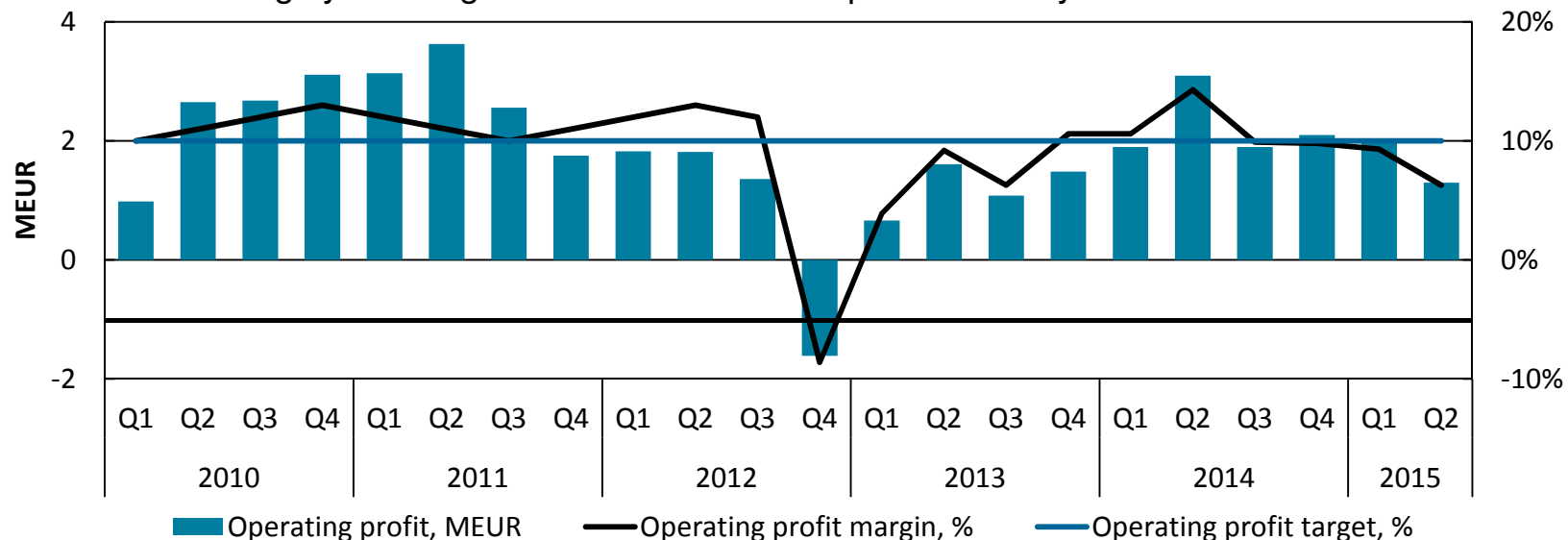
Demand in some markets of Exel Composites is picking up

	Market	Demand	
	Transportation industry		Increased demand with new applications
	Building, Construction & Infrastructure		Recovery in demand
	Energy industry		New projects opening up
	Telecommunication industry		4G network building increases demand
	Paper industry		Exel product portfolio is renewed. Growth expected
	Electrical industry		No major market discontinuity seen - growth potential unclear
	Cleaning & Maintenance		Exel grows faster than market
	Sports & Leisure		Exel position strong in selected segments
	Machine industry		Lightness and stiffness are becoming increasingly important
	General industry		General increase in demand

No updates since last reporting

Q2 2015 operating profit decreased to MEUR 1.3 (3.1)

- Q2 2015 operating profit decreased to MEUR 1.3 (3.1)
- Operating profit margin was 6.3% (14.3%) of net sales
 - Profitability was impacted by higher operational costs mainly due to increased resources relating to the implementation of the long-term growth strategy
 - Profitability was also affected by lower than expected volumes resulting from delayed orders from some customers
 - Non-recurring items of MEUR 0.2 related to M&A screening were recorded in Q2 2015
 - Comparing with 2014 it is worthwhile to note, that Q2 2014 operating profit was strong, roughly 50% higher than the next best quarter of the year



