

EXEL OYJ'S FINANCIAL STATEMENTS BULLETIN 2008

January-December 2008 highlights and outlook for 2009

- Net sales for the financial year decreased to EUR 94.9 (113.5) million or 16.4 per cent over the previous year
- Operating profit for the financial year was EUR -0.4 (4.8) million, representing -0.4 (4.2) per cent of net sales including EUR -7.8 (-5.3) million of non-recurring items
- Net operative cash flow was positive at EUR +11.1 (+2.6) million
- Earnings per share for the full year were EUR -0.25 (0.17), adjusted for full dilution
- The Board of Directors proposes that no dividend be paid for the financial year 2008

October-December 2008 highlights

- Exel Group net sales in the fourth quarter were EUR 22.1 (28.1) million
- Operating profit in the fourth quarter was EUR 1.4 (0.7) million or 6.4 (2.4) per cent of net sales including EUR -0.7 (-1.1) million of non-recurring items related to the Sports restructuring measures
- Exel Composites' net sales decreased by 16.8 per cent to EUR 20.6 (24.7) million; the operating profit was on a good level 14.2 (15.6) per cent of net sales
- Exel Sports Brands' restructuring continued and co-determination process was finalized in November

Vesa Korpimies, President and CEO:

"2008 was an eventful year for Exel and a year of structural change. The Outdoor business of Exel Sports Brands was divested and the Group could sharpen its focus on the core business, namely Exel Composites.

During 2008, the financial crisis has escalated markedly, affecting also market demand in the pultrusion business negatively, especially in the building and construction and transportation segments. In addition, Exel Composites experienced a change in the procurement model in the wind energy business, which had a negative impact on both sales and profitability. To address this, actions were initiated to adapt Exel's cost base globally. Strong focus was also given on operative working capital reduction in all units in the Group to safeguard cash flow and improve financial position.

The restructuring of the Group has now been completed to a large extent. Exel Sports Brands was divided in two businesses: Outdoor and Floorball. In June 2008 the outdoor business was sold to ESB Sports. The remaining floorball business was organized as a separate operation within Exel Group. Whole year profit level was still unsatisfactory and measures were taken to restore profitability of the unit.

The net sales of Exel Group decreased by 16.4 per cent to EUR 94.9 (113.5) million. Excluding non-recurring items the operating profit for the financial year also decreased to EUR 7.4 (10.1) million. However, the strong focus on cash flow generation was productive. Operative cash flow increased to EUR 11.1 (2.6) million and net debt was reduced to EUR 20.7 (27.9) million.

By the actions taken we are now in a position where we can concentrate on developing our core business Exel Composites. However, as we enter 2009, market demand is uncertain and we are preparing for the weakening trend to continue. Further actions will be taken to control costs and streamline the operating working capital and to amortize debt. We are determined to weather this down-turn. We will also have a strong focus on sales to current and new customers and seek synergies between production sites to ensure critical mass in sales and technical sales.

Exel has a diverse customer base. Our products are used in numerous market segments and Exel's market position is strong. We are also excited by the prospects of new applications for example in the electrical industry. By the actions taken and our devotion to develop leading-edge applications, I believe that we are well positioned to take advantage of a more challenging business environment and to capture growth opportunities."

CONSOLIDATED KEY FIGURES, EUR million (unaudited)

	1.10. - 31.12. 2008	1.10. - 31.12. 2007	Change %	1.1. - 31.12. 2008	1.1. - 31.12. 2007	Change %
Net sales	22.1	28.1	-21.3	94.9	113.5	-16.4
Operating profit	1.4	0.7	110.9	-0.4	4.8	-108.0
% of net sales	6.4	2.4		-0.4	4.2	
Profit/loss for the period	-0.1	0.0	-29.1	-3.0	2.0	-247.1
Shareholders' equity	16.7	23.5	25.8	16.7	23.5	-29.1
Net interest-bearing liabilities	20.7	27.9	-19.4	20.7	27.9	-25.8
Capital employed	45.4	56.3		45.4	56.3	-19.4
Return on equity, %	-3.0	-0.6		-14.7	8.4	
Return on capital employed, %	13.4	1.3		0.0	7.3	
Equity ratio, %	28.2	31.3		28.2	31.3	
Net gearing, %	123.9	118.4		123.9	118.4	
Earnings per share, EUR	-0.01	0.00		-0.25	0.17	
Earnings per share, EUR, diluted	-0.01	0.00		-0.25	0.17	
Equity per share, EUR	1.40	1.98		1.40	1.98	

## 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 2007 financial statements.

From the first quarter interim report in 2009 onwards Exel will be reporting only with one segment, Exel Composites. Exel's segment reporting will follow the change in the IFRS 8 standard that became effective at the beginning of 2009.

