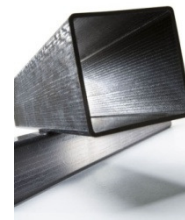
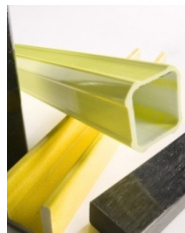
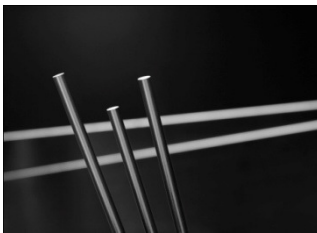


Interim Report Q2 2013

Exel Composites Plc

Vesa Korpimies, President and CEO



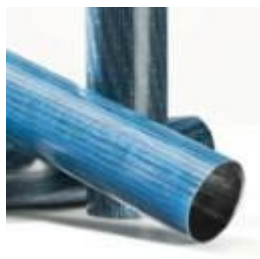
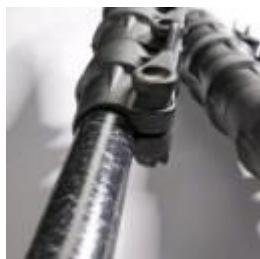
Q2 2013 in brief

MEUR	Q2 2013	Q2 2012	Change
Net sales	17.5	19.8	-11.3%
Operating profit	1.6	1.8	-11.4%
Operating profit (%)	9.2	9.2	
Net operative cash flow	+1.9	+1.9	
Return on capital employed (%)	17.8	18.4	
Net gearing (%)	4.6	7.6	
EPS	0.10	0.11	



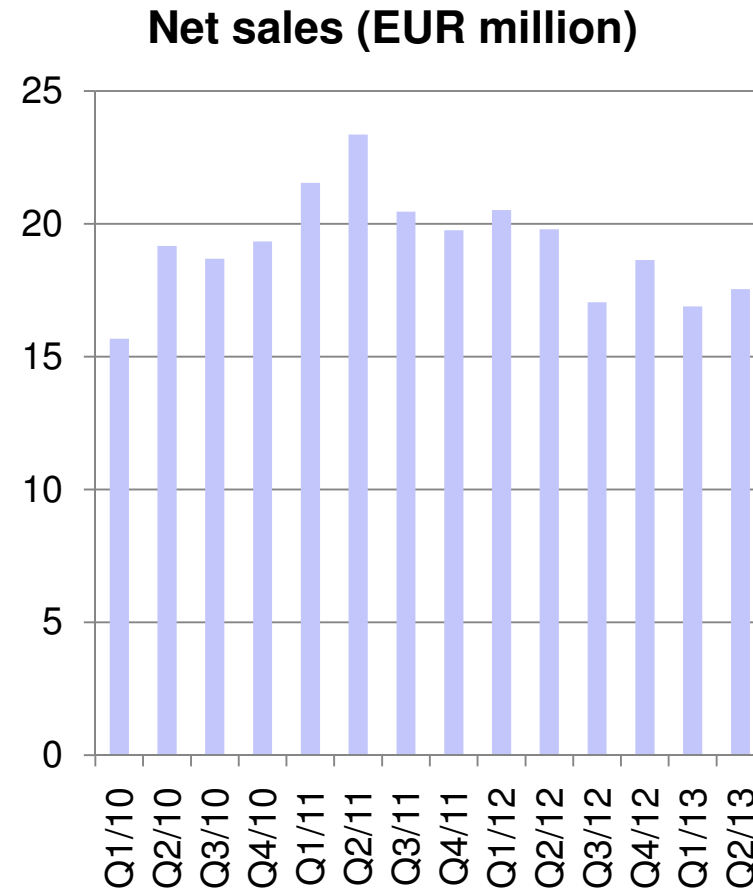
H1 2013 in brief

MEUR	H1 2013	H1 2012	Change
Net sales	34.4	40.3	-14.6%
Operating profit	2.3	3.6	-37.6%
Operating profit (%)	6.6	9.0	
Net operative cash flow	+2.6	+3.4	
Return on capital employed (%)	12.0	17.3	
Net gearing (%)	4.6	7.6	
EPS	0.14	0.22	



