

Interim Report Q1 2011

Exel Composites Plc
Vesa Korpimies, President and CEO

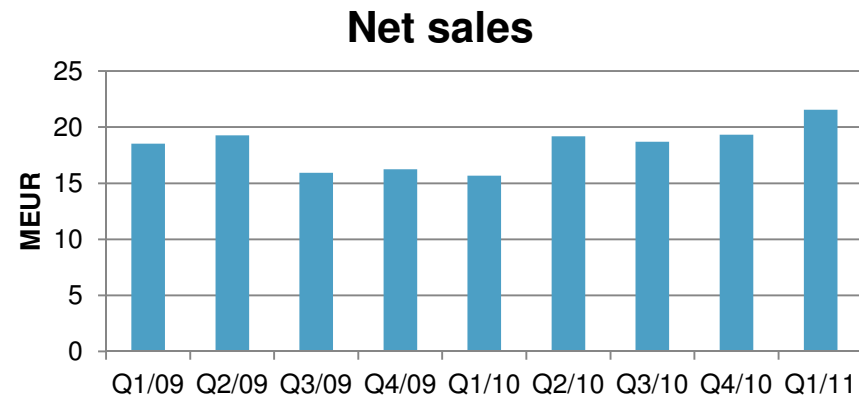


Highlights Q1 2011 – strong start of the year

- Net sales in Q1 2011 MEUR 21.5 (15.7), up by 37.5% compared to weak Q1 2010
- Operating profit increased to MEUR 3.1 (1.0)
- Operating profit margin improved to 14.6 (6.3) %
- Net operative cash flow MEUR +1.6 (0.8)
- Net gearing improved to -7.2 (22.8) %
- Fully diluted EPS increased to EUR 0.20 (0.06)

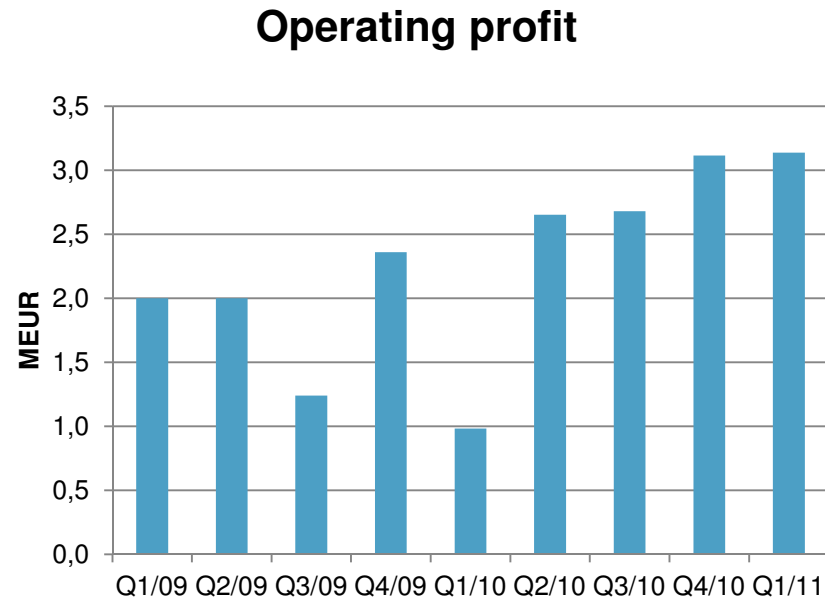
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- Net sales in Q1 2011 MEUR 21.5 (15.7), up 37.5% compared to weak Q1 2010
- Net sales improved especially in machine industry, paper industries and telecommunication market segment
- Signals of recovering demand in building and construction industry



Operating profit increased to MEUR 3.1 (1.0)

- Operating profit in January – March 2011 increased to MEUR 3.1 (1.0) compared to the corresponding period last year
- The measures taken in the Chinese and British units to improve efficiency started to show positive results



