

EXEL OYJ'S FINANCIAL STATEMENTS BULLETIN 2007

Summary

- Net sales for the financial year increased to EUR 113.5 (112.4) million or 1.0% over the previous year
- Net sales in the fourth quarter were EUR 28.1 (30.4) million
- Operating profit for the financial year was EUR 4.8 (0.4) million, representing 4.2% (0.3%) of net sales including EUR -5.3 (-6.7) million of non-recurring items
- Operating profit in the fourth quarter was EUR 0.7 (0.6) million or 2.4% (2.1%) of net sales including EUR -1.1 (0.0) million of non-recurring items
- Net operative cash flow was positive at EUR +2.6 (+5.2) million
- Earnings per share for the full year were EUR 0.17 (-0.06), adjusted for full dilution
- The Industry Division, Exel Composites, continued its positive development throughout the year recording its best earnings ever, improving its earnings by 70% and accounting for 88% of the Group sales
- The development of the Sport Division, Exel Sports Brands, was highly unsatisfactory with declining sales and a continued loss
- The Board of Directors proposes a dividend of EUR 0.20 (0.20) per share
- Vesa Korpimies appointed as new President and CEO as of 10 April 2008

Göran Jönsson, President and CEO:

"The Industry Division, now named Exel Composites, has suffered from the slowdown of sales to the sports industry, the wind energy and the antenna radome markets. However, good sales development in other new applications and improved efficiency have had a positive impact on the earnings. The integration of Pacific Composites has been successfully completed, and the acquisition, as per 28 February 2006, has to a large extent contributed to the positive earnings development of Exel Composites, resulting in the best earnings ever for the division. Exel Composites will continue to refine the organization and to intensify the efforts to organically and internationally grow the profitable sales in the prioritized segments.

The Sport Division, also known as Exel Sports Brands, continued to suffer from low sales caused by problems with the flow of products throughout the organization. At the beginning of November 2007, a new managing director was appointed to accomplish a turnaround. During the last quarter heavy measures were taken to align the organization to the present activity level, improve the sourcing and reduce the capital employed in terms of too high inventories. However, it will still require a lot of efforts and strong focus for Exel Sports Brands to return to acceptable profitability."

CONSOLIDATED KEY FIGURES, EUR million (unaudited)

1.10. - 31.12. 2007	1.10. - 31.12. 2006	Change %	1.1. - 31.12. 2007	1.1. - 31.12. 2006	Change %
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Net sales	28.1	30.4	-7.6	113.5	112.4	1.0
Operating profit	0.7	0.6	5.2	4.8	0.4	1,138.3
% of net sales	2.4	2.1		4.2	0.3	
Profit for the period	-0.0	-0.0	-88.9	2.0	-0.7	374.2
Shareholders' equity	23.5	24.4	-3.4	23,5	24.4	-3.4
Net interest-bearing liabilities	27.9	27.5	1.4	27.9	27.5	1.4
Capital employed	56.3	58.1	-3.0	56.3	58.1	-3.0
Return on equity, %	-0.6	-0.3		8.4	-2.9	
Return on capital employed, %	1.3	4.9		7.3	1.2	
Equity ratio, %	31.3	29.9		31.3	29.9	
Net gearing, %	118.4	112.8		118.4	112.8	
Earnings per share, EUR, diluted	0.00	0.00		0.17	-0.06	
Equity per share, EUR	1.98	2.05		1.98	2.05	

IFRS REPORTING

Exel has applied IFRS reporting since the beginning of 2005. This financial statements bulletin has been prepared in accordance with the recognition and measurement principles of IFRS, which are the same as in the 2006 financial statements.

1 OCTOBER - 31 DECEMBER 2007

FINANCIAL PERFORMANCE

Exel's consolidated net sales decreased in the last quarter of 2007 by 7.6% to EUR 28.1 (30.4) million. Exel Composites, the Industry Division of Exel Group, accounted for 86% or EUR 24.7 (27.3) million of Group net sales in Q4 and Exel Sports Brands for 14% or EUR 3.9 (5.0) million.

