



Reinforcing your business



Interim Report Q3 2010

Exel Composites Plc

Vesa Korpimies

President and CEO



July - September 2010 in brief

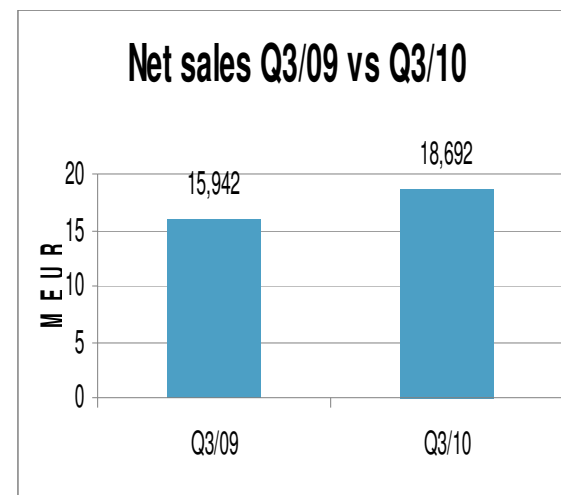
- Net sales from continuing operations MEUR 18.7 (15.9), up by 17.3%
- Operating profit from continuing operations MEUR 2.7 (1.2), or 14.3 (7.8) % of net sales
- Net operative cash flow positive at MEUR +2.8 (+2.4)
- Fully diluted earnings per share EUR 0.16 (0.07) of which continuing operations accounted for EUR 0.16 (0.06)

January - September 2010 in brief

- Net sales from continuing operations MEUR 53.5 (53.8)
- Operating profit from continuing operations MEUR 6.3 (5.6), or 11.8 (10.5) % of net sales
- Net operative cash flow positive at MEUR +6.9 (+8.6)
- Strategic review conducted. Profitable growth strategy confirmed
- Fully diluted earnings per share EUR 0.38 (0.37) of which continuing operations accounted for EUR 0.38 (0.35)

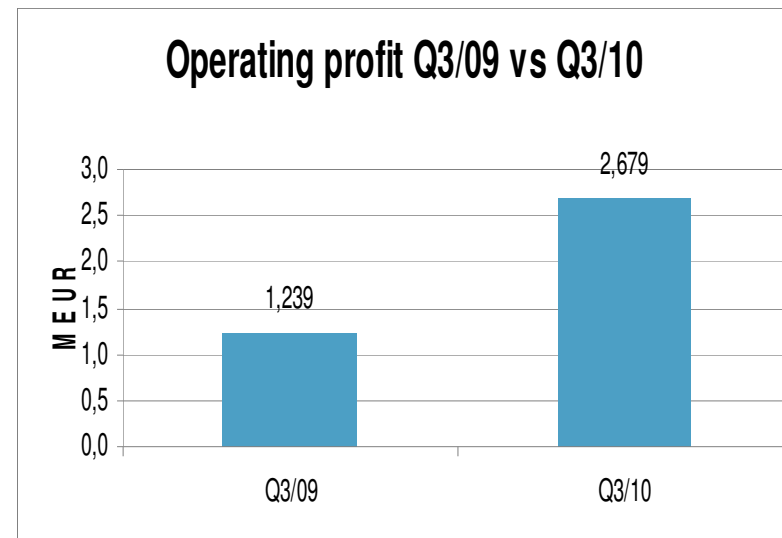
In July - September 2010 net sales increased by 17.3% to MEUR 18.7 (15.9)

- Net sales from continuing operations in Q3 2010 MEUR 18.7 (15.9), up 17.3% compared to Q3 2009
- Net sales continued to improve in
 - Telecommunication, paper, electrical and machine industry
 - Cleaning and maintenance market
- Building and construction still suffered from poor demand. However, growing interest in composite window and door profiles.
- In the airport product group the demand is still weak.