1 OCTOBER - 31 DECEMBER 2008

## FINANCIAL PERFORMANCE

Exel's consolidated net sales decreased in the last quarter of 2008 by 21.3 per cent to EUR 22.1 (28.1) million. Exel Composites accounted for 92.8 per cent or EUR 20.6 (24.7) million of Group net sales in Q4 and Exel Sports Brands for 7.2 per cent or EUR 1.6 (3.9) million.

Exel's operating profit increased in the last quarter to EUR 1.4 (0.7) million. Operating profit for Exel Composites in the last quarter of 2008 decreased to EUR 2.9 (3.9) million. Operating loss for Exel Sports Brands was EUR -0.8 (-3.0) million including non-recurring items of EUR -0.7 (-1.1) million.

FINANCIAL YEAR 2008

## FINANCIAL PERFORMANCE

Net sales for the Exel Group decreased on the previous year, ending the year at EUR 94.9 (113.5) million. The weaker sales were primarily a result of the procurement model change in the wind energy business, the divestment of Exel Sports Brands' Outdoor business, the divestment of the Plastics business in Germany in May 2007 and generally weaker market conditions in Exel Composites.

The Group's main segment, Exel Composites, reported net sales in 2008 of EUR 86.7 (104.3) million, a decrease of 16.9 per cent. Exel Composites accounted for 90 (88) per cent of total Group sales in 2008. Net sales for Exel Sports Brands in 2008 fell by 26.6 per cent from the previous year to EUR 10.0 (13.6) million.

Exel's operating profit for the financial period decreased to EUR -0.4 million (including non-recurring items of EUR -7.8 million), compared to EUR 4.8 million (including non-recurring items of EUR -5.3 million) in the corresponding period last year. The decrease of the operating profit was due to the continued restructuring costs of Exel Sports Brands and decreasing sales of Exel Composites. The truck and trailer industry has been hit hard in the second half year with one customer going into administration leading to a significant write-off, EUR -0.3 million, in this segment.

A comprehensive rationalization program has been introduced to restore profitability to satisfactory levels by reducing operational costs.

The Group's net financial expenses in 2008 were EUR 3.4 (2.4) million. Currency losses due to weakening AUD were the main reason behind the increase as the debt from the acquisition of Pacific Composites Pty. Ltd. in February 2006 was

denominated in AUD. The Group's profit before taxes was EUR -3.7 (-2.4) million and result after taxes EUR -3.0 (2.0) million.

Earnings per share were EUR -0.25 (0.17). Return on investment was 0.0 (7.3) per cent.

#### BALANCE SHEET AND FINANCIAL POSITION

Directed measures were taken to reduce operative working capital during the year. Cash flow from business operations was positive at EUR +11.1 (+2.6) million.

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 8.0 (4.9) million.

Cash flow before financing but after capital expenditure amounted to EUR +9.4 (+2.1) million. The Company paid total dividends during the financial year of EUR 2.4 (2.4) million. Dividend per share was EUR 0.20 (0.20).

The Group's consolidated total assets at the end of the financial year were EUR 59.3 (75.2) million.

Equity at the end of the financial year was EUR 16.7 (23.5) million and equity ratio 28.2 (31.3) per cent. Interest-bearing liabilities amounted to EUR 28.7 (32.8) million, of which short-term liabilities accounted for EUR 6.6 (11.0) million. In June, a financial recapitalization was carried out, where the average maturity date of Exel's senior credit facility was extended from 22 to 38 months.

Net interest-bearing liabilities were EUR 20.7 (27.9) million, and the net gearing ratio was 123.9 (118.4) per cent.