Exel's operating profit increased in the last quarter by 5.2% to EUR 0.7 (0.6) million. Operating profit for Exel Composites in the last quarter of 2007 increased by 38.1% to EUR 3.9 (2.8) million. Operating profit for Exel Sports Brands was negative at EUR -3.0 (-2.3) million including write-offs of EUR 1.1 million.

FINANCIAL YEAR 2007

FINANCIAL PERFORMANCE

Net sales for the Exel Group remained on the previous year's level, ending the year at EUR 113.5 (112.4) million.

The Group's main line of business, Exel Composites', reported net sales in 2007 of EUR 104.3 (105.0) million, a decrease of 0.7%. A changed production model of poles and floorball sticks where Exel Composites manufactures only shafts to Exel Sports Brands, resulted in a decline in internal sales of EUR 7.4 million. Sales also decreased due to the divestment of the Plastics operations in Germany. Excluding the sales to Exel Sports Brands, sales increased by 6.4% in 2007. Exel Composites accounted for 88% (83%) of total Group sales in 2007.

Net sales for Exel Sports Brands in 2007 fell by 29.2% from the previous year to EUR 13.6 (19.3) million. Furthermore, Exel Sports Brands experienced serious delays in deliveries from its Chinese pole suppliers and in addition had extensive quality problems linked to the production transfer. Furthermore, a weak sporting goods market impacted sales negatively.

In combination with high costs to overcome late deliveries from suppliers as well as domestic forwarders, the division showed a continued negative result. The lower than expected sales also led to an overstock situation which required write-offs of inventory in the third quarter as well as impairment of intangible and tangible assets in the third and fourth quarter. In addition, related manufacturing equipment in Exel Composites was written down. The profit level was highly unsatisfactory.

Exel's operating profit for the financial period increased to EUR 4.8 million (including non-recurring items of EUR -5.3 million), compared to EUR 0.4 million (including non-recurring items of EUR -6.7 million) in the corresponding period last year. The improvement of the underlying operating profit has been a result of the restructuring measures taken in the problem units in 2006 and 2007, especially Mäntyharju, Belgium and the German Sport unit, the contribution of the Pacific Composites acquisition and the gain from the sale of properties.

Short supply of certain carbon fiber types continued throughout the first half of 2007. The lack of supply also increased raw material price levels, although it was possible to transfer some of the increase to product prices. Signs of improvement in the carbon fiber supply situation started to emerge towards the summer. At the end of the reporting period there was shortage only of some special types of carbon fiber.

The Group's net financial expenses in 2007 were EUR 2.4 (1.1) million. The main reasons for the increased financial items were the higher interest rates, EUR 0.4 million, and currency exchange net losses, EUR 0.7 million. The Group's profit before taxes was EUR 2.4 (-0.7) million and profit after taxes EUR 2.0 (-0.7) million.

Earnings per share were EUR 0.17 (-0.06). Return on investment was 7.3% (1.2%).

BALANCE SHEET AND FINANCIAL POSITION

Cash flow from business operations was positive at EUR +2.6 (+5.2) million.

Operative capital expenditure was financed with cash flow from business operations. At the end of the financial year the Group's liquid assets stood at EUR 4.9 (6.2) million.

Cash flow before financing but after capital expenditure amounted to EUR +2.1 (-15.7) million. The Company paid total dividends during the financial year of EUR 2.4 (4.7) million. Dividend per share was EUR 0.20 (0.40).

The Group's consolidated total assets at the end of the financial year were EUR 75.2 (81.9) million.

Equity at the end of the financial year was EUR 23.5 (24.4) million and equity ratio 31.3% (29.9%). Interest-bearing liabilities amounted to EUR 32.8 (33.7) million, of which short-term liabilities accounted for EUR 11.0 (7.9) million. Net interest-bearing liabilities were EUR 27.9 (27.5) million and the net gearing ratio was 118.4% (112.8%).

