

# Interim Report Q1 2013

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**Exel Composites Plc**

**Vesa Korpimies, President and CEO**

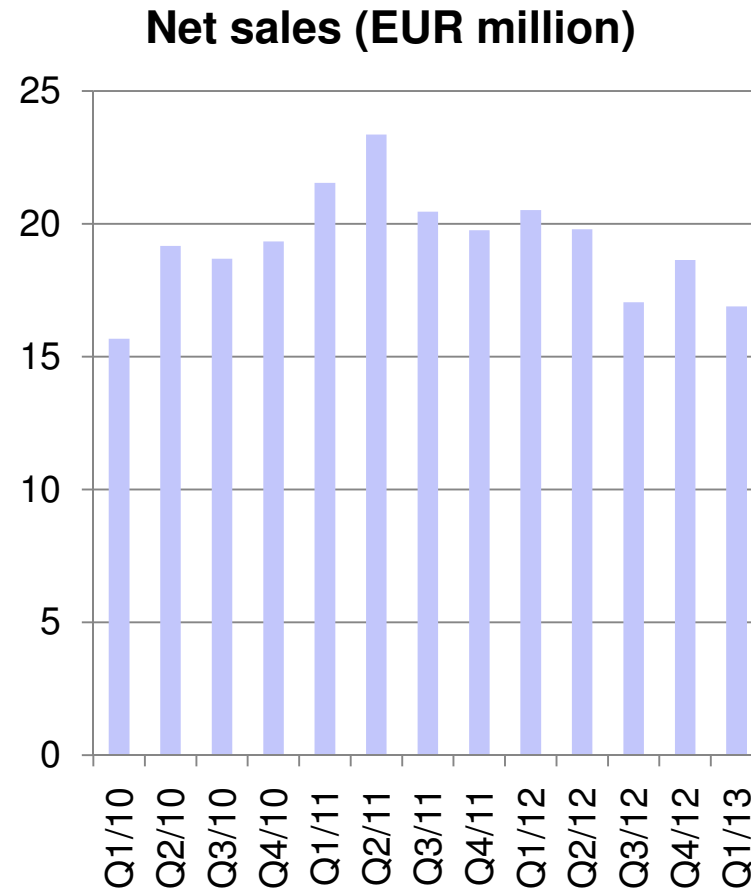


## Q1 2013 in brief

<b>MEUR</b>	<b>Q1 2013</b>	<b>Q1 2012</b>	<b>Change</b>
Net sales	16.9	20.5	-17.7%
Operating profit	0.7	1.8	-63.6%
Operating profit (%)	3.9	8.9	
Net operative cash flow	+0.7	+1.5	
Return on capital employed (%)	7.1	18.1	
Net gearing (%)	-4.0	-8.1	
EPS	0.05	0.11	

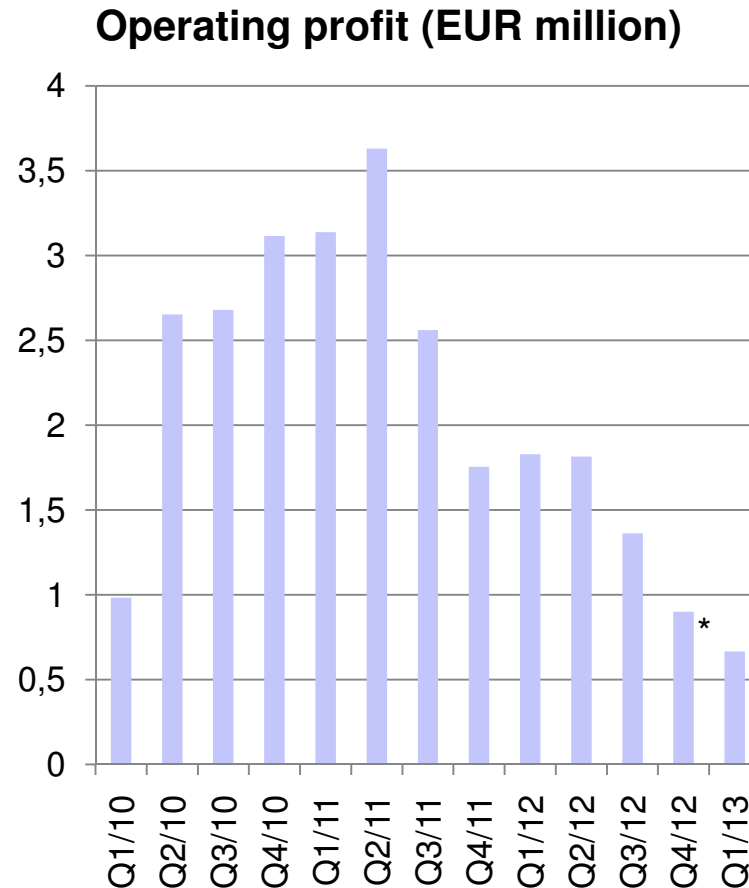
## In January – March 2013 net sales decreased by 17.7% to MEUR 16.9 (20.5)

