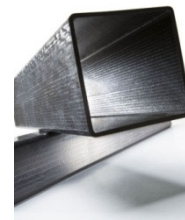
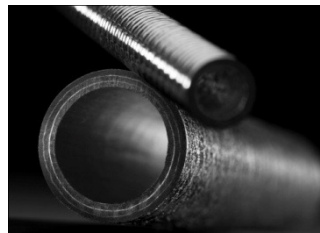
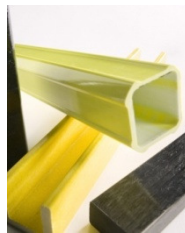
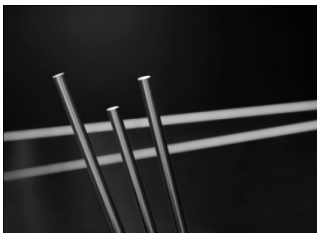


Interim Report Q3 2013

Exel Composites Plc

Vesa Korpimies, President and CEO



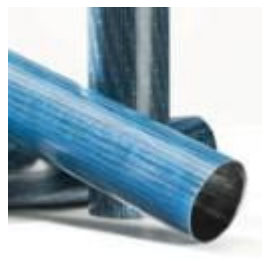
Q3 2013 in brief

MEUR	Q3 2013	Q3 2012	Change
Net sales	17.1	17.1	0.1%
Operating profit before non-recurring items	1.5	1.4	+6.7%
Operating profit (%)	8.5	8.0	
Operating profit after non-recurring items	1.1	1.4	-20.6%
Operating profit (%)	6.3	8.0	
Net operative cash flow	+2.3	+0.3	
Return on capital employed (%)	12.1	12.7	
Net gearing (%)	-1.6	7.8	
EPS	0.05	0.07	



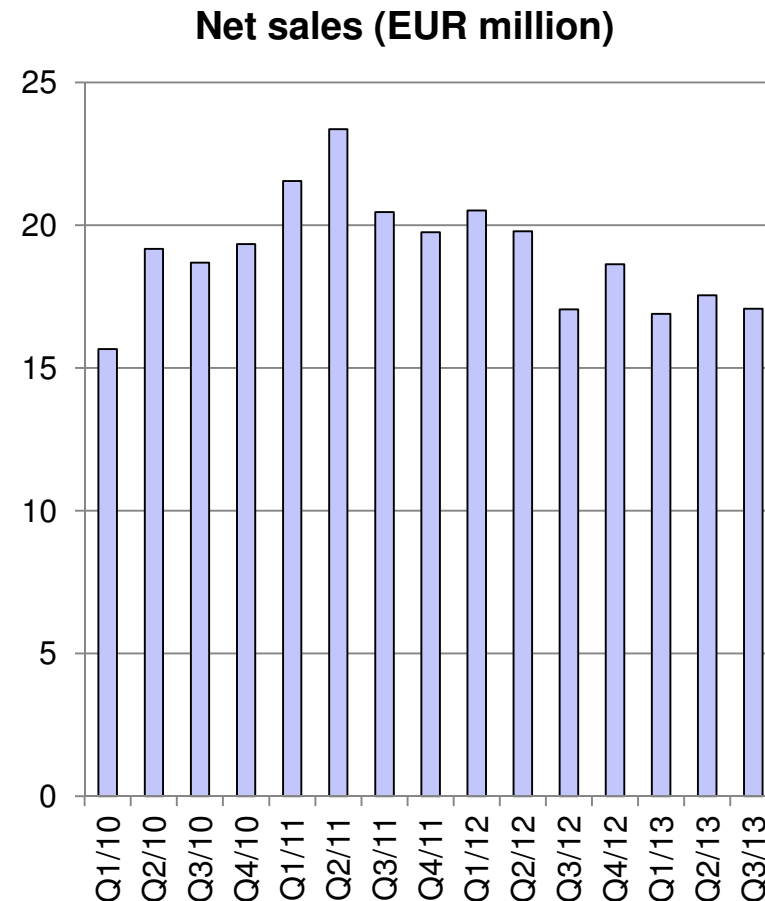
January – September 2013 in brief

MEUR	1-9/2013	1-9/2012	Change
Net sales	51.5	57.4	-10.2%
Operating profit before non-recurring items	3.7	5.0	-25.5%
Operating profit (%)	6.5	8.7	
Operating profit after non-recurring items	3.4	5.0	-33.0%
Operating profit (%)	7.2	8.7	
Net operative cash flow	+4.9	+3.8	
Return on capital employed (%)	11.9	15.6	
Net gearing (%)	-1.6	7.8	
EPS	0.19	0.29	