CAPITAL EXPENDITURE AND DEPRECIATION

During the year the Group concentrated on the consolidation of the previous year's main acquisition. The capital expenditure on fixed assets amounted to EUR 2.5 million (19.9).

Total depreciation of non-current assets during the year under review amounted to EUR 4.2 (4.6) million. Write-downs were made amounting to EUR 2.0 million relating to both intangible and tangible assets. Additionally, other operating expenses include 0.5 million write-downs of tangible assets.

PERSONNEL

The number of Exel Group employees on 31 December 2007 was 579 (555), of whom 240 (237) worked in Finland and 327 (318) in other countries. The average number of personnel during the financial year was 568 (600). There was an increase from last year due to the acquisition of Pacific Composites. At the same time, there was a reduction of personnel due to the restructuring of the Exel Sports Brands and sporting goods production, the closure of Clacton operation in the UK in 2006 and the divestment of the Plastics operations in Germany in 2007.

BUSINESS SEGMENTS

The Group's operations are divided into two primary business segments: Exel Composites and Exel Sports Brands. Exel Composites includes all production activities in the Company as from 1 January 2007. Therefore the Sport Industry business and Mäntyharju operations in Finland, which earlier were part of Exel Sports Brands, were transferred to Exel Composites. The comparative divisional figures from 2006 have been changed correspondingly.

Exel Composites

Exel Composites' key financial figures for the reporting period were as follows:

	1.10.- 31.12.	1.10.- 31.12.	Change %	1.1. - 31.12.	1.1. - 31.12.	Change %
EUR million	2007	2006		2007	2006	
Net sales	24.7	27.3	-9.3	104.3	105.0	-0.7
Operating profit	3.9	2.8	38.1	15.2	9.0	69.5
% of net sales	15.6	10.2		14.6	8.5	
Average number of personnel	505	488	3.5	500	510	-2.0

Net sales for Exel Composites decreased by 0.7% from the previous year to EUR 104.3 (105.0) million. The main reason for the decline was a lowered off-take of shafts and assembling of products from our production unit in Mäntyharju by Exel Sports Brands. Deliveries for industrial profiles continued to be affected by shortage of carbon fiber. The telecommunication sector continued to be slow. The transportation, energy and building/construction and cleaning and maintenance markets, in particular, were strong resulting to overall external sales to grow by 6.4%. Operating profit grew by 69.5% to EUR 15.2 (9.0) million. The profitability was good in all units. The restructuring of the Belgian operations gave good results even in the traditionally slower summer months. In addition, the development in the Chinese unit was also positive.

Through the acquisition of Pacific Composites, Exel established itself as the world's first truly international pultrusion company. The acquisition extended the product range and reinforced Exel's leading position in the Pacific Rim/Far East. New commercial applications include for example profiles for aerospace applications. Exel can now serve its international customers globally. The integration of Pacific Composites was successfully completed during the year and added experienced management and important international competence to the Group.

Exel Sports Brands

Exel Sports Brands' key financial figures for the reporting period were as follows:

	1.10.- 31.12. 2007	1.10.- 31.12. 2006	Change %	1.1. - 31.12. 2007	1.1. - 31.12. 2006	Change %
EUR million						
Net sales	3.9	5.0	-21.3	13.6	19.3	-29.2
Operating profit	-3.0	-2.3	-30.0	-10.7	-9.4	-13.3
% of net sales	-76.8	-46.5		-78.1	-48.8	
Average number of personnel	49	58	-15.5	49	69	-29.0

The development of Exel Sports Brands was highly unsatisfactory in 2007. Sales declined and a continued big loss was recorded. Net sales decreased 29.2% to EUR 13.6 (19.3) million. Exel Sports Brands experienced logistics problems and was unable to deliver orders in time to its customers. The lower sales figure is partly due to the mild winter, which also had a negative impact on reorders. Exel Sports Brands was not yet able to adapt the overhead costs to match with the lower sales level.