In Q2 2015 operating profit margin decreased to 6.3% (14.3%)

MEUR	Q2/2015		Q2/2014		Change in % of net sales
	Value	% of net sales	Value	% of net sales	
Net sales	21.4	100%	21.4	100%	
Materials and services	-7.8	36.4	-8.3	38.7	+2.3
Employee expenses	-6.8	31.5	-5.6	26.3	+5.2
Depreciation and impairment	-0.7	3.4	-0.7	3.1	+0.3
Other operating expenses	-4.9	23.1	-3.9	18.4	+4.7
Other operating income	0.2	0.8	0.2	0.8	0.0
Operating profit *)	1.3	6.3	3.1	14.3	-8.0

*) Operating profit before non-recurring items was MEUR 1.5 (3.1) or 7.2 (14.3) per cent of net sales

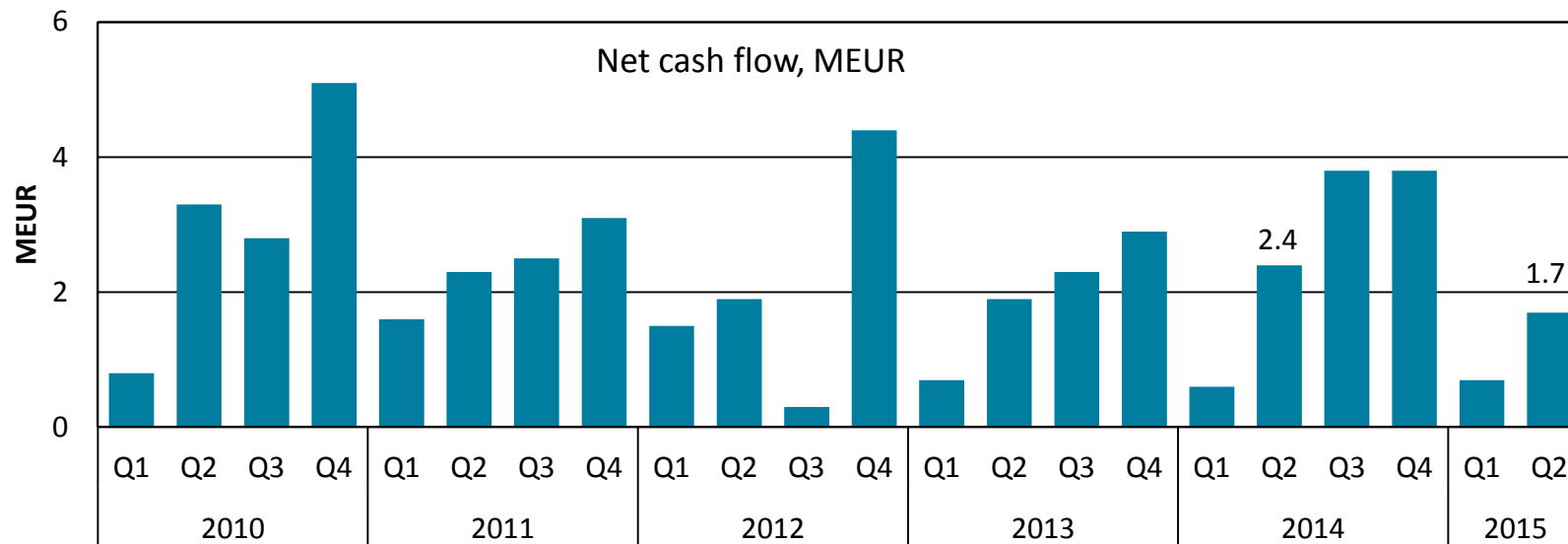
In H1 2015 operating profit margin decreased to 7.8% (12.6%)