- ◆ In Q1 2013, net sales decreased by 17.7%. Net sales were MEUR 16.9 (20.5)
- ◆ Market demand continued to decrease in almost all the market segments compared to Q1 2012
  - Market demand increased only in the transportation market segment compared to Q1 2012
  - Sales decreased especially in the telecommunication market segment, electrical industry, machine industry and general industries



## In January – March 2013 operating profit decreased to MEUR 0.7 (1.8)

- ◆ In Q1 2013 operating profit was MEUR 0.7 (1.8) or 3.9 (8.9) per cent of net sales
- ◆ The main reasons for the decrease were lower sales and sales margins especially in the Finnish units
- ◆ Profitability continues to be weak in Australia in spite of corrective actions undertaken
- ◆ Corrective actions will be continued
- ◆ Structural changes will also be considered
- ◆ Co-determination negotiations will be started in the Finnish units due to weak demand and profitability

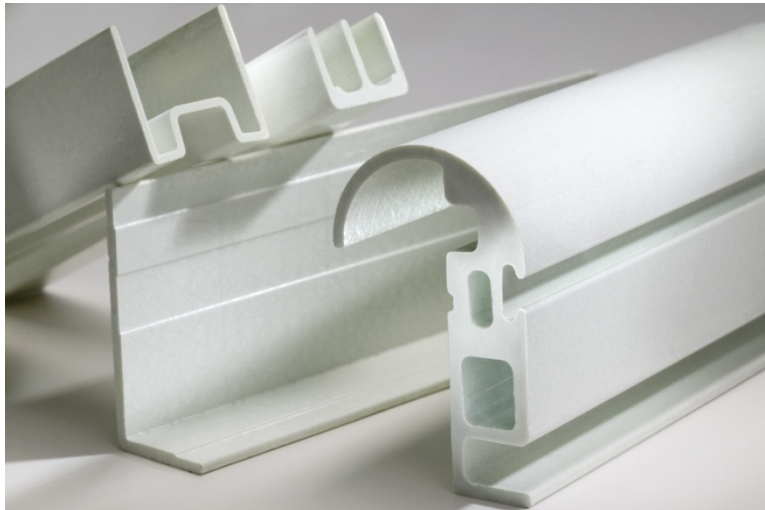


\* Q4 2012 operating profit MEUR 0.9 excluding impairment and non-recurring items

## Cost-saving campaigns will continue

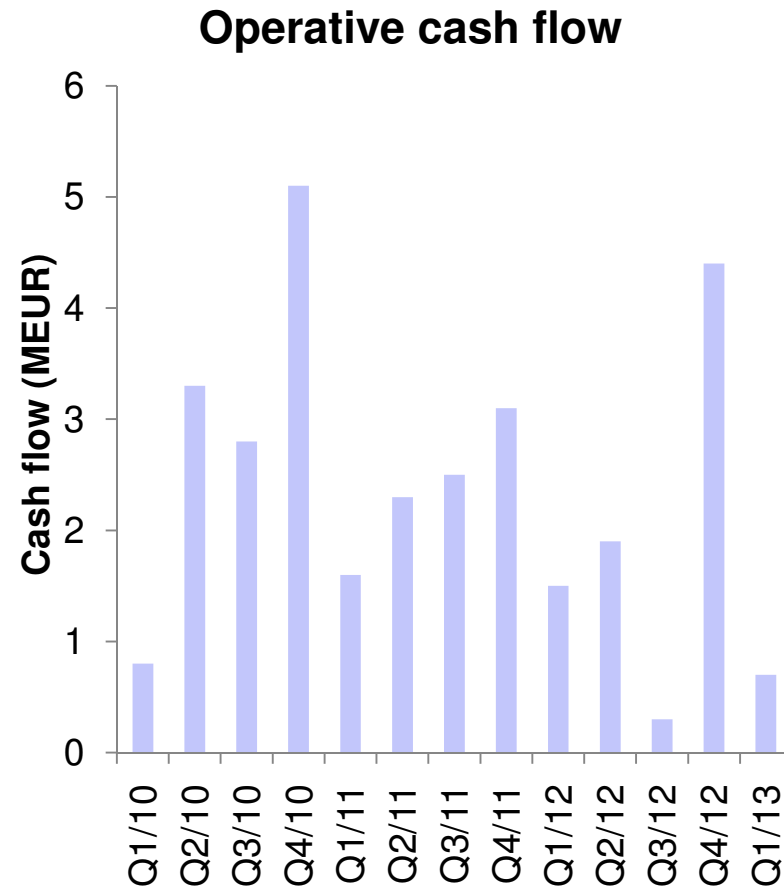
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- ◆ Cost-saving campaigns will continue in all the units of the Group
- ◆ Operations will be adjusted to demand
  - Co-determination negotiations will be commenced in the Finnish units
  - The need for cost reductions is estimated to be equal to a maximum of 60 full-time work years