In Q3 2013 net sales were MEUR 17.1 (17.1)

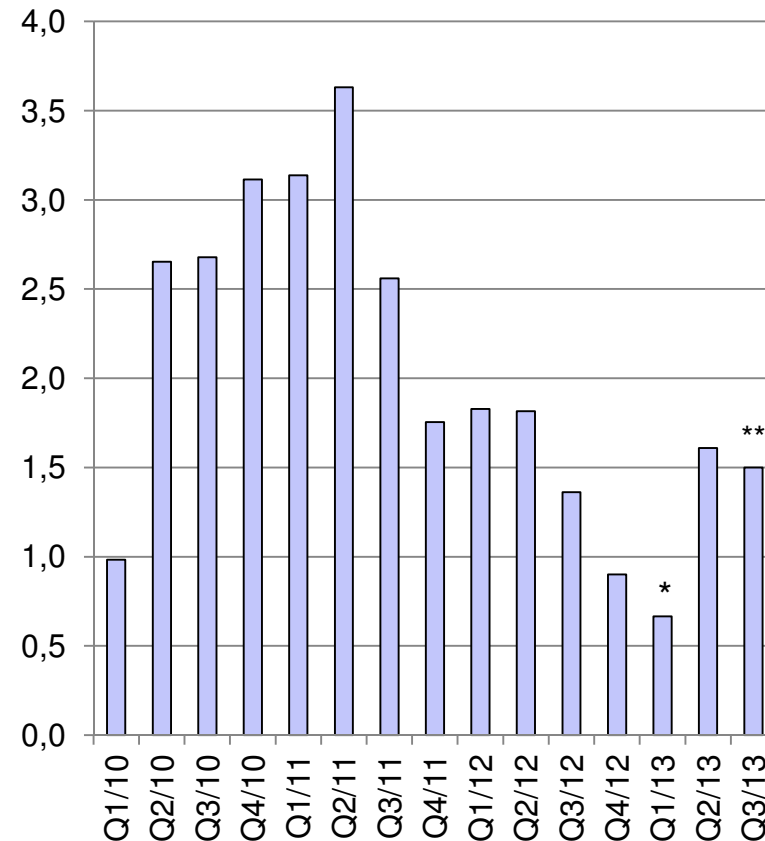
- ◆ In Q3 2013, net sales were MEUR 17.1 (17.1)
- ◆ Demand improved in the building, construction and infrastructure market segment, telecommunication, electrical industry and general industries market segments
- ◆ Market demand decreased in the transportation industry, energy industry and paper industry market segments



In Q3 2013 operating profit before non-recurring items was MEUR 1.5 (1.4) or 8.5 (8.0) per cent of net sales

- ◆ In Q3 2013 operating profit before non-recurring items improved to EUR 1.5 (1.4) million or 8.5 (8.0) per cent of net sales
- ◆ Operating profit after non-recurring items was EUR 1.1 million (including EUR -0.4 million non-recurring items) compared to EUR 1.4 million in the third quarter of 2012, or 6.3 (8.0) per cent of net sales
- ◆ The non-recurring items of EUR -0.4 million related to the costs of the CEO change

Operating profit (EUR million)