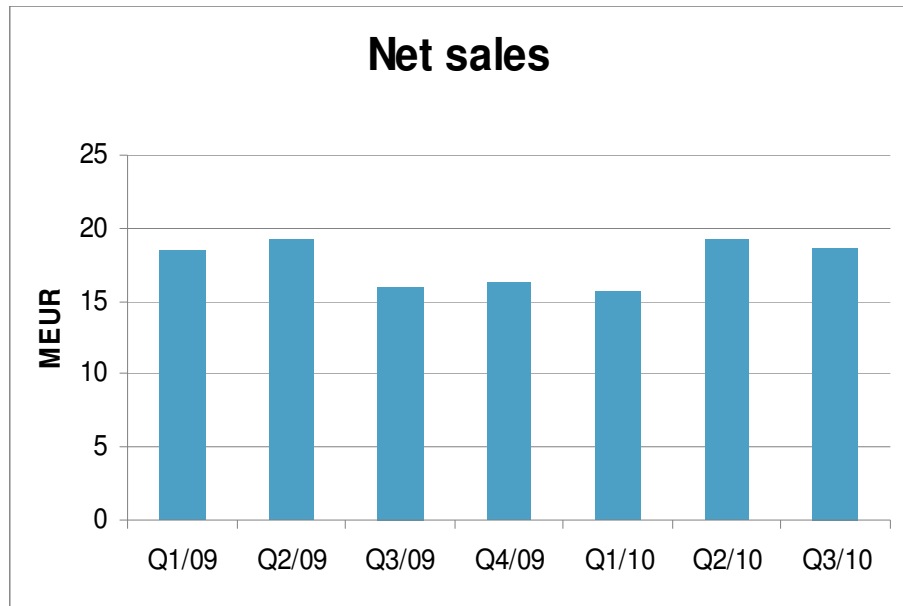
In July – September 2010 operating profit MEUR 2.7 (1.2) up by 116.2%

- Operating profit from continuing operations in July – September 2010 increased to MEUR 2.7 (1.2), up by 116.2 per cent compared to the corresponding period last year
- The positive demand development combined with our actions to reduce cost and capital employed resulted in a strong quarter



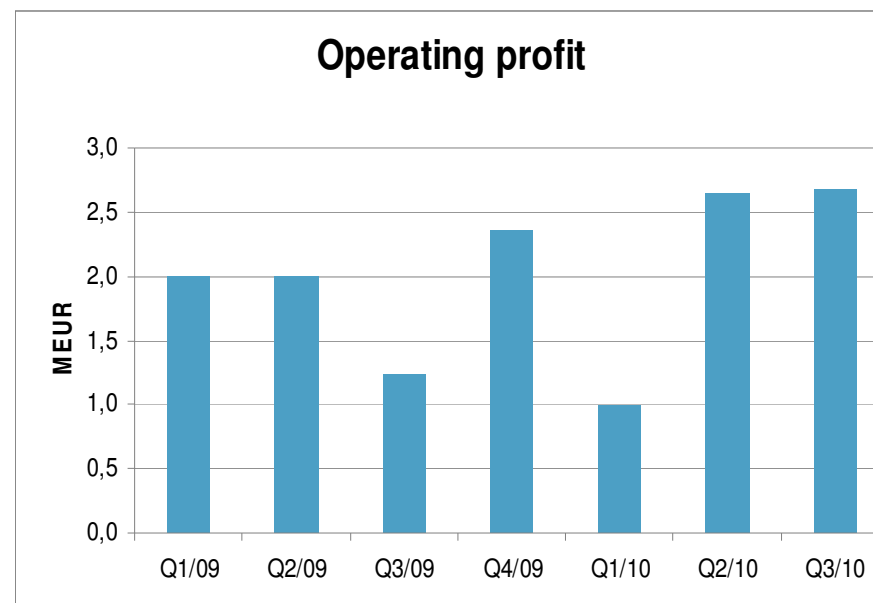
In January – September 2010 net sales MEUR 53.5 (53.8)

- Net sales from continuing operations in January – September 2010 decreased to MEUR 53.5 (53.8), down 0.4%
- The composite profile market continued to be competitive and there was overcapacity in the market



In January – September 2010 operating profit MEUR 6.3 (5.6), up 12.2%

- Operating profit from continuing operations in January – September 2010 increased to MEUR 6.3 (5.6), up 12.2%
- Operating profit as a percentage of net sales from continuing operations 11.8 (10.5)%



