



Reinforcing your business



# **Interim Report Q1 2010**

## **Exel Composites Plc**

**Vesa Korpimies**

**President and CEO**

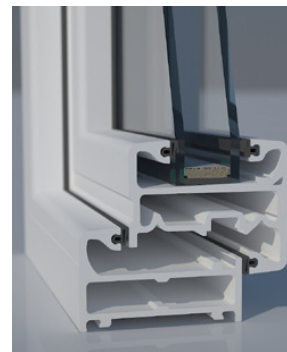


# Q1 2010 in brief

- Net sales from continuing operations MEUR 15.7 (18.5), down by 15.4%
- Operating profit from continuing operations MEUR 1.0 (2.0), or 6.3 (10.8) % of net sales
- Net operative cash flow positive at MEUR +0.8 (+3.0)
- Fully diluted earnings per share EUR 0.06 (0.14) of which continuing operations accounted for EUR 0.06 (0.13)

# Market situation was still challenging, however, signs of recovery visible

- We have identified potential opportunities in
  - airport products
  - electrical industry
  - window and door profile market where composite materials offer superior insulation properties and good performance in demanding conditions
- The pultrusion market continued to be competitive and there was overcapacity in the market



# Net sales decreased, however, sales to certain market segments improved

- Net sales from continuing operations in Q1 2010 MEUR 15.7 (18.5), down by 15.4% compared to Q1 2009 and by 3.6% cent compared to Q4 2009
- Net sales continued to decrease in almost all geographical markets
- Sales improved in
  - electrical industry (new long-term agreements)
  - transportation industry
  - sports and leisure market segment (good weather conditions)
- In the machine industry the order levels are slowly improving towards the level before the downturn – customers still cautious

# Certain market segments performed well

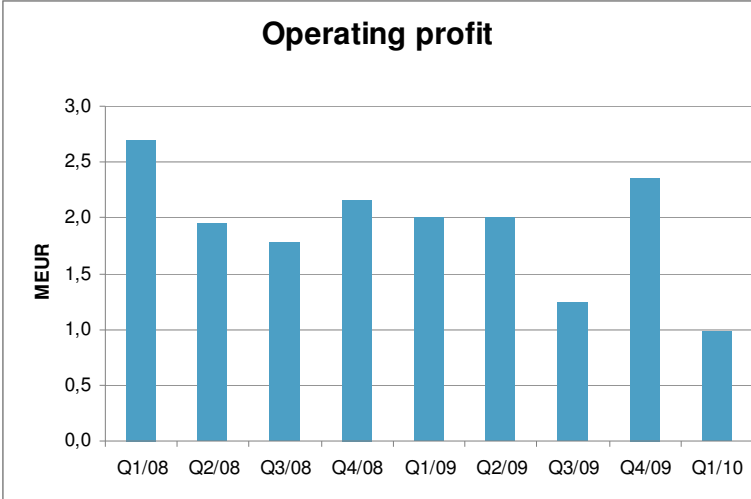
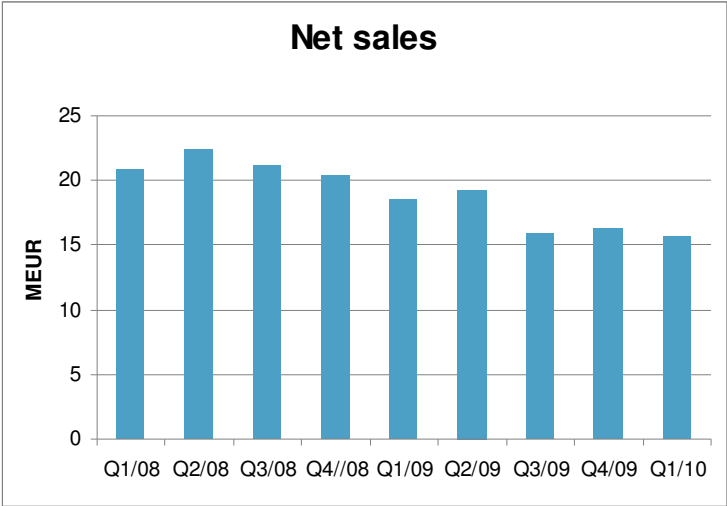
- The airport product group performed slightly better compared to Q1 2009
  - Wind direction indicators to Malaga Airport, Spain
  - Antenna towers to Baltimore Washington Int'l Airport, US
  - Approach masts to Mt. Pleasant Airport, Falkland Islands
- The cleaning and maintenance market has remained relatively steady during the recession
  - New distribution channels and markets are being searched to gain a stronger position in the market

# Operating profit down due to declining sales

- Operating profit from continuing operations decreased to MEUR 1.0 (2.0) due to the declining sales
- Operating profit as a percentage of net sales from continuing operations was 6.3 (10.8)%
- Other operating expenses include one-off restructuring costs of MEUR 1.0 due to the corporate restructuring of the former Floorball licensee
- Other operating income includes one-off licensing income of MEUR 0.9