#### CAPITAL EXPENDITURE AND DEPRECIATION

The capital expenditure on fixed assets amounted to EUR 1.8 (2.5) million.

Total depreciation of non-current assets during the year under review amounted to EUR 4.0 (4.2) million. Write-downs were made amounting to EUR 0.4 million relating to both intangible and tangible assets.

#### PERSONNEL

The number of Exel Group employees on 31 December 2008 was 472 (579), of whom 208 (240) worked in Finland and 264 (327) in other countries. The average number of personnel during the financial year was 526 (568). The decrease both in Finland and abroad is due to the divestment of Exel Sports Brands' Outdoor business and reduction of personnel in Exel Composites, especially in Finland, the UK and China units.

#### BUSINESS SEGMENTS

The Group's operations are divided into two primary business segments: Exel Composites and Exel Sports Brands.

##### 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	2008	2007		2008	2007	
Net sales	20.6	24.7	-16.8	86.7	104.3	-16.9
Operating profit	2.9	3.9	-24.4	9.2	15.2	-39.1
% of net sales	14.2	15.6		10.7	14.6	
Average number of personnel	480	505	-5.0	476	500	-4.8

Net sales for Exel Composites decreased by 16.9 per cent over the previous year to EUR 86.7 (104.3) million. The decrease in sales was primarily a result of procurement model change in the wind energy segment and the divestment of the Plastics business in Germany. In addition, internal sales to Exel Sports Brands declined during the year.

The company was also faced with weaker market conditions in the segments that are facing difficult economic conditions globally, i.e. in transportation and building and construction segments. On the other hand, sales in energy and telecommunication segments were strong due to a successful launch of new applications.

Operating profit decreased by 39.1 per cent to EUR 9.2 (15.2) million including non-recurring items of EUR -1.1 million (-0.7). The reduction in sales had a negative impact on the operating profit of Exel Composites. Operating profit during the fourth quarter was EUR 2.9 (3.9) million representing 14.2 (15.6) per cent of sales.

Costs, e.g. energy and raw materials were increasing. Exel was able to transfer a part of the increase in product prices. The company continues to increase the product prices to compensate for the higher costs.

#### Exel Sports Brands

Exel Sports Brands' 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	2008	2007		2008	2007	
Net sales	1.6	3.9	-58.4	10.0	13.6	-26.6
Operating profit	-0.8	-3.0	75.0	-9.0	-10.7	-15.7
% of net sales	-46.1	-76.8		-89.7	-78.1	
Average number of personnel	18	49	-63.3	33	49	-32.7

The net sales of Exel Sports Brands decreased by 26.6 per cent to EUR 10.0 (13.6) million. The decrease in sales was due to the divestment of the Exel Sports Brands Outdoor business to ESB Sports Oy in June 2008. At present the company's operations consist solely of floorball products in which it has a strong brand name and market position.

Exel Sports Brands' operating loss was EUR -9.0 including EUR -7.1 million of non-recurring items, compared to EUR -10.7 million, including EUR -3.5 million non-recurring items the previous year. Streamlining of Exel Sports Brands continued in 2008, but the profitability was still unsatisfactory and actions were taken to improve profit level.

Timo Lepistö was appointed Managing Director of Exel Sports on 4 June 2008.

#### CHANGES IN GROUP STRUCTURE

In May 2008 Exel signed an agreement to sell Exel Sports Brands' Outdoor business to ESB Sports, who took over the Outdoor business, acquired the inventory and order backlog related to the Outdoor business through an asset deal. The transaction also included a long-term licensing agreement related to the use of the Exel brand together with other brands such as Nordic Walker™ and Nordic Blader™ for selected product Groups. The employees of the Outdoor business in Finland (9 persons) and Germany (18 persons) were transferred to ESB Sports as existing employees. The business transfer streamlined the business structure of Exel Group and increased the focus on the core industrial activities.

The remaining floorball business of Exel Sports Oy is now operated as a separate unit.

The operations of Exel USA, Inc. in the United States were ceased in May 2008. The sale of shares of the China-based Nordic Sports Products (Beijing) Co., Ltd. to ESB Sports Oy was carried out in September 2008.