Anti-dumping tariff on imported Chinese glass fiber

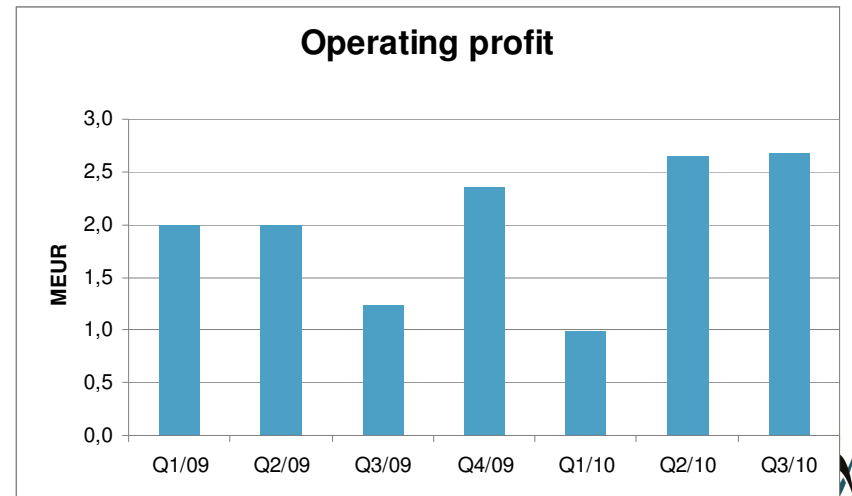
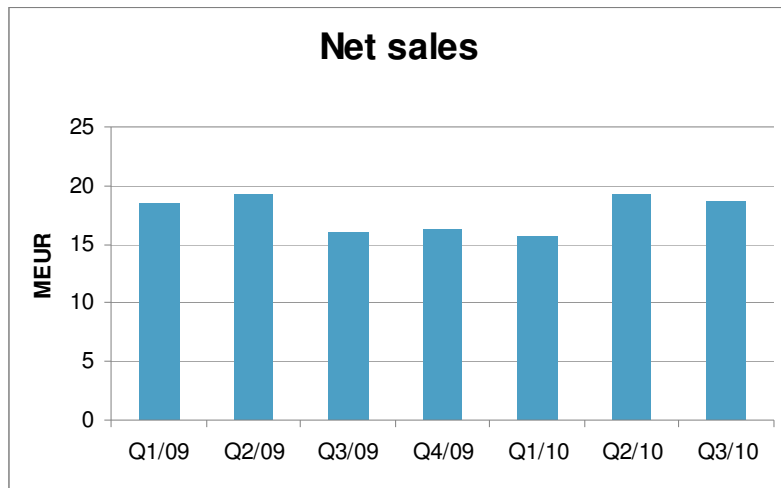
- The European Commission imposed an anti-dumping tariff of 43.6% on imported Chinese glass fiber in September 2010
 - Actions taken to control the impact of the tariff:
 - Increasing product prices
 - Employing alternative sourcing opportunities
 - Increasing production and improving efficiency in the Chinese unit

One-off restructuring costs and income from Floorball operations

- Other operating expenses include one-off restructuring costs of MEUR 1.1 due to the corporate restructuring of the former Floorball licensee
- Other operating income includes one-off Sports licensing income of MEUR 1.6, positive net effect in operating profit being MEUR 0.5

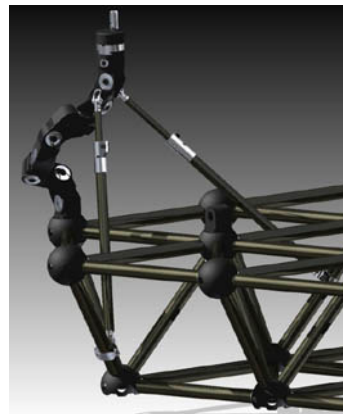
Key figures, continuing operations

	Q3/2010	Q3/2009	change, %	Q1-Q3/2010	Q1-Q3/2009	2009
Net sales, M€	18.7	15.9	17.3	53.5	53.8	70.0
Operating profit, M€	2.7	1.2	116.2	6.3	5.6	8.0
<i>as % of sales</i>	14.3	7.8		11.8	10.5	11.4