MEUR	H1/2015		H1/2014		Change in % of net sales
	Value	% of net sales	Value	% of net sales	
Net sales	42.8	100%	39.2	100%	
Materials and services	-15.5	36.3	-14.3	36.4	+0.1
Employee expenses	-13.2	30.8	-11.2	28.1	+2.7
Depreciation and impairment	-1.4	3.3	-1.3	3.4	-0.1
Other operating expenses	-9.5	22.2	-8.5	20.5	+1.7
Other operating income	0.2	0.4	0.4	0.9	-0.5
Operating profit *)	3.3	7.8	4.9	12.6	-4.8

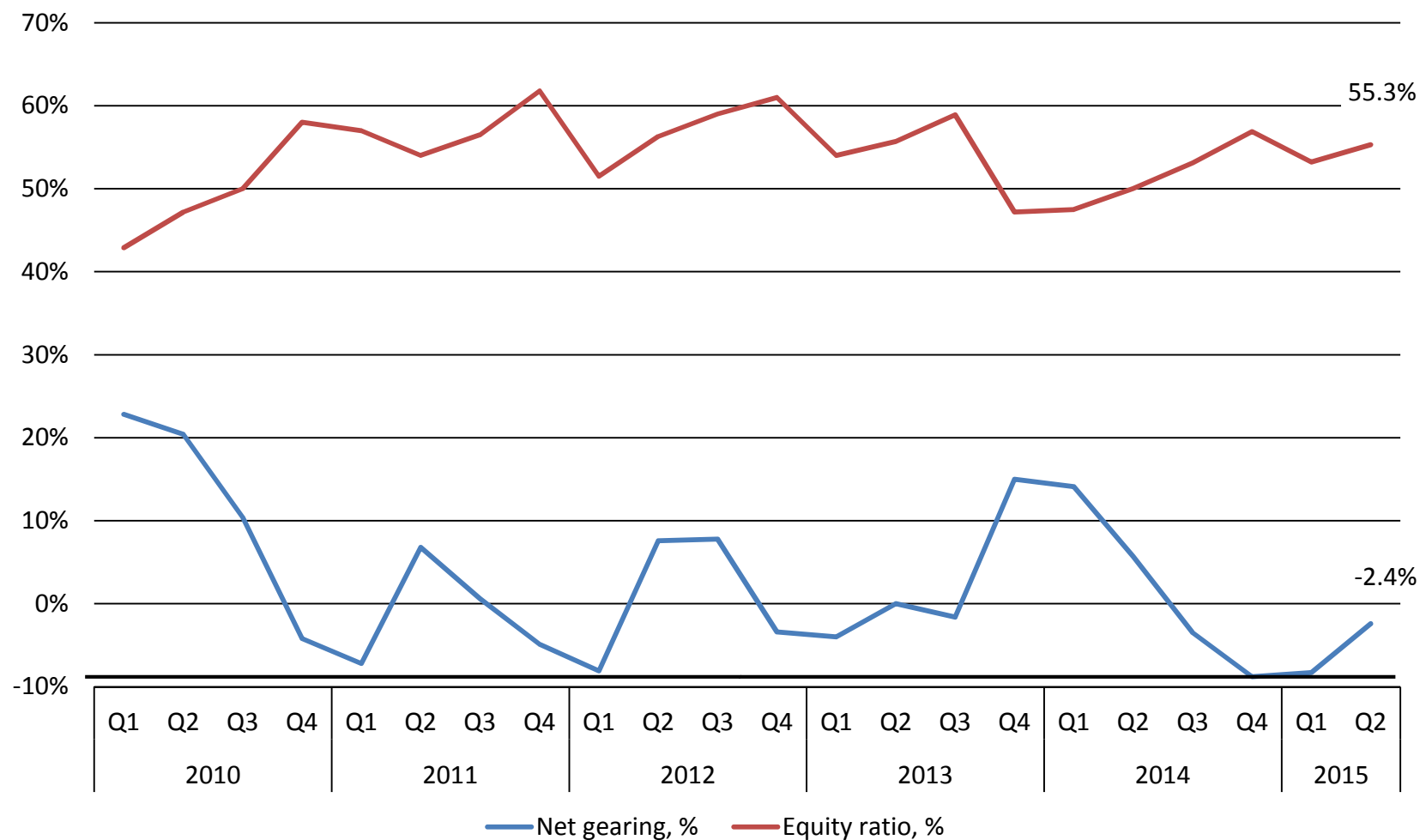
*) H1 2015 operating profit before non-recurring items was MEUR 3.5 (4.9) or 8.3 (12.6) % of net sales