Exel Sports Brands' operating loss was EUR -10.7 (-5.9 before non-recurring items) compared with EUR -9.4 million (-6.7 before non-recurring items) last year. Lower sales due to a poor delivery performance and low prices sales of old inventory had a negative impact on the margins. A project to reduce costs and capital tied up in inventory was started during the third quarter, but the effects had not materialized before year end.

The Board appointed Olli E. Juvonen Managing Director of Exel Sports Oy and Exel Sports Brands as from 6 November 2007.

CHANGES IN GROUP STRUCTURE

In April 2007 Exel signed an agreement to sell its Plastics operations focusing on extrusion technology which operated under Exel GmbH in Rohrdorf, Germany. The operations were sold to a new established company, CPS GmbH, where the former management of the Plastics business is a co-owner. The business transfer took place from the beginning of May. By selling the Plastics operations Exel continues to concentrate on its core business operations, pultrusion and the production of composite profiles. The sale of business did not directly impact the Exel Group profit.

CHANGES IN GROUP MANAGEMENT

In July 2007 the Exel Composites was organized in two Business Areas; Europe and Asia/Pacific. Business Area Europe is headed by Vesa Korpimies. In addition he maintains his duties as Executive Vice President of the Exel Group. Business Area Asia/Pacific is headed by Grant Pearce. A new function, Operations, was also established. It is headed by Callum Gough. Olli E. Juvonen was appointed Managing Director of Exel Sports Oy and Exel Sports Brands as from 6 November 2007.

The Management Group of Exel has, with the above changes, the following members: Göran Jönsson, President and CEO; Vesa Korpimies, Executive Vice President and Business Area Manager Europe; Grant Pearce, Senior Vice President and Business Area Manager Asia/Pacific; Ilkka Silvanto, Senior Vice President and CFO; and Callum Gough, Senior Vice President Operations.

SHARES AND SHARE CAPITAL

Exel's share is listed in the Small Cap segment of the OMX Exchange's Nordic list in the Materials sector.

The Annual General Meeting of Exel Oyj held on 19 April 2007 approved the Board's proposal to distribute a dividend of EUR 0.20 per share, representing a total of EUR 2.4 million for the financial year 2006.

The AGM amended the Company's Articles of Association to correspond to the new Finnish Companies Act.

The AGM authorized the Board of Directors to decide on a share issue. A maximum of 594,842 new shares may be issued and a maximum of 594,842 Company's own shares that are in the Company's possession may be conveyed. The AGM also authorized the Board to acquire the Company's own shares. By virtue of the authorization the Board is entitled to decide on acquiring a maximum of 594,842 Company's own shares.

Exel's share capital has remained unchanged during the financial year and is 11,896,843 shares each having the counter-book value of EUR 0.18. There is only one class of shares and all shares are freely assignable under Finnish law.

Share performance and turnover

During the financial year the highest share price quoted was EUR 17.45 (15.13) and the lowest EUR 10.55 (10.50). At the end of the year, the share price was EUR 11.90 (13.60). The average share price during the financial year was EUR 14.14 (12.86).

A total of 4,907,765 (5,172,983) shares were traded during the year, which represents 41.3% (43.5%) of the average number of shares. On 31 December 2007, Exel's market capitalisation was EUR 141.6 (161.8) million.

SHAREHOLDERS AND DISCLOSURES

On 31 December 2007, 3.7% of the shares and votes of Exel were owned or controlled, directly or indirectly by the President and CEO and the members of the Board.

Exel's largest shareholder is the Swedish investment company Nordstjernan AB, which owned 29.4% of shares at the end of 2007. Other major shareholders included Ilmarinen Mutual Pension Insurance Company (5.8%) and Berling Capital Oy (3.5%). At the end of the year the Company had a total of 1,675 (2,197) shareholders.

During the year under review, Exel received no disclosures under Chapter 2, section 9 of the Securities Market Act.

CORPORATE GOVERNANCE

Exel complies with the general insider trading guidelines issued by the Helsinki Stock Exchange on 1 January 2006, as well as with official regulations related to the governance of public joint stock companies with the exception related to the Board Committees. Exel's corporate governance principles are available on the Company website at www.exel.net and the Group Annual Report.