Anti-dumping tariff on imported Chinese glass fiber lowered from 43.6 to 13.8%

- The European Commission's anti-dumping tariff on imported Chinese glass fiber was lowered from the original 43.6% to 13.8% in March 2011 in addition to the base tariff of 7%
 - Actions taken to control the impact of the tariff:
 - Increasing product prices
 - Employing alternative sourcing opportunities
 - Increasing production in the Chinese unit

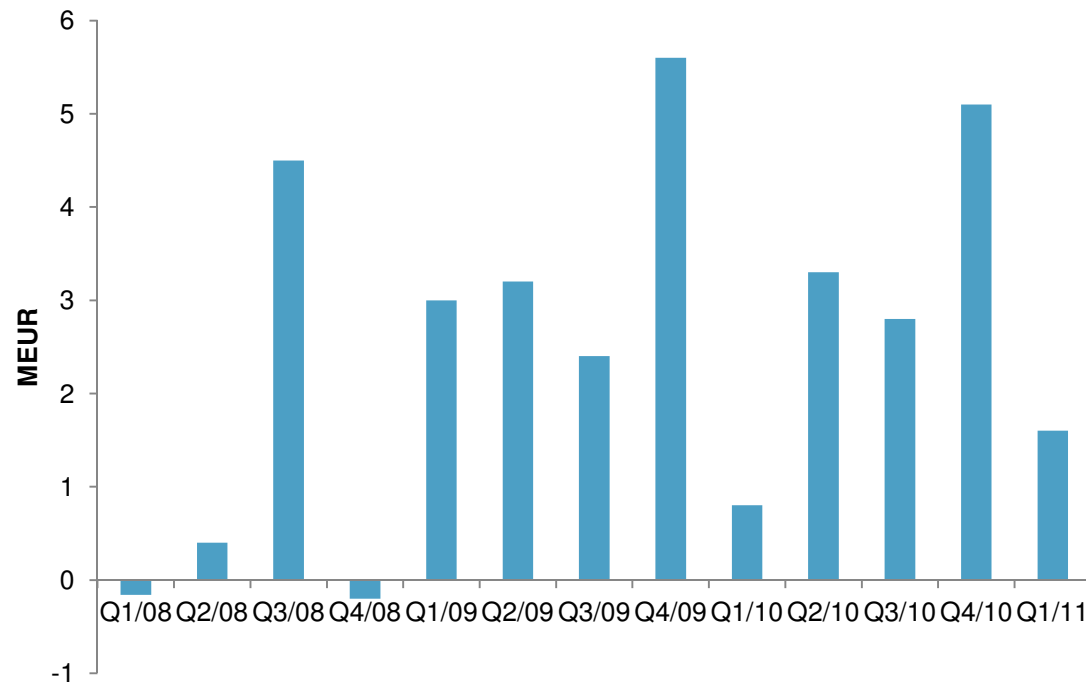
Strong development in Q1 2011

MEUR	Q1 2011	Q1 2010	Change
Net sales	21.5	15.7	+37.5%
Operating profit	3.1	1.0	+219.1%
Operating profit (%)	14.6	6.3	
Net operative cash flow	1.6	0.8	+99.9%
Return on capital employed (%)	29.1	9.8	
Net gearing (%)	-7.2	22.8	
EPS	0.20	0.06	233.3