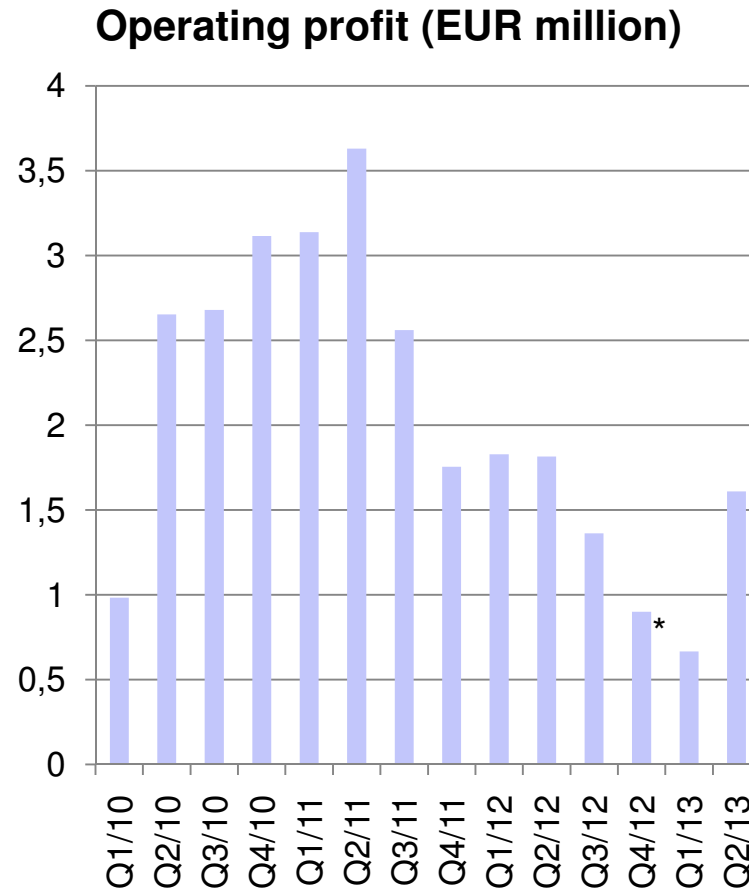
In April – June 2013 net sales were MEUR 17.5 (19.8)

- ◆ In Q2 2013, net sales were MEUR 17.5 (19.8)
 - Down by 11.3% from last year
 - Sales decreased especially in the Finnish units
- ◆ Market demand decreased in the building and construction and telecommunication industries
- ◆ Demand improved in the transportation industry, electrical industry and machine industry market segments



In April – June 2013 operating profit was MEUR 1.6 (1.8) i.e. 9.2 (9.2) % of net sales

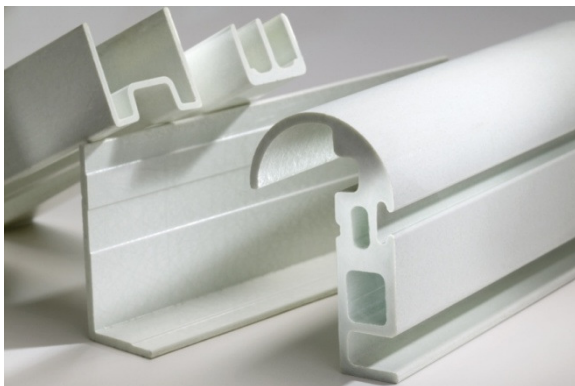
- ◆ In Q2 2013 operating profit improved from Q1 2013
- ◆ Operating profit was MEUR 1.6 (1.8) Q2 2013 i.e. 9.2 (9.2) per cent of net sales
- ◆ Due to cost-saving measures and other corrective actions taken we managed to maintain operating profit as a percentage of net sales on the same level as in the corresponding period in 2012



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

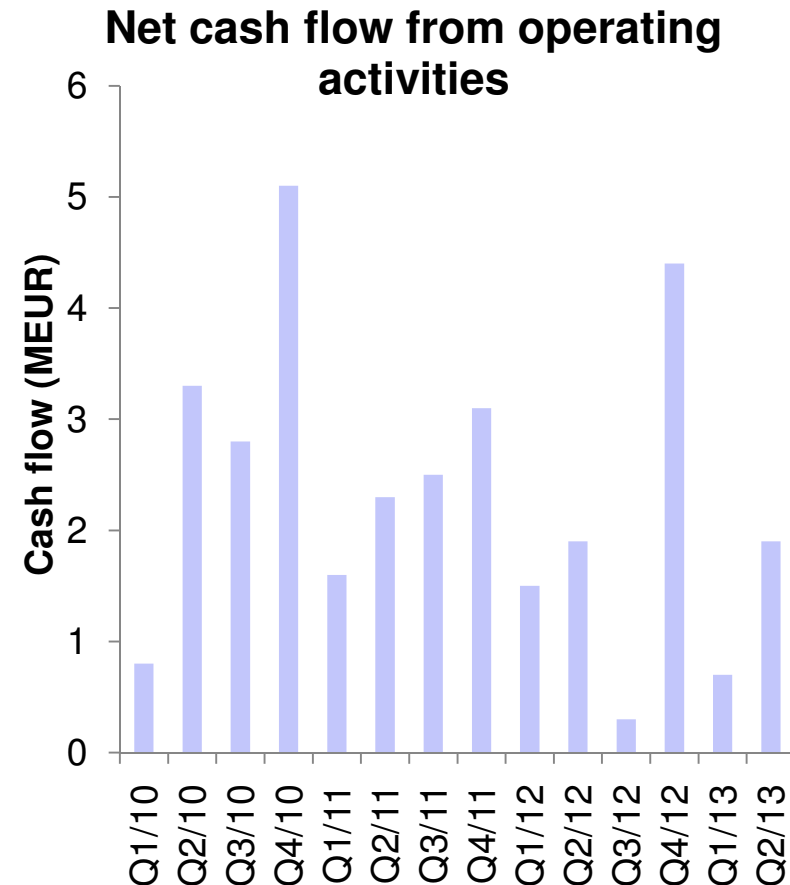
Cost-saving measures improved the operating profit