BOARD OF DIRECTORS AND AUDITORS

On 19 April 2007 the Annual General Meeting appointed Kari Haavisto, Peter Hofvenstam, Vesa Kainu, Esa Karppinen and Ove Mattsson to continue on the Board of Directors. Ove Mattsson was re-elected Chairman of the Board.

The Board of Directors convened 13 times in 2007 and the average attendance rate at these meetings was 95%. The fees paid to the Board of Directors totalled EUR 121 thousand in 2007.

The Board of Directors has reviewed the independence of Board members in accordance with item 18 of the Corporate Governance Recommendation. The members of the Board are considered to be independent of the Company. Ove Mattsson, Kari Haavisto and Vesa Kainu are independent of major shareholders. Peter Hofvenstam and Esa Karppinen are not independent of major shareholders since Peter Hofvenstam is the Vice President of Nordstjernan AB and Esa Karppinen is the Managing Director of Berling Capital Oy.

The Board of Directors has been assisted by a Compensation Committee comprising Ove Mattsson, Peter Hofvenstam and Vesa Kainu. This committee met 3 times in 2007. In addition, the Company has a Nomination Committee comprising the Chairman and persons nominated by the three largest shareholders and the fifth largest shareholder as of 1 November before the Annual General Meeting. In 2007 the Nomination Committee comprised Tomas Billing (Nordstjernan AB) as Chairman, Mikko Mursula (Ilmarinen Mutual Pension Insurance Company), Esa Karppinen (Berling Capital Oy), Pertti Laine (Veikko Laine Oy) and Ove Mattsson. The committee met 3 times in 2007.

Furthermore, the Board of Directors has been assisted by an Audit Committee comprising the Chairman of the Board and Kari Haavisto. The Audit Committee had 2 meetings in 2007.

Ernst & Young, Authorised Public Accountants, with Eija Niemi-Nikkola, APA, as principal auditor, were elected to serve as Company auditor in the AGM in 2007.

The fees paid to the auditors totalled EUR 383 thousand in 2007.

POTENTIAL RISKS

The main risks in 2008 lie in the market demand and price competition in Exel Sports Brands and in specific segments in the Exel Composites, i.e. sporting goods, antenna radomes and wind energy. Signs of recession can be seen especially in the United States and if it materializes it will have a negative impact on the sales and earnings development. The restructuring of Exel Sports Brands segment is ongoing but its success including sourcing from China and the logistics situation for Exel Sports Brands in Finland is still a risk. There may as well be a shortage of certain types of carbon fibre. In the long term new technologies, raw material price compared to competitive materials and overall global growth rate will create additional threat to the pultrusion business.

For more detailed information on Exel's risk management, please refer to the Annual Report.

EVENTS AFTER THE REPORTING PERIOD

In January 2008 Exel announced to commence a co-determination process in the Mäntyharju unit. The negotiations were finalized late February. As a result the personnel will be reduced by 13 persons. Additionally a warning was given for temporary lay-offs which can cover 12 persons at a time.

The Board has today appointed Vesa Korpimies as Exel Oyj's President and CEO. He will assume his position as of 10 April 2008 when Göran Jönsson resigns. Göran Jönsson has been nominated to become member of Exel Oyj's Board of Directors. Vesa Korpimies is currently Executive Vice President of Exel Oyj and Head of Exel Composites. He has been with the Company since 1987 and responsible for the development of Exel Composites since 1998 during which period sales have increased from about EUR 10 million to above EUR 100 million.

OUTLOOK FOR 2008

The global pultrusion market is expected to grow also in 2008, although it may be affected by a potential worldwide business slow-down. Growth opportunities for Exel Composites are available in some important segments such as transportation, building/construction and infrastructure, and new applications are being sought for continuously. The division will, however, have a weak development in the important antenna radome business due to new technologies as well as in wind energy where a change of purchasing pattern will impact the sales and profitability negatively. Price competition has increased putting pressure on margins.