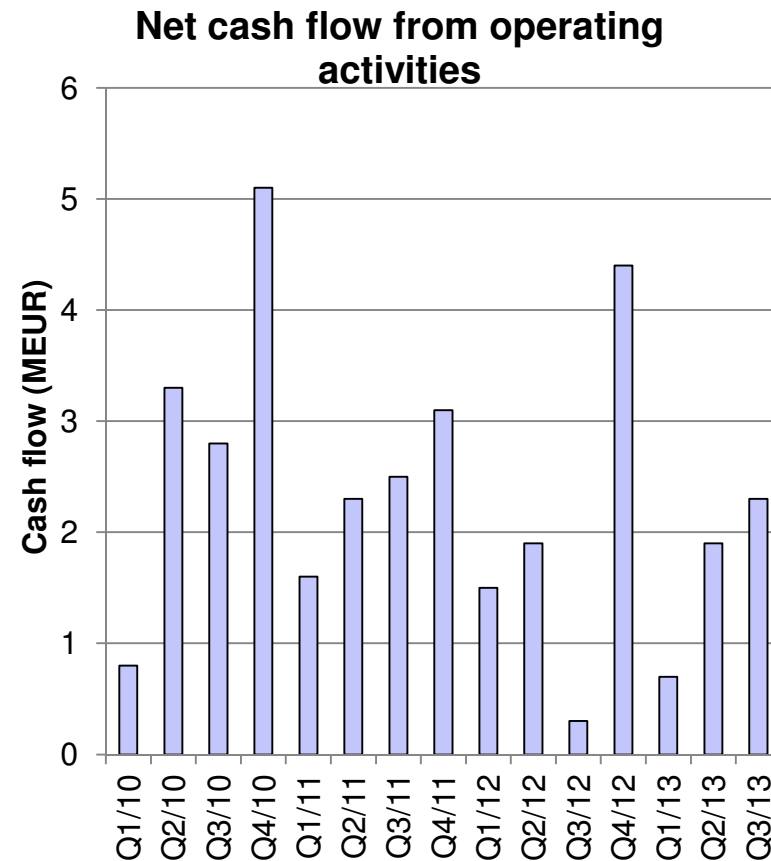


*Q4 2012 operating profit MEUR 0.9 before impairment and non-recurring items

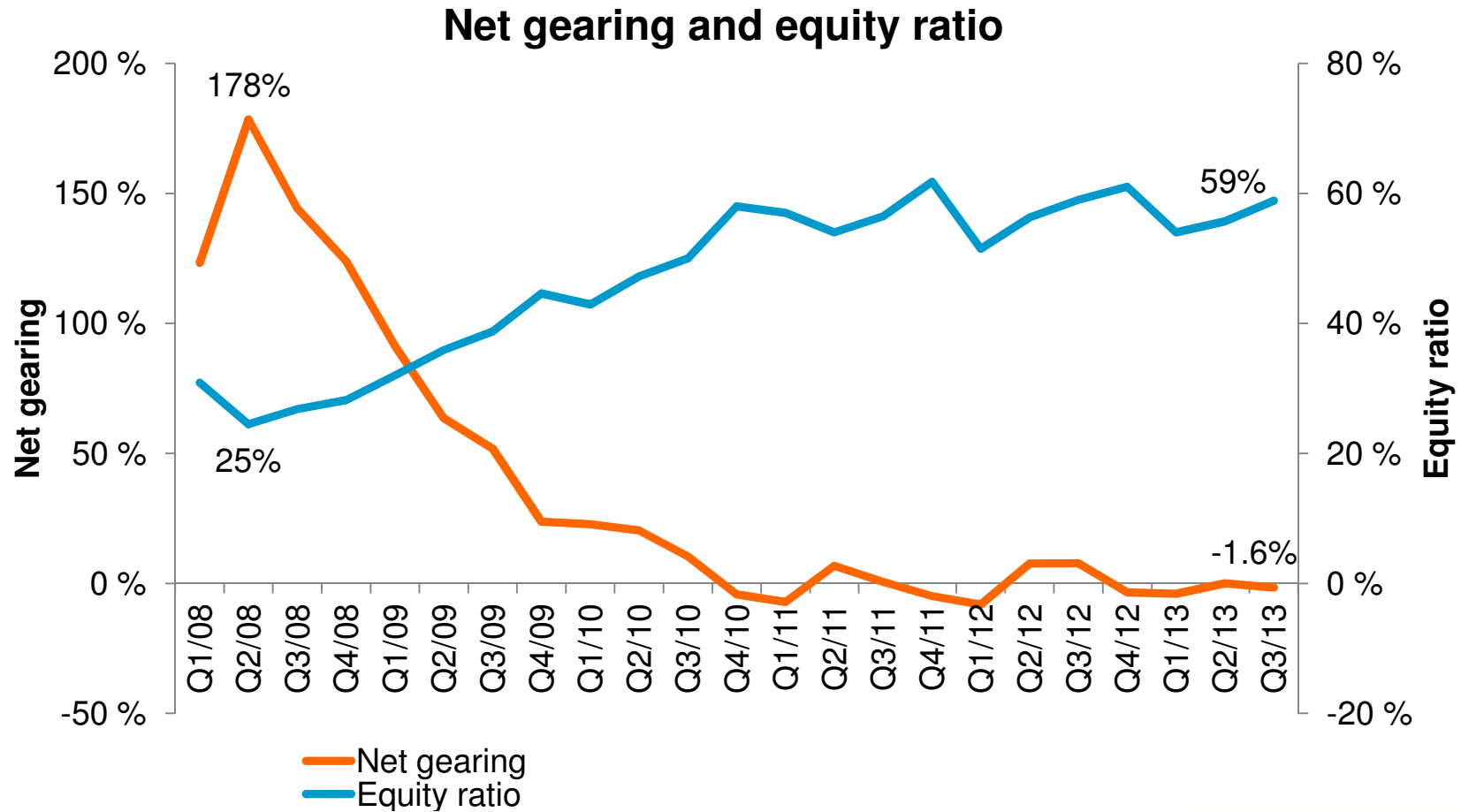
**Q3 2013 operating profit MEUR 1.5 before non-recurring items