#### CHANGES IN GROUP MANAGEMENT

Vesa Korpimies was appointed President and CEO of Exel Oyj as from 10 April 2008.

#### SHARES AND SHARE CAPITAL

Exel's share is listed in the Small Cap segment of the NASDAQ OMX Helsinki Ltd. in the Materials sector.

The Annual General Meeting of Exel Oyj held on 10 April 2008 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 2007.

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.

The Annual General Meeting resolved to decrease the company's premium fund by the amount of EUR 8,487,699.84 and to transfer the amount to the invested non-restricted equity fund. After the decrease the amount of the premium fund is zero.

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 12.20 (17.45) and the lowest EUR 2.41 (10.55). At the end of the year, the share price was EUR 2.72 (11.90). The average share price during the financial year was EUR 5.92 (14.14).

A total of 1,654,322 (4,907,765) shares were traded during the year, which represents 13.9 (41.3) per cent of the average number of shares. On 31 December 2008, Exel's market capitalization was EUR 32.6 (141.6) million.

#### SHAREHOLDERS AND DISCLOSURES

On 31 December 2008, 0.8 per cent 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 per cent of shares at the end of 2008. Other major shareholders included Ilmarinen Mutual Pension Insurance Company (5.8%) and Berling Capital Oy (3.2%). At the end of the year the Company had a total of 1,673 (1,675) shareholders.

During the year under review, Exel received no flagging announcements.

#### 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](http://www.exel.net) and the Group Annual Report.

#### BOARD OF DIRECTORS AND AUDITORS

On 10 April 2008 the Annual General Meeting appointed Kari Haavisto, Peter Hofvenstam and Vesa Kainu to continue on the Board of Directors. Göran Jönsson and Heikki Mairinoja were appointed as new members of the Board. Peter Hofvenstam was elected Chairman of the Board.

The Board of Directors convened nine times in 2008 and the average attendance rate at these meetings was 95 per cent. The fees paid to the Board of Directors totaled EUR 164 thousand in 2008.

The Board of Directors has reviewed the independence of Board members in accordance with item 18 of the Corporate Governance Recommendation. Kari Haavisto, Vesa Kainu and Heikki Mairinoja are independent Board members. Peter Hofvenstam is considered as independent from the company but non-independent from a major shareholder since he is the Vice President of Nordstjernan AB. Göran Jönsson is considered as non-independent from the company as former President and CEO of the company. The Board was considered to comply with the Corporate Governance independency rules.

The Company has a Nomination Committee comprising the Chairman and persons nominated by the four largest shareholders as of 1 November before the Annual General Meeting. In 2008 the Nomination Committee comprised Tomas Billing as Chairman (Nordstjernan AB), Mikko Mursula (Ilmarinen Mutual Pension Insurance Company), Esa Karppinen (Berling Capital Oy) and Pertti Laine (Veikko Laine Oy). The committee met two times in 2008.

Ernst & Young, Authorized Public Accountants, with Eija Niemi-Nikkola, APA, as principal auditor, were elected to serve as company auditor in the AGM in 2008.

The fees paid to the auditors totaled EUR 206 thousand in 2008.

#### MAJOR NEAR-TERM RISKS AND UNCERTAINTIES

The most significant near-term business risks are related to market demand in certain market segments of Exel Composites, such as building and construction, telecommunication and wind energy. Raw material price, energy cost and other cost increases may put pressure on profitability. Currency rate changes, especially the weakening AUD and strengthening USD, and further intensified price competition may also have a negative effect on the result. The poor availability of bank financing may weaken the demand in Exel's market and may increase the credit loss risks and have an effect on the Exel Group.

#### EVENTS AFTER THE REPORTING PERIOD

##### New financial targets

Due to the financial turbulence and weaker market outlook for Exel's products, it is not realistic to set the financial targets for the near future, but for a normalized business cycle.

The Exel Board of Directors has approved in a board meeting held on 12 February 2009 revised long-term financial targets over a business cycle.

**Growth:** the objective is that Exel Group's average organic growth annually exceeds market growth of the industry. Growth achieved through acquisitions is part of Exel's strategy.