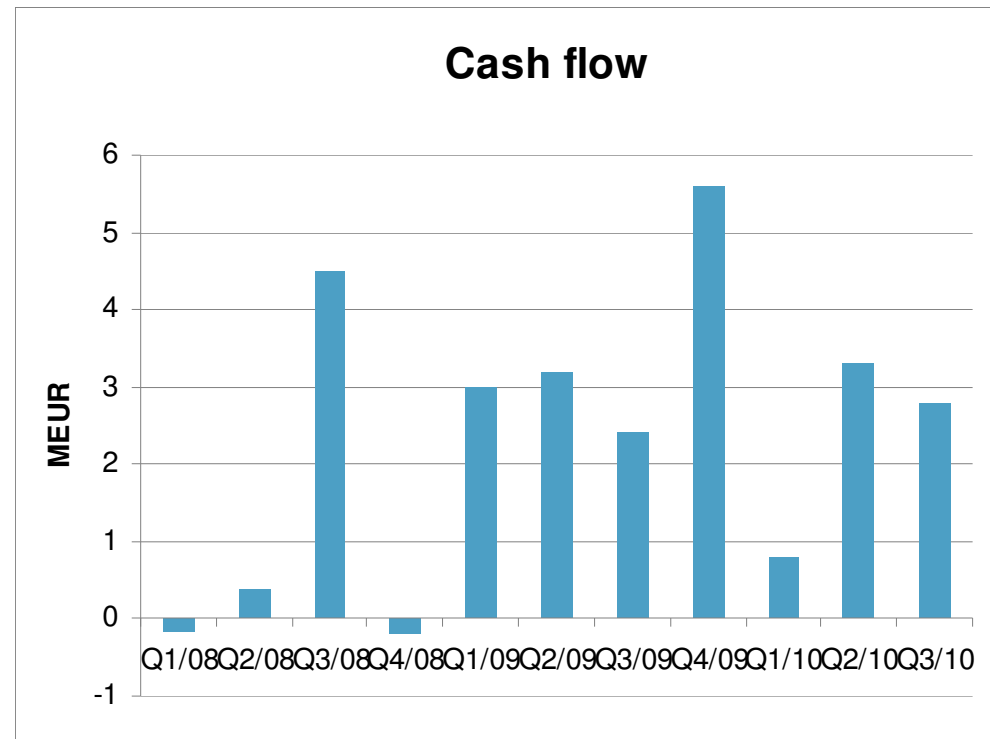
Earnings per share EUR 0.38 (0.37)

- Net financial expenses from continuing operations MEUR -0.2 (+0.1)
- Earnings per share for continuing operations improved to EUR 0.38 (0.35) and for discontinued operations decreased to EUR 0.00 (0.03)
- Return on capital employed 20.1 (18.4) per cent



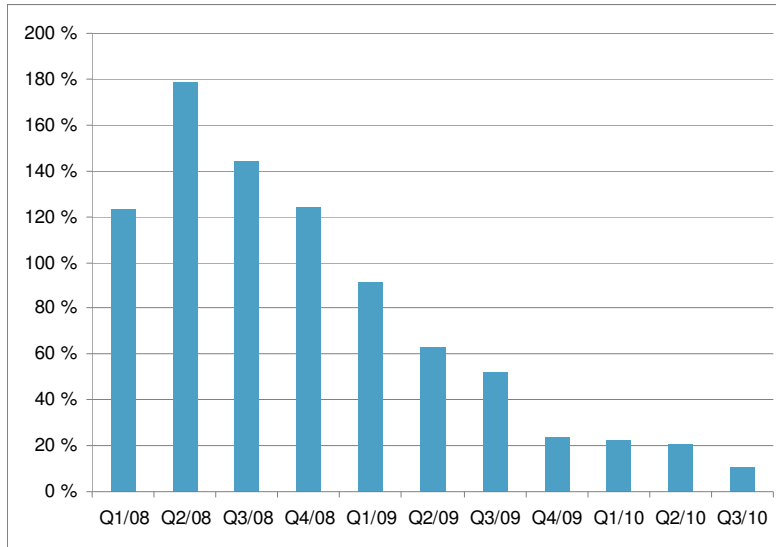
Strong balance sheet and cash flow

- Cash flow from business operations MEUR 6.9 (8.6)
- Group's liquid assets MEUR 10.4 (8.8)
- Equity MEUR 29.3 (22.7)
- Equity ratio 50.0 (38.8) %
- Net gearing 10.4 (51.8) %
- Return on equity 21.8 (29.9) %
- ROCE 20.1 (18.4) %
- Equity per share EUR 2.47 (1.91)