# Key figures, continuing operations

	Q1/2010	Q1/2009	Change, %	2009
Net sales, M€	15.7	18.5	-15.4	70.0
Operating profit, M€	1.0	2.0	-50.9	8.0
<i>as % of sales</i>	6.3	10.8		11.4



Q4 2009 included MEUR +0.7 non-recurring items





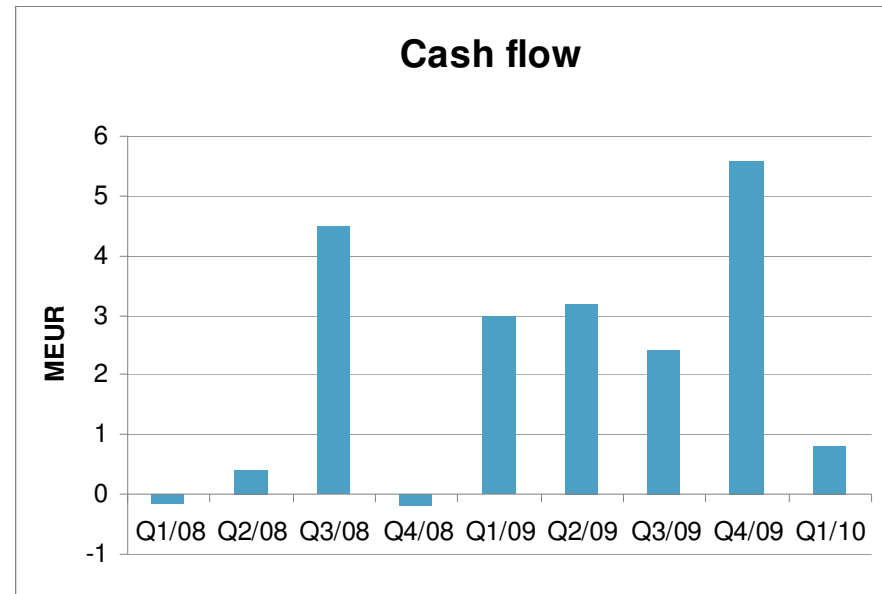
# Earnings per share EUR 0.06 (0.13)

- Net financial expenses from continuing operations MEUR -0.1 (0.1)
- Earnings per share for continuing operations decreased to EUR 0.06 (0.13) and for discontinued operations to EUR 0.00 (0.01)
- Return on capital employed was 9.8 (24.0) %



# Balance sheet, cash flow and financing: positive cash flow

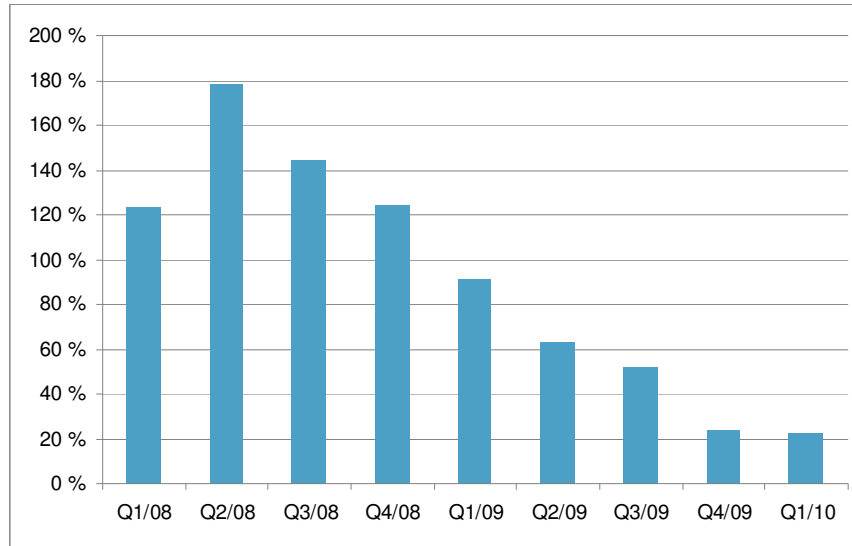
- Cash flow from business operations MEUR 0.8 (3.0)
- Group's liquid assets MEUR 11.2 (7.5)
- Equity MEUR 24.6 (18.7)
- Equity ratio 42.9 (32.0) %
- Net gearing 22.8 (91.4) %
- Return on equity 10.8 (37.5) %
- ROCE 9.8 (24.0) %
- Equity per share EUR 2.07 (1.57)