In July – September 2013 net cash flow from operating activities was strongly positive at MEUR +2.3 (+0.3)

- ◆ In July – September 2013 net cash flow from operating activities was strongly positive at MEUR +2.3 (+0.3) due to good working capital management
- ◆ In January – September 2013 net cash flow from operating activities was positive at MEUR +4.9 (+3.8)
- ◆ Capital expenditure was MEUR 1.9 (2.1)
- ◆ On 30 September 2013, the Group's liquid assets stood at MEUR 7.6 (7.5)



Exel Composites financial position remains strong



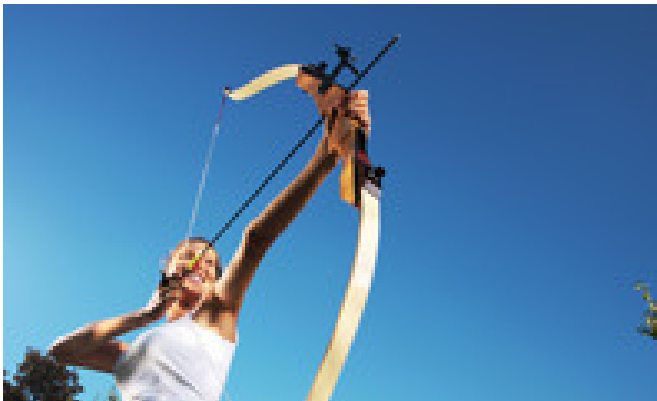
Risk elements

- ◆ 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



Investment into new high specification laminate production line was made

- ◆ A decision to invest in a new laminate production line was made in Q3 2013
- ◆ The investment enables us to extend our product range in high specification laminates and grow in several market segments
- ◆ New generation laminates enable new possibilities for example in applications in the building and construction industry such as reinforcing structures for walls and floors



Group management team was extended by appointment of new VP Sales **Kari Loukola**. **Riku Kytömäki** will succeed **Vesa Korpimies** as new president and CEO

- ◆ Mr. **Kari Loukola** was appointed VP Sales & Marketing and member of the Group Management Team as of 1 August 2013 to reinforce sales and profitable growth