- ◆ Due to cost-saving measures and other corrective actions taken we managed to maintain operating profit as a percentage of net sales on the same level as in the corresponding period in 2012
- ◆ Measures started to have a positive impact in the Australian and British business units
- ◆ Co-determination negotiations in the Finnish units are to be concluded by mid-August 2013
- ◆ Corrective measures will continue in all the units of the Group
- ◆ The focus will be on sales, efficiency and yield improvement as well as on turnaround measures

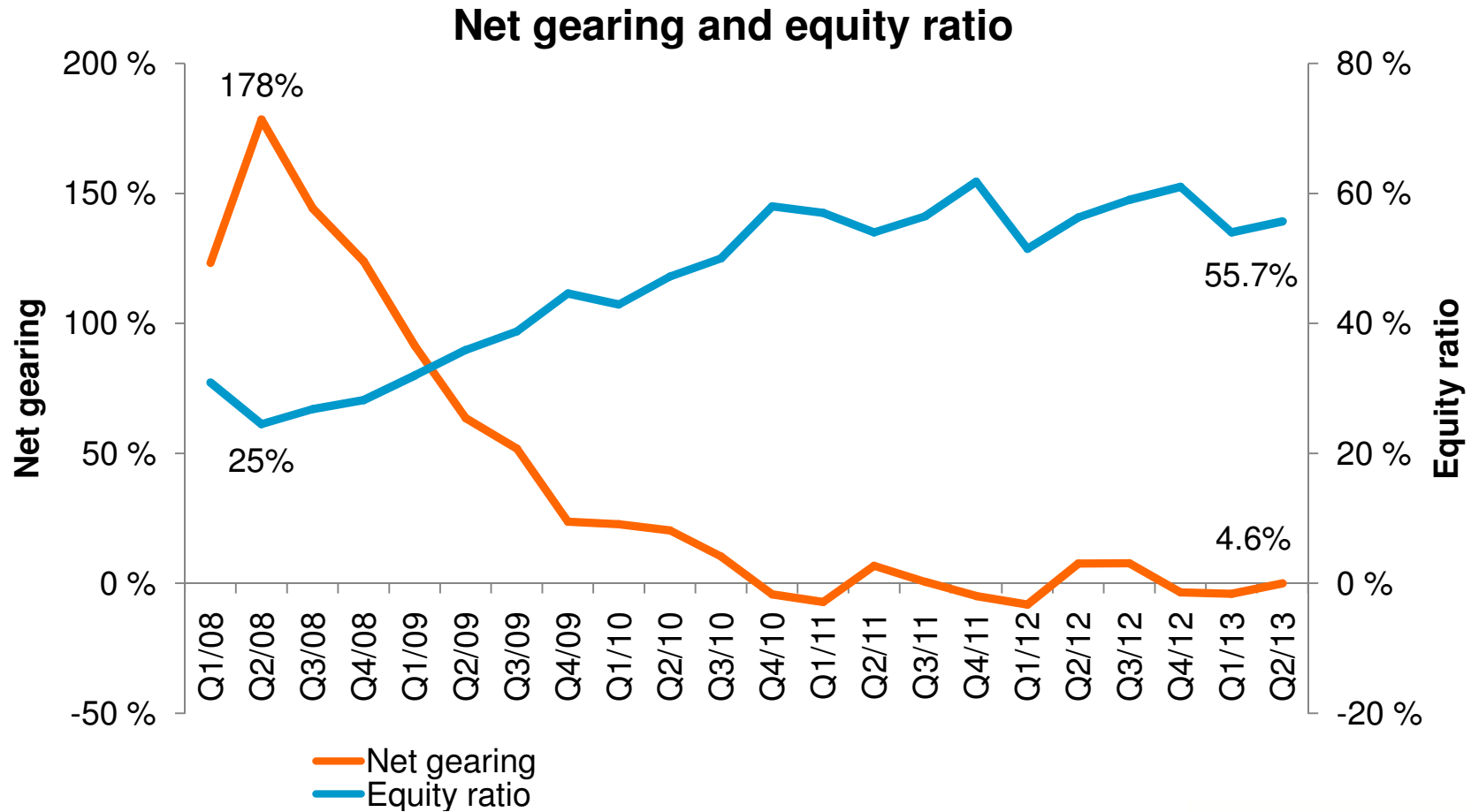


In April – June 2013 net cash flow from operating activities continued to be positive