The profitability of Exel Sports Brands is highly unsatisfactory. Corrective actions have been implemented for Exel Sports Brands to mitigate the negative development. Additional measures will be required to align the organization to the present sales level, improve the sourcing and reduce costs and capital employed. The development of Exel Sports Brands will be closely monitored in 2008 and structural alternatives will be assessed.

Due to the development in 2007 and the ongoing restructuring of Exel Sports Brands it is expected that the sales will not be higher than in 2007, but that the profitability will be improved.

All in all, Exel expects the profit before taxes to improve in 2008.

BOARD PROPOSAL FOR DIVIDEND DISTRIBUTION

Exel's strategic goals include distributing dividends equal to at least 40% of the profit for the financial year unless otherwise required by growth and liquidity.

On 31 December 2007 the parent company's distributable funds totaled EUR 13,465 thousand.

The Board proposes to the Annual General Meeting that a dividend be paid for the 2007 financial year of EUR 0.20 (0.20) per share.

As a basis for its proposal, the Board of Directors has made an assessment of Exel's financial position and ability to meet its commitments, as well as Exel's outlook and investment requirements. The Board considers the proposed dividend well-balanced given the prospects, the capital requirements and the risks of the Group's business activities.

The proposed record date for dividends is 15 April 2008. If the Annual General Meeting approves the Board's proposal, it is estimated that dividend payments will commence on 22 April 2008.

CONDENSED CONSOLIDATED INCOME STATEMENT (unaudited)

	1.10.- 31.12. 2007	1.10.- 31.12. 2006	Change %	1.1.- 31.12. 2007	1.1.- 31.12. 2006	Change %
EUR thousand						
Net sales	28,058	30,361	-7.6	113,489	112,395	1.0
Other operating income	122	64	90.6	854	145	489.0
Operating expenses	-25,236	-28,992	13.0	-103,445	-106,046	2.5
Depreciation and impairment	-2,273	-794	-186.3	-6,118	-6,108	-0.2
Operating profit	672	639	5.2	4,780	386	1,138.3
Net financial items	-989	-331	-198.8	-2,360	-1,067	-121.2
Profit before tax	-317	307	-203.3	2,420	-681	455.4
Income taxes	283	-325	187.1	-410	-52	-688.5
Profit/loss for the period	-34	-18	-88.9	2,010	-733	374.2

Attributable to:

Equity holders
of the parent
company

-34

-14

2,010

-724

Minority
interest

0

-4

0

-10

Earnings per
share, EUR

0.00

0.00

0.17

-0.06

Earnings per
share, EUR,
diluted

0.00

0.00

0.17

-0.06

CONDENSED CONSOLIDATED BALANCE SHEET

	31.12.2007	31.12.2006	Change
EUR thousand			
ASSETS			
Non-current assets			
Goodwill	9,627	10,107	-480
Other intangible assets	2,689	3,158	-469
Tangible assets	14,796	18,766	-3,853
Deferred tax assets	2,521	2,200	321
Other non-current assets	76	76	0
Non-current assets total	29,710	34,307	-4,481
Current assets			
Inventories	22,155	19,975	2,180
Trade and other receivables	18,426	20,695	-2,269
Other liquid assets	0	0	0
Cash at bank and in hand	4,901	6,199	-1,298
Current assets total	45,482	46,869	-1,387
Non-current assets held for sale	0	748	-748
Total assets	75,192	81,924	-6,732
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	2,141	2,141	0
Share issue	0	0	0
Share premium reserve	8,492	8,492	0
Retained earnings	10,890	14,453	-3,563
Profit for the period	2,010	-724	2,734
Equity attributable to equity holders of parent company	23,533	24,363	-830
Minority share	0	0	0
Total equity	23,533	24,363	-830
Non-current liabilities			
Interest-bearing liabilities	21,755	25,752	-3,997
Interest-free liabilities	345	0	0