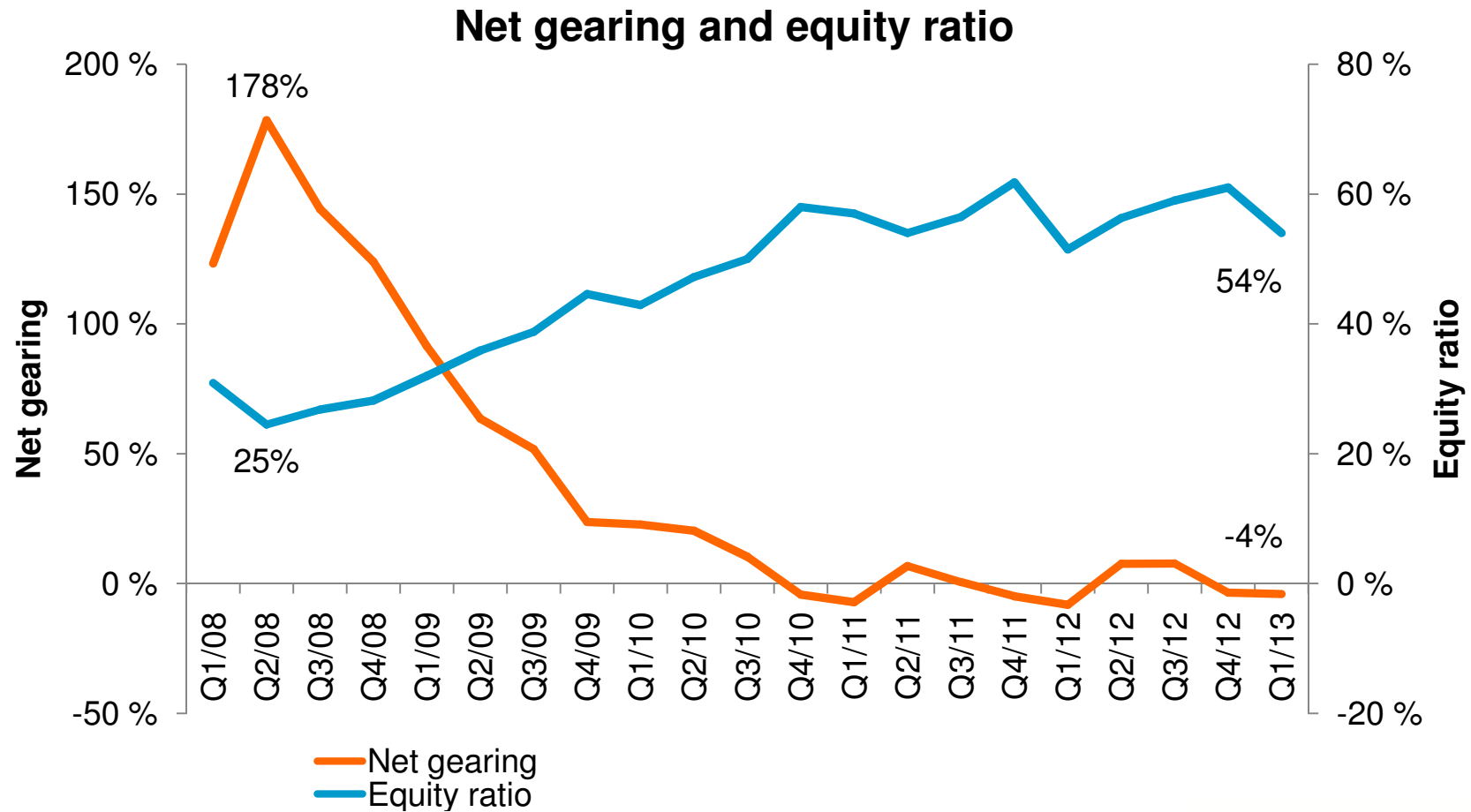


## Operating cash flow continued to be positive

- ◆ In January – March 2013 cash flow from business operations was MEUR 0.7 (1.5)
- ◆ Capital expenditure was MEUR 0.6 (0.8)
- ◆ On 31 March 2013, the Group's liquid assets stood at MEUR 8.5 (10.6)