- ◆ Mr. **Riku Kytömäki** was appointed new President and CEO of Exel Composites in September 2013
 - He will assume his duties on 2 January 2014
 - He succeeds Mr. Vesa Korpimies, who will resign from his position
 - Vesa Korpimies will continue in his role as CEO until Riku Kytömäki takes up his position

The Australian units will be consolidated in one location

- ◆ Corrective actions have started to have a positive impact in the British business unit
- ◆ Turnaround measures in Australia will continue in Q4 2013
 - A decision was made after the reporting period to consolidate the Australian units in one location
 - Brisbane unit will be moved to Melbourne site
 - The move will have a negative effect on the fourth quarter 2013 results, but improve the profit in 2014
- ◆ As a result of the ExelWay-project, new and efficient business processes and best practices are being implemented

Exel Composites is a market leader in composite profiles and has a strong balance sheet. We are well-positioned when the market recovers

- ◆ The general market situation is expected to remain unchanged in the last quarter of 2013
- ◆ The composite market is estimated to develop positively in the longer run
- ◆ Exel Composites is a market leader in composite profiles and has a strong balance sheet. We are well-positioned to grow the business 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



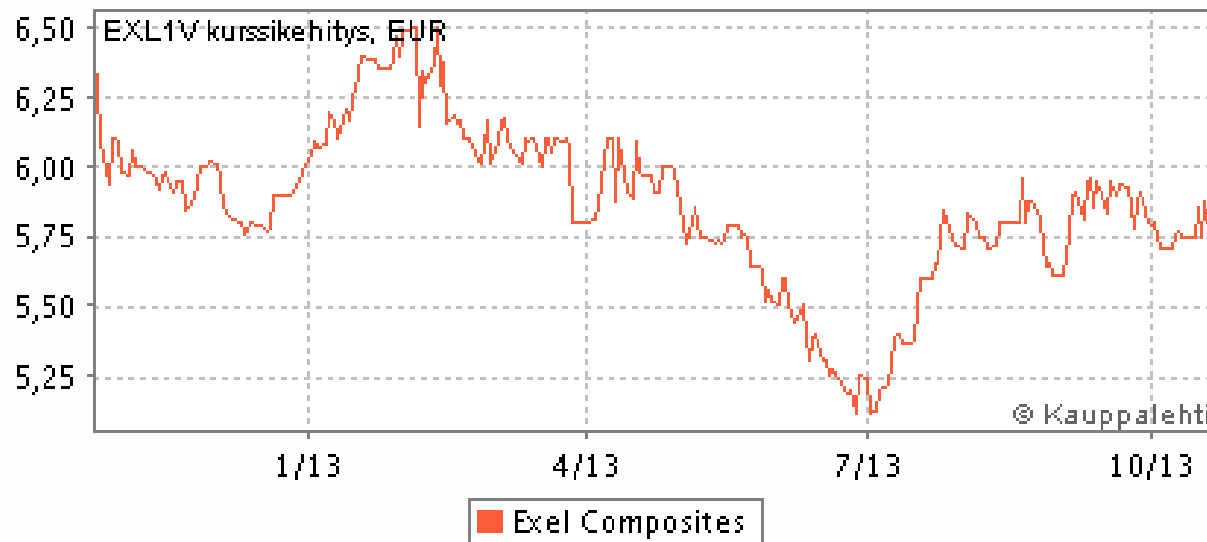
Major Shareholders on 30 September 2013

	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	358,094	3.01
Suutarinen Matti	291,400	2.45
Danske Fund Finnish Small Cap	281,567	2.37
Nordea Bank Finland Plc (nominee registered)	220,290	1.85

Exel Composites had a total of 2,738 (2,710) shareholders on 30 September 2013.

Share price development

**Exel Composites share price development
November 2012 – October 2013**



6.9 (5.7) % of shares outstanding were traded in Jan-Sep 2013

The highest share quotation was EUR 6.50 (8.79) and the lowest EUR 5.10 (6.00)

The share price closed at EUR 5.80 (6.48) and the market capitalization on 30 September 2013 was EUR 69.0 (77.1) 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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