Deferred tax liabilities	753	1,091	-338
Current liabilities			
Interest-bearing liabilities	11,008	7,934	3,074
Trade and other non-current liabilities	17,799	22,782	-4,983
Total liabilities	51,658	57,561	-5,903
Total equity and liabilities	75,192	81,924	-6,733

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Share Issue	Share Premium Reserve	Retained Earnings	Minority Interest	Total
EUR thousand						
Balance at 1 January 2006	2,070	287	5,142	19,530	10	27,039
Share issue	71	-287	3,350	0	0	3,134
Exchange rate differences	0	0	0	-458	0	-458
Other items	0	0	0	101	0	101
Dividend				-4,720		-4,720
Profit for the period				-724	-10	-733
Balance at 31st December 2006	2,141	0	8,492	13,729	0	24,363
Balance at 1st January 2007	2,141	0	8,492	13,729	0	24,363
Share issue	0	0	0	0	0	0
Exchange rate differences	0	0	0	-429	0	-429
Other items	0	0	0	-32	0	-32
Dividend				-2,379		-2,379
Profit for the period				2,010	0	2,010
Balance at 31st December 2007	2,141	0	8,492	12,900	0	23,533

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	1.1.- 31.12. 2007	1.1.- 31.12. 2006	Change
EUR thousand			
Cash flow from operating activities			
Profit for the period	2,010	-733	2,743
Adjustments	9,676	9,330	346

Change in working capital	-5,903	245	-6,148
Cash flow generated by operations	5,783	8,842	-3,059
Interest paid	-1,687	-998	-689
Interest received	137	195	-58
Other financial items	-388	8	-396
Income taxes paid	-1,250	-2,819	1,569
Net cash flow from operating activities	2,595	5,228	-2,633
Cash flow from investing activities			
Acquisitions	0	-18,279	18,279
Disposal of business	672	0	672
Capital expenditure	-2,469	-2,655	186
Proceeds from sale of fixed assets	1,306	0	1,306
Other cash flow from investing activities	0	0	0
Cash flow from investing activities	-491	-20,934	20,443
Cash flow from financing			
Share issue	0	3,134	-3,134
Proceeds from long-term borrowings	0	18,000	-18,000
Installments of long-term borrowings	-1,600	-1,991	391
Change in short-term loans	958	2,079	-1,121
Installments of finance lease liabilities	-381	-375	-6
Dividends paid	-2,379	-4,720	2,341
Net cash flow from financing	-3,402	16,127	-19,529
Change in liquid funds	-1,298	421	-3,017
Liquid funds in the beginning of period	6,199	5,778	421
Change in liquid funds	-1,298	421	-1,719
Liquid funds at the end of period	4,901	6,199	-1,298

QUARTERLY KEY FIGURES

	IV/ 2007	III/ 2007	II/ 2007	I/ 2007	IV/ 2006	III/ 2006	II/ 2006	I/ 2006
EUR thousand								
Net sales by segment								
Exel Composites	24728	25259	27577	26697	27260	27691	26869	23130
Exel Sports Brands	3914	3827	2166	3727	4972	4475	3913	5910
Net sales, total	28058	27912	28721	28797	30361	28527	27907	25600
Operating profit by segment								
Exel Composites	3853	2556	4478	4283	2790	1984	2101	2075
Exel Sports Brands	-3005	-5182	-1760	-704	-2311	-3602	-1912	-1573
Intra Group items	-177	547	-56	-53	160	597	-23	100
Operating profit, total	672	-2079	2662	3526	639	-1020	164	603

Net financial items	-989	-842	-190	-340	-331	-258	-327	-151
Profit before taxes	-317	-2921	2472	3186	307	-1278	-162	452
Income taxes	283	714	-526	-882	-325	258	144	-129
Profit for the period	-34	-2206	1946	2304	-18	-1020	-18	3223
Earnings per share, EUR	0.00	-0.19	0.16	0.19	0.00	-0.09	0.00	0.03
Earnings per share, EUR, diluted	0.00	-0.19	0.16	0.19	0.00	-0.09	0.00	0.03
Average number of shares undiluted, 1000 shares	11897	11897	11897	11897	11897	11897	11873	11652
Average number of shares diluted, 1000 shares	11897	11897	11897	11897	11897	11897	11873	11896
Average number of personnel	574	569	566	576	556	644	652	518