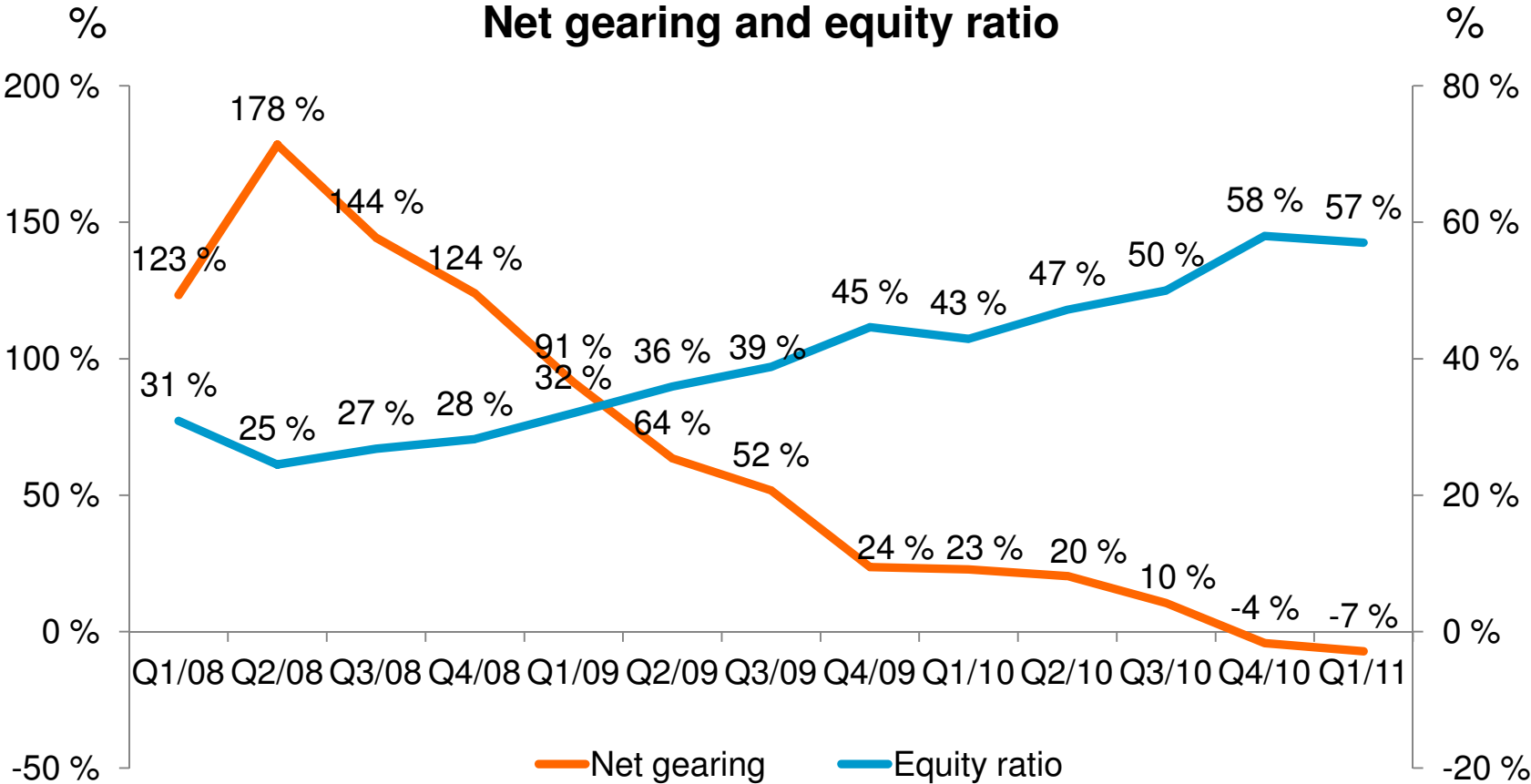
Positive cash flow continued in Q1 2011

Operative cash flow

Cash flow



We continued to strengthen our financial position



Risk elements

- **Weakening demand:** General economic development, government regulations and a possible new financial crisis in the Euro area could have a negative effect on demand
- **Raw material price increases:** Raw material prices and other cost increases may continue to increase and put pressure on profitability. The EC's anti-dumping tariffs imposed on Chinese glass fiber will also have a negative effect
- **Internal efficiency:** We have taken measures in the Chinese and British units to improve efficiency, in case we are unsuccessful, this may have an effect on the result of the company
- **Financing:** The availability and cost of financing may continue to have an effect on the demand and increase the risk of credit loss

Outlook for 2011

Demand in the pultrusion industry has improved gradually. We believe that Exel Composites is well positioned to take advantage of the growth opportunities as the markets recover. As a result of improved profitability, good cash flow generation and reduced debt level we believe in Exel Composites' long-term performance. Exel Composites recorded a strong start of 2011, but maintains its cautions stance for the full year 2011, since market uncertainties persist.