In Q2 2015 net cash flow was MEUR +1.7 (+2.4)

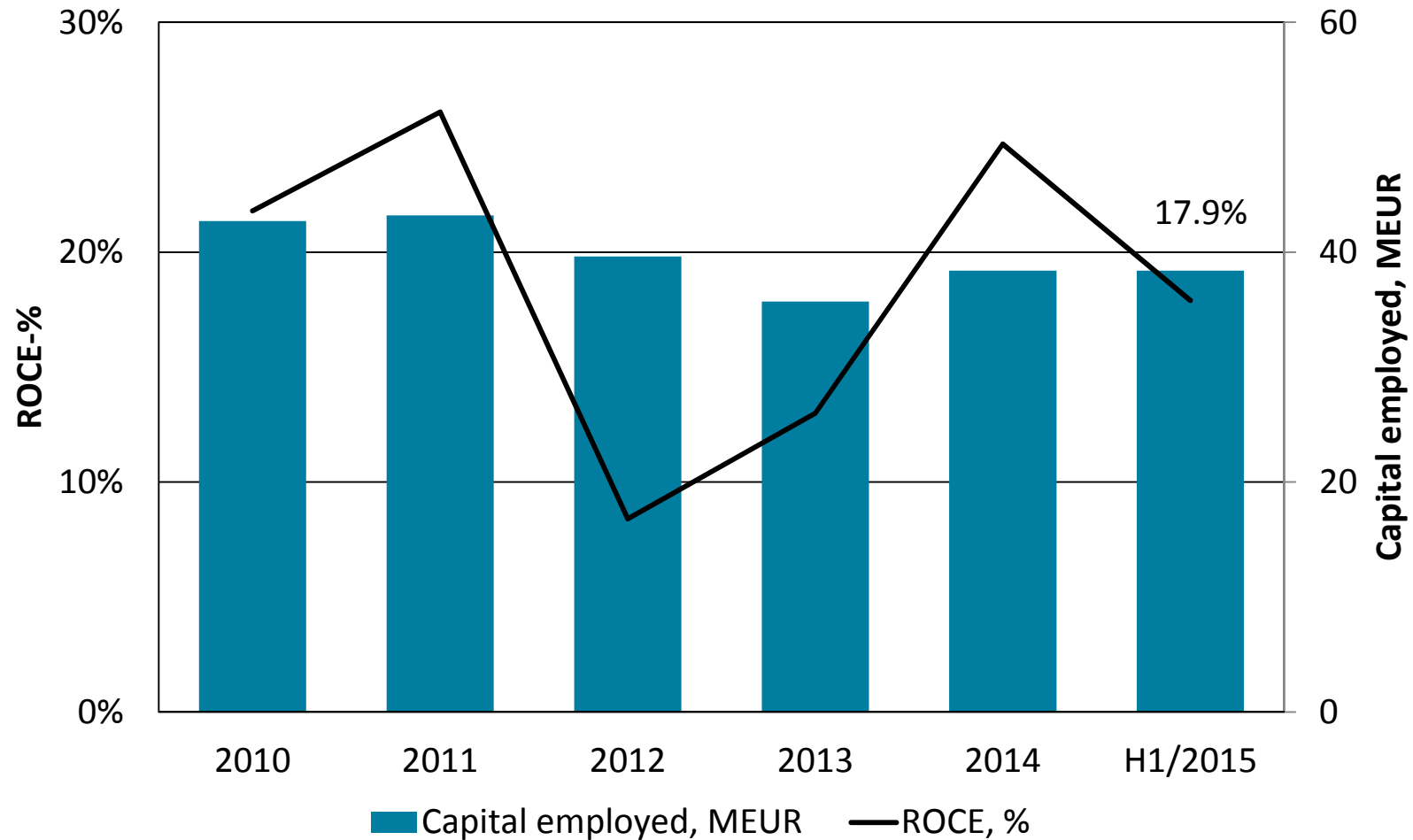
- Cash flow from operating activities was positive at MEUR +1.7 (+2.4)
- Capital expenditure was MEUR 1.8 (1.2)