COMMITMENTS AND CONTINGENCIES

EUR thousand	31.12.2007	31.12.2006
On own behalf		
Mortgages	2,783	2,953
Corporate mortgages	12,500	12,500
Other lease liabilities		
- in next 12 months	496	554
- in next 1-5 years	2,205	2,246
Other commitments	876	805

DERIVATIVE FINANCIAL INSTRUMENTS

Nominal values	31.12.2007	31.12.2006
EUR thousand		
Foreign exchange derivatives		
Forward contracts	8,372	8,269
Purchased currency options	5,078	3,086
Sold currency options	4,297	1,922
Currency swaps	1,617	0
Interest rate derivatives		
Interest rate swaps	333	860
Purchased interest rate options	4,667	4,667

CONSOLIDATED KEY FIGURES

	1.1.-31.12. 2007	1.1.- 31.12. 2006	Change %
EUR thousand			
Net sales	113,489	112,395	1.0
Operating profit	4,780	386	1,138.3
% of net sales	4.2	0.3	
Profit before tax	2,420	-681	455.4
% of net sales	2.1	-0.6	
Profit for the period	2,010	-733	374.2
% of net sales	1.8	-0.7	
Shareholders' equity	23,533	24,363	-3.4
Interest-bearing liabilities	32,762	33,687	-2.7
Cash and cash equivalents	4,901	6,199	-20.9
Net interest-bearing liabilities	27,861	27,488	1.4
Capital employed	56,295	58,050	-3.0
Return on equity, %	8.4	-2.9	
Return on capital employed, %	7.3	1.2	
Equity ratio, %	31.3	29.9	
Net gearing, %	118.4	112.8	
Capital expenditure	2,469	19,863	-87.6
% of sales	2.2	17.7	
Research and development costs	2,824	2,169	30.2
% of net sales	2.5	1.9	
Order stock	12,889	15,040	-14.3
Earnings per share, EUR	0.17	-0.06	
Earnings per share, EUR, diluted	0.17	-0.06	
Equity per share, EUR	1.98	2.05	
Average number of shares			
- cumulative	11,897	11,830	
- cumulative, diluted	11,897	11,847	
Average number of employees	568	600	-5.3

This financial statements bulletin is unaudited and the auditors' report for the financial statements has not been issued.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Thursday 10 April 2008 beginning at 10.00 am at Kansallissali, Aleksanterinkatu 44, Helsinki, Finland.

FINANCIAL REPORTING IN 2008

The 2007 Annual Report will be published on the Company's website and in printed format during week 12.

The Group will issue quarterly interim reports on 5 May, 24 July and 30 October 2008.

PRESS CONFERENCE

Exel will hold a press conference regarding the financial statements today Wednesday 27 February 2008 for the media and analysts at 12.30 am in the Espa Cabinet of the Scandic Hotel Simonkenttä at Simonkatu 9, Helsinki, Finland.

Vantaa, 27 February 2008

EXEL OYJ
Board of Directors

Göran Jönsson
President and CEO

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Exel is a technology company which designs, manufactures and markets composite profiles and tubes for industrial applications and sports equipment. Exel's operations consist of two divisions: Exel Composites, the Industry Division of Exel, and Exel Sports Brands.

The personnel's expertise and high level of technology play a major role in Exel's operations. The core of the operations is based on own, internally developed composite technology, product range based on it and the domination of selected market segments with a strong quality and brand image. The Company's growth is based on permanent search of new applications and development in co-operation with customers. Exel concentrates on niche segments and on profitable growth. Exel's share is listed in the Small Cap segment of the Helsinki Stock Exchange's Nordic list.