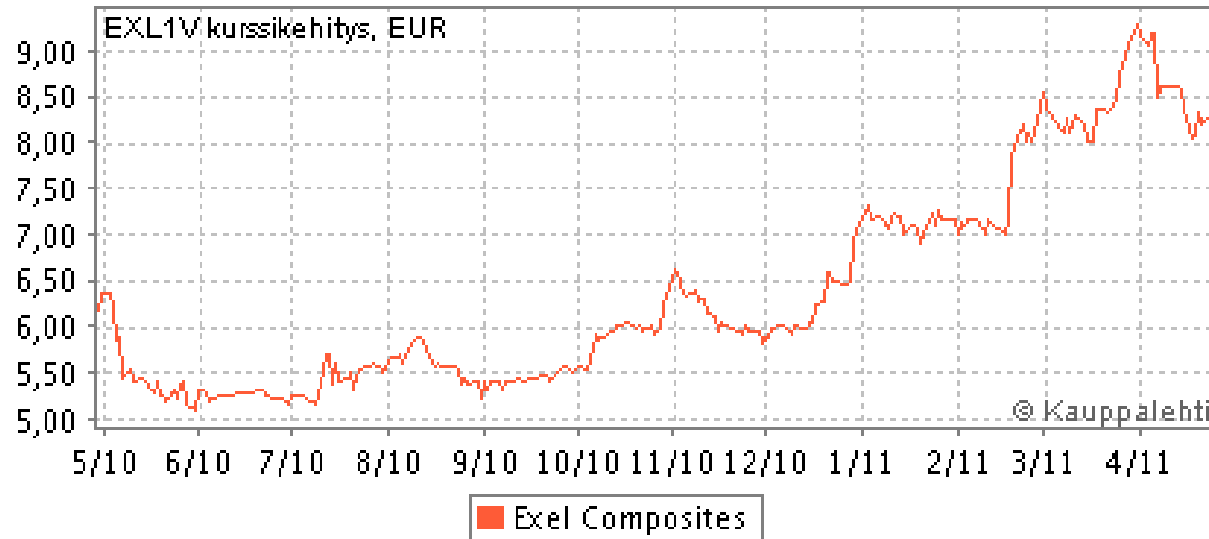
Major Shareholders 2 May 2011

	Number of shares	Percentage of share capital
Nordstjernan AB	3,496,506	29.39
Ilmarinen Mutual Pension Insurance Company	689,400	5.79
Veikko Laine Oy	595,796	5.00
Ulkomarkkinat Oy	480,000	4.03
OP-Suomi Small Cap Inv. Fund	451,085	3.79
Fondita Nordic Micro Cap Inv. Fund	450,000	3.78
Alfred Berg Finland Investment Fund	329,916	2.77
Evli Suomi Osake Investment Fund	300,555	2.56
Suutarinen Matti	294,400	2.47
Aktia Capital Investment Fund	250,000	2.10
SEB Gyllenberg Small Firm Inv. Fund	235,765	1.98

Exel Composites had a total of 2,522 shareholders on 31 March 2011.

Share price development

**Exel Composites share price development
5/2010 - 4/2011**



2.9 (6.4) % of shares
outstanding were traded
in Q1 2011

The highest share
quotation was EUR 9.30
(6.20) and the lowest
EUR 6.85 (5.19)

The share price closed
at EUR 9.28 (5.92) and
the market capitalization
on 31 March 2011 was
EUR 110.4 (70.4) million

Source: Kauppalehti

Forward-looking statements

Certain statements in this presentation, which are not historical facts, including, without limitation, those regarding expectations for general economic development and market situation; regarding customer industry profitability and investment willingness; regarding Company growth, development and profitability; regarding cost savings; regarding fluctuations in exchange rates and interest levels; regarding the success of pending and future acquisitions and restructurings; and statements preceded by "believes," "expects," "anticipates," "foresees" or similar expressions are forward-looking statements.

These statements are based on current expectations and currently known facts. Therefore, they involve risks and uncertainties that may cause actual results to differ materially from results currently expected by the Company.



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