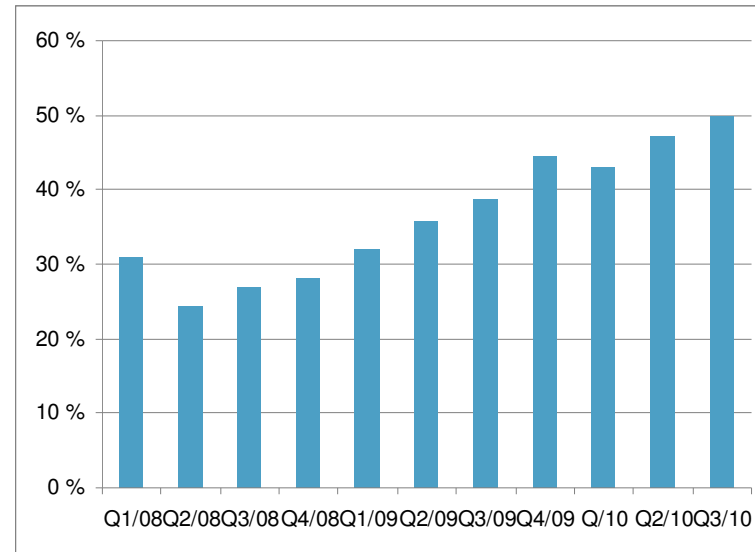


Net gearing and equity ratios continued to improve

Net gearing ratio Q3/2010
10.4 (51.8) %



Equity ratio Q3/2010
50.0 (38.8) %



Profitable growth strategy to be continued

- The Board has conducted a review of the strategic options available to enhance shareholder value
- Exel Composites has a strong financial position
- Exel Composites is the market leader in the fragmented pultrusion industry
- The Board confirmed the strategy to continue focusing on profitable growth by pursuing organic growth opportunities and bolt-on acquisitions



Market outlook

- Due to the worldwide business slowdown, demand has been weak in several geographical markets and market segments
- The market conditions have gradually improved in 2010
- Exel Composites recorded a strong third quarter of 2010, but maintains its cautious stance in the near term, since market uncertainties persist
- Exel Composites is well positioned to take advantage of the growth opportunities as the markets gradually recover



Exel Composites' outlook for 2010

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

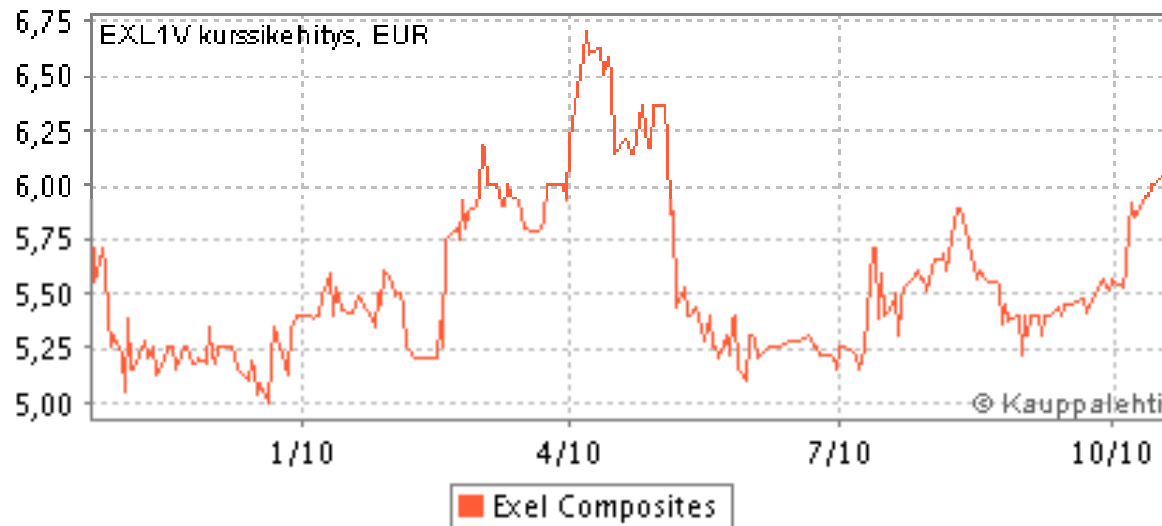


Major Shareholders (1 October 2010)

	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	618,896	5.20
OP-Suomi Small Cap Investment Fund	500,288	4.20
Ulomarkkinat Oy	480,000	4.03
Fondita Nordic Micro Cap Investmt Fund	450,000	3.78
Evli Suomi Osake Investment Fund	319,581	2.68
Alfred Berg Finland Investment Fund	308,484	2.59
Suutarinen Matti	294,400	2.47
Aktia Capital Investment Fund	250,000	2.10

Exel Composites Share

1/2010 - 10/2010



15.4 (26.9) % of shares outstanding were traded in Jan-Sep 2010

The highest share quotation was EUR 6.79 (6.20) and the lowest EUR 5.00 (2.37)

The share price closed at EUR 5.51 (5.58) and the market capitalization at the end of the review period was EUR 65.6 (66.4) million