Strong balance sheet allows potential investments and acquisitions

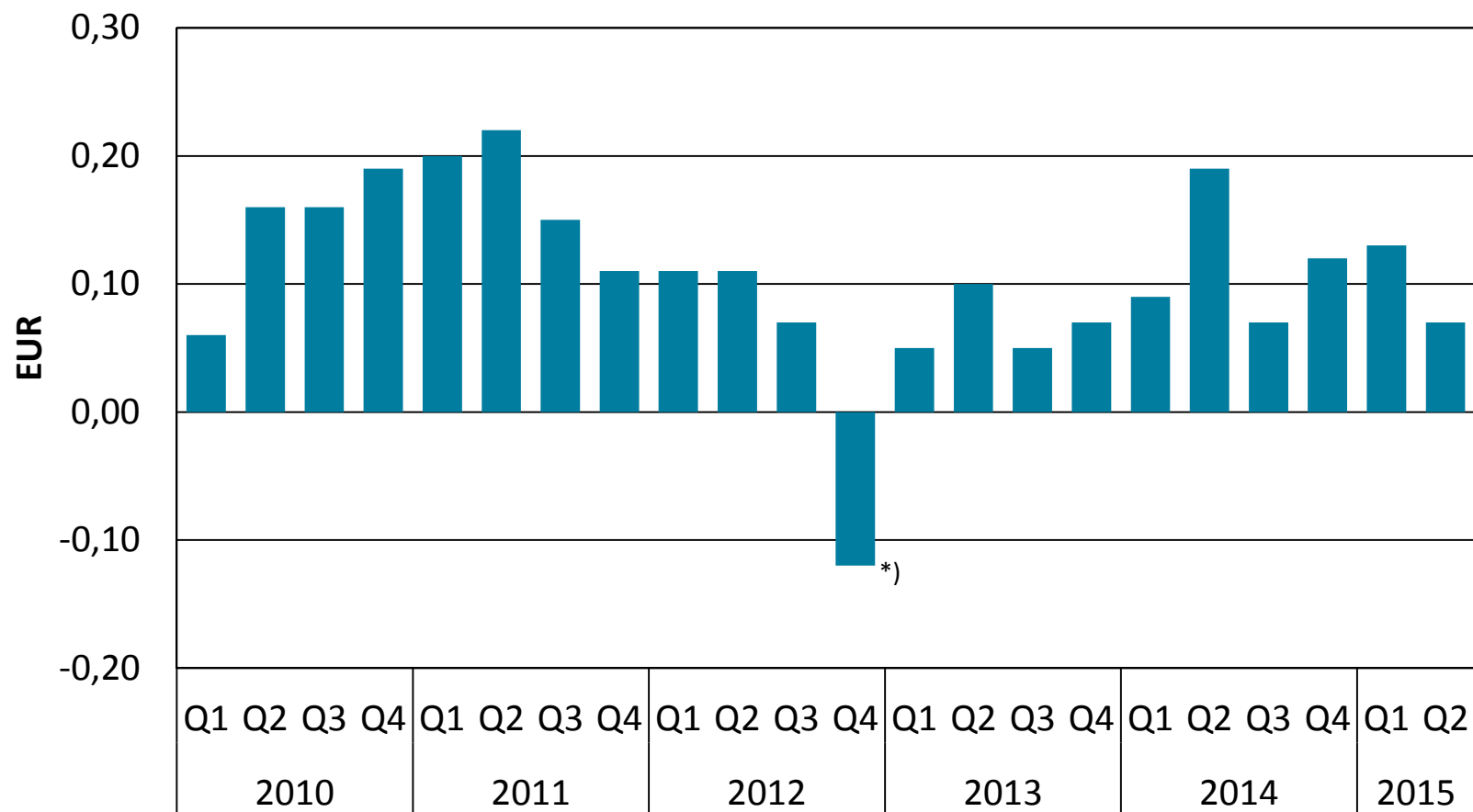


ROCE in H1 2015 was 17.9% (26.8%)
ROCE in Q2 2015 was 14.0% (32.2%)



Earnings per share were EUR 0.07 (0.19) per share

Quarterly EPS



* Q4 2012 EPS was negative due to impairment of MEUR 2.5

Share price development: in H1 2015 the highest share quotation was EUR 9.85 (6.35) and the lowest EUR 7.55 (5.56)

Exel Composites share price development

January 2010 – July 2015



16.6 (38.5%) % of shares outstanding were traded in Jan-June 2015

In Jan-June 2015 the highest share quotation was EUR 9.85 (6.35) and the lowest EUR 7.55 (5.56)

Market capitalization on 30 June 2015 was EUR 90.4 (75.5) million

Price/earnings

31.12.2014:	17.5
31.12.2013:	22.2
31.12.2012:	34.6
31.12.2011:	11.5
31.12.2010:	12.4

Source: Kauppalehti

Strategy implementation continues

- The factory expansion projects in China and Austria are proceeding according to plan
- Potential acquisition targets have been screened
- Mikko Kettunen was appointed 13 January 2015 SVP, CFO and member of Exel Composites' Group Management Team effective as of 7 April 2015
- Ilkka Silvanto was appointed on the same date SVP, Strategic Projects, effective as of 7 April 2015

Major near-term risks and uncertainties

- The Company has added resources to pursue the long-term growth strategy. As a result, the operating cost level has increased
- The most significant near-term business risk relates to the possibility of sales growth not materializing according to forecast and the resulting negative impact to the profitability of the Company
- In addition, the general economic development, government regulations and financial crisis in the Euro area remain risks for Exel Composites