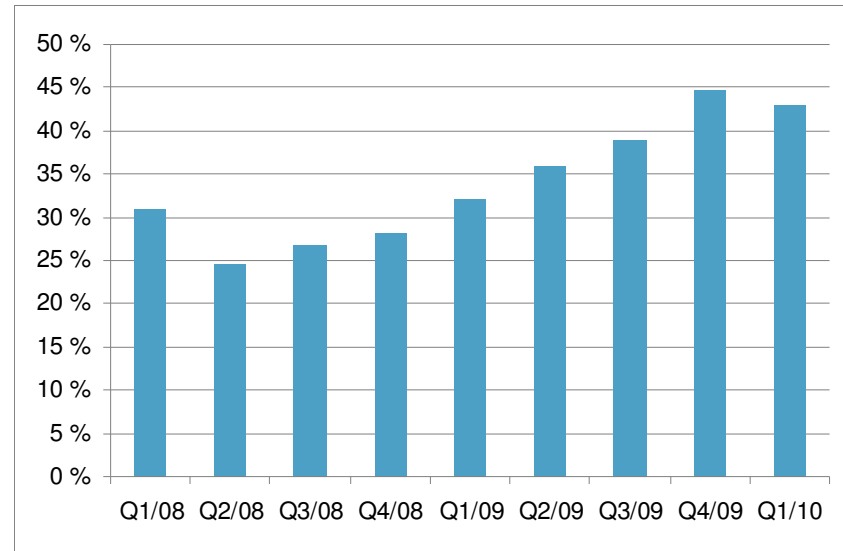
# Net gearing and equity ratios

Dividends have been deducted from equity

**Net gearing ratio Q1/2010**  
**22.8 (91.4) %**



**Equity ratio Q1/2010**  
**42.9 (32.0) %**



# Market outlook for 2010

- The Group has a cautious stance on the economy for 2010 and expects the market conditions to remain challenging although there are signals that the markets are improving
- Exel Composites is prepared to take further prompt actions, but also to capture opportunities due to the economic down-turn
- Even though the short-term market outlook is challenging, the long-term growth opportunities remain favorable



# Exel Composites' outlook for 2010

- Due to the market uncertainty and poor visibility, Exel will not give any profit guidance

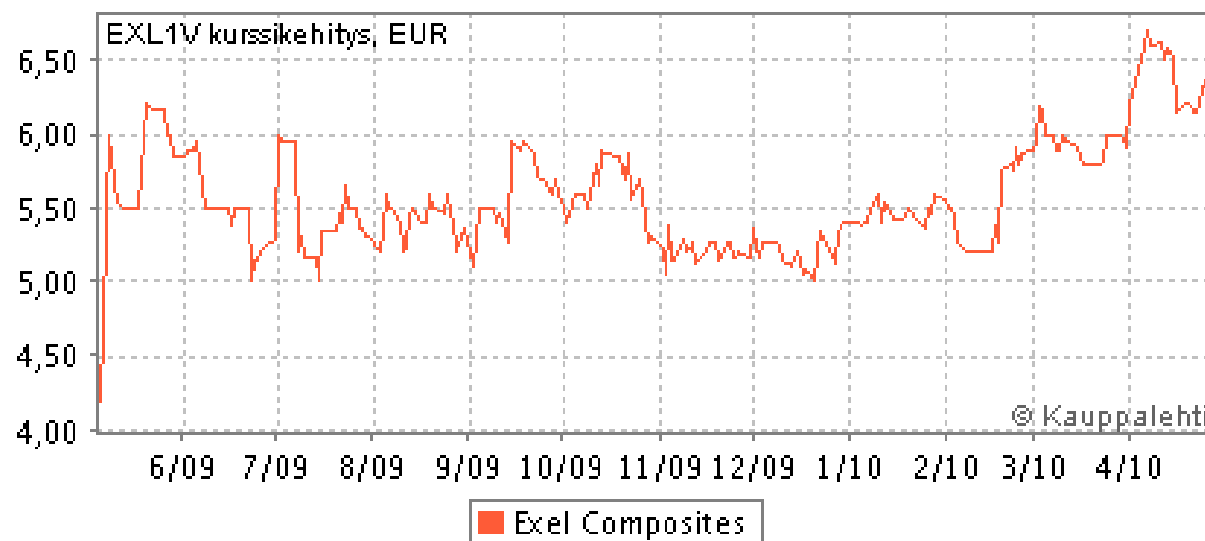


# Major Shareholders (3 May 2010)

	<b>Number of shares</b>	<b>Percentage of share capital</b>
Nordstjernan AB	3,496,506	29.39
Ilmarinen Mutual Pension Insurance Company	689,400	5.79
Veikko Laine Oy	618,896	5.20
Ulkomarkkinat Oy	480,000	4.03
Fondita Nordic Micro Cap Inv. Fund	450,000	3.78
Evli Suomi Osake Investment Fund	369,181	3.10
OP-Suomi Small Cap Investment Fund	351,085	2.95
Alfred Berg Finland Investment Fund	303,724	2.55
Suutarinen Matti	294,400	2.47
Aktia Capital Investment Fund	250,000	2.10

# Exel Composites Share

6/2009 - 4/2010



6.4 (11.7) per cent of shares outstanding were traded in Q1 2010

The highest share quotation was EUR 6.20 (3.35) and the lowest EUR 5.19 (2.37)

The share price closed at EUR 5.92 (3.35) and the market capitalization at the end of the review period was EUR 70.4 (40.0) million