## Financial position remained strong



## Risk elements

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- ◆ The most significant near-term business risks are related to the general economic development, government regulations and continued financial crisis in the Euro area as well as to market demand in certain market segments
- ◆ Success of corrective actions as well as possible restructuring and impairment charges can have an impact on the profitability
- ◆ Raw material prices, energy cost and other cost increases may continue to put pressure on profitability
- ◆ 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 2013

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- ◆ Major uncertainties relating to general growth prospects in the economy continue, visibility is low and the market pressure is expected to continue in 2013
- ◆ The Company will continue to work on sales development and on adjusting costs to market conditions
- ◆ Additional contingency actions may be undertaken which may impact the short-term profits, but protect long-term cash flow and profitability



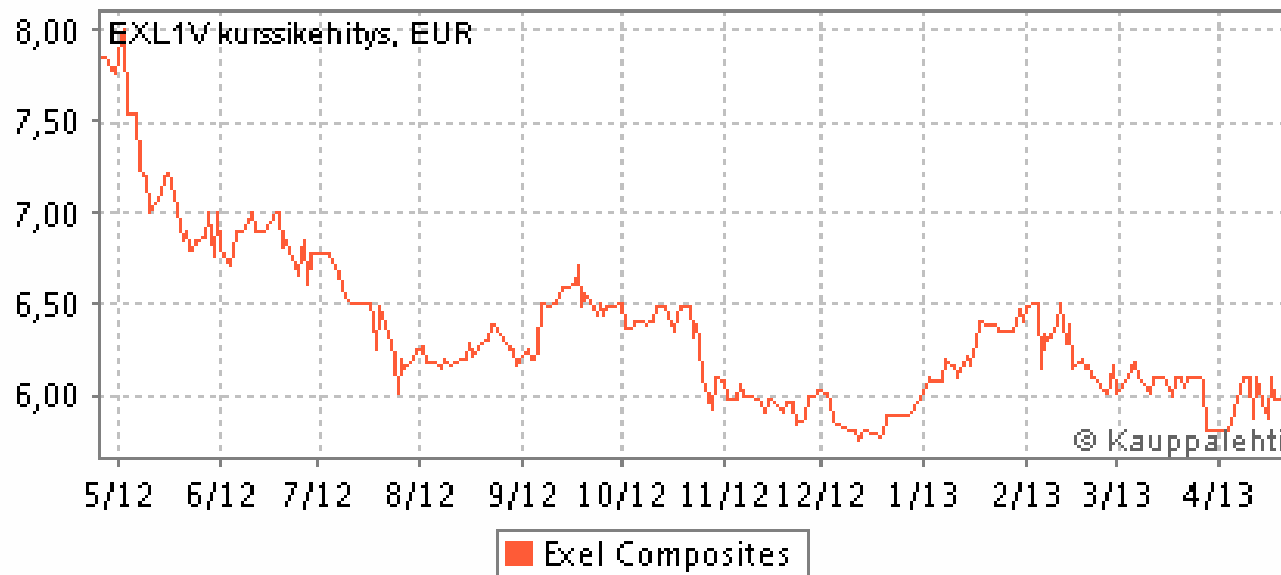
## Major Shareholders on 28 March 2013

	Number of shares	Percentage of share capital
Nordstjernan AB	3,496,506	29.39
Ilmarinen Mutual Pension Insurance Company	689,400	5.79
OP-Finland Small Firms Fund	589,551	4.96
Ulkomarkkinat Oy	480,000	4.03
Fondita Nordic Micro Cap Inv. Fund	450,000	3.78
Veikko Laine Oy	395,796	3.32
Alfred Berg Finland Investment Fund	372,814	3.13
Suutarinen Matti	291,400	2.44
Danske Fund Finnish Small Cap	281,567	2.37
Aktia Capital Investment Fund	250,000	2.10
Nordea Bank Finland Plc (nominee reg.)	223,716	1.88

Exel Composites had a total of 2,795 (2,726) shareholders on 28 March 2013.

## Share price development

**Exel Composites share price development  
May 2012 – April 2013**



1.7 (2.0) % of shares outstanding were traded in Jan-Mar 2013

The highest share quotation was EUR 6.50 (8.79) and the lowest EUR 5.70 (7.70)

The share price closed at EUR 5.80 (8.29) and the market capitalization on 31 March 2013 was EUR 69.0 (98.6) million

Source: Kauppalehti

## More information is available on Exel Composites website

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- ◆ Exel Composites website [www.exelcomposites.com](http://www.exelcomposites.com)
- ◆ For further information contact

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