- The profitability of the Australian operations is not satisfying despite the implemented turnaround measures. Further corrective actions and restructuring costs can have an impact on the profitability
- Raw material prices, energy cost and other cost increases may continue to put pressure on profitability
- The new European Community's anti-dumping tariffs imposed on Chinese glass fiber may have a negative effect on the result in terms of increased raw material prices
- 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 full year 2015

- The market has remained stable and we can see positive signs in the Company's key market segments
- However, uncertainties relating to general growth prospects in the economy continue
- The Company implements its new strategy by reinforcing the organization, especially in sales resources, product development and operations development and by increasing its capacity
- These efforts are expected to reduce the 2015 operating profit margin compared to 2014, but will position the Company better for long-term profitable growth

Major Shareholders on 30 June 2015

	Number of shares	Percentage of share capital
Skandinaviska Enskilda Banken AB (nominee reg.)	2,308,300	19.40
Nordea Bank Finland Plc (nominee reg.)	1,792,718	15.07
Nordea Fennia Fund	610,000	5.13
Svenska Handelsbanken AB (publ), Branch Operation in Finland (nominee reg.)	457,349	3.84
Fondita Nordic Micro Cap	450,000	3.78
Danske Invest Finnish Small Cap Fund	443,234	3.73
Försäkringsaktiebolaget Pensions-Alandia	438,000	3.68
OP-Finland Small Firms Fund	429,551	3.61
OP-Delta Fund	300,000	2.52
Evli Finnish Small Cap Fund	278,500	2.34

Exel Composites had a total of 3,007 (2,676) shareholders on 30 June 2015

More information is available on Exel Composites website

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

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