- ◆ In April – June 2013 net cash flow from operating activities was positive at MEUR +1.9 (+1.9)
- ◆ In January – June 2013 net cash flow from operating activities was positive at MEUR +2.6 (+3.4)
- ◆ Capital expenditure was MEUR 1.3 (1.7)
- ◆ On 30 June 2013, the Group's liquid assets stood at MEUR 6.9 (7.7)



Financial position remained strong



Risk elements

- ◆ 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



Due to a healthy balance sheet and financial position, Exel Composites is well-positioned when the market recovers

- ◆ Visibility is low and the market pressure is expected to continue
- ◆ Despite the challenging situation the composite market is estimated to develop positively in the longer run
- ◆ Exel Composites has continued to develop several new customer-specific applications especially in the building and construction, machine industry and transportation industry market segments
- ◆ Due to a healthy balance sheet and financial position, Exel Composites is well-positioned when the market recovers

Outlook for 2013

- ◆ 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



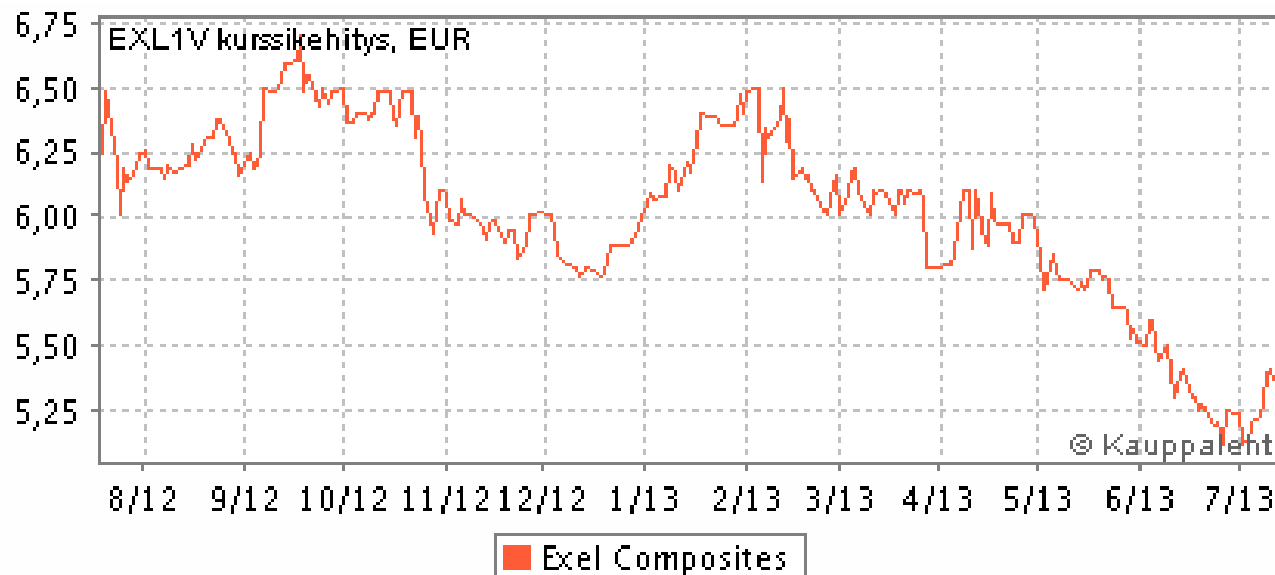
Major Shareholders on 28 June 2013

	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
Nordea Fennia Investment Fund	298,594	2.51
Suutarinen Matti	291,400	2.45
Danske Suomi Kasvuosake Investment Fund	281,567	2.37
Aktia Capital Investment Fund	230,000	1.93

Exel Composites had a total of 2,752 (2,718) shareholders on 28 June 2013.

Share price development

**Exel Composites share price development
August 2012 – July 2013**



5.2 (4.3) % of shares outstanding were traded in Jan-June 2013

The highest share quotation was EUR 6.50 (8.79) and the lowest EUR 5.10 (6.42)

The share price closed at EUR 5.25 (6.78) and the market capitalization on 30 June 2013 was EUR 62.5 (80.7) million

Source: Kauppalehti

More information is available on Exel Composites website

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

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