**Operating profit:** Exel's target is the operating profit to exceed 10 per cent of net sales.

**Dividend policy:** Exel aims to distribute 40 per cent of net income in dividends, as permitted by the financial structure and growth opportunities.

#### OUTLOOK FOR 2009

The pultrusion market is affected by the worldwide business slow-down. A weakened demand has been observed, especially in the building and construction and transportation segments.

Further actions will therefore be taken to manage the cash flow to streamline the operating working capital and to amortize debt. Due to the poor visibility of the market development, the Group has developed contingency plans and comprehensive cost and capital reduction programs have been introduced to protect profitability and cash flow.

Exel will maintain a strong focus on developing sales and is constantly developing new applications to capture growth opportunities within the advanced composites industry.

Due to the market uncertainty and poor visibility Exel will not give any profit guidance.

#### BOARD PROPOSAL FOR DIVIDEND DISTRIBUTION

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

On 31 December 2008 the parent company's distributable funds totaled EUR 14,626 thousand.

The Board considers that in the current globally difficult financial situation it is important to strengthen the financial position, decrease the interest-bearing liabilities and improve the net gearing of the company. Therefore, the Board proposes to the Annual General Meeting that no dividend be paid for the 2008 financial year.

CONDENSED CONSOLIDATED INCOME STATEMENT  
(unaudited)

	1.10.- 31.12. 2008	1.10.- 31.12. 2007	Change %	1.1.- 31.12. 2008	1.1.- 31.12. 2007	Change %
EUR thousand						
Net sales	22,082	28,058	-21.3	94,925	113,489	-16.4
Other operating income	248	122	103.3	298	854	-65.1
Operating expenses	-20,094	-25,236	20.4	-91,640	-103,445	11.4
Depreciation and impairment	-819	-2,273	64.0	-3,967	-6,118	35.2
Operating profit	1,417	672	110.9	-384	4,780	-108.0
Net financial items	-1,181	-989	-19.4	-3,351	-2,360	-42.0
Profit before tax	236	-317	174.4	-3,735	2,420	254.3
Income taxes	-369	283	230.4	779	-410	290.0
Profit/loss for the period	-133	-34	-291.2	-2,956	2,010	247.1
Attributable to:						
Equity holders of the parent company	-133	-34		-2,956	2,010	
Minority interest	0	0		0	0	
Earnings per share, EUR	-0.01	0.00		-0.25	0.17	
Earnings per share, EUR,	-0.01	0.00		-0.25	0.17	

diluted

CONDENSED CONSOLIDATED BALANCE SHEET

	31.12.2008	31.12.2007	Change
EUR thousand			
<b>ASSETS</b>			
Non-current assets			
Goodwill	8,362	9,627	-1,265
Other intangible assets	1,774	2,689	-915
Tangible assets	11,824	14,796	-2,972
Deferred tax assets	3,207	2,521	686
Other non-current assets	68	76	-8
Non-current assets total	25,975	29,710	-4,474
Current assets			
Inventories	12,408	22,155	-9,747
Trade and other receivables	12,856	18,426	-5,570
Other liquid assets	0	0	0
Cash at bank and in hand	8,035	4,901	3,134
Current assets total	33,300	45,482	-12,182
Total assets	59,275	75,192	-15,917
<b>EQUITY AND LIABILITIES</b>			
Shareholders' equity			
Share capital	2,141	2,141	0
Share issue	0	0	0
Restricted equity fund	5	8,492	-8,487
Non-restricted equity fund	8,488	0	8,488
Retained earnings	9,002	10,890	-1,888
Profit for the period	-2,956	2,010	-4,966
Equity attributable to equity holders of parent company	16,680	23,553	-6,853
Minority share	0	0	0
Total equity	16,680	23,533	-6,853
Non-current liabilities			
Interest-bearing liabilities	22,057	21,755	302
Interest-free liabilities	348	345	0
Deferred tax liabilities	353	753	-400
Current liabilities			
Interest-bearing liabilities	6,648	11,008	-4,360
Trade and other non-current liabilities	13,188	17,799	-4,611
Total liabilities	42,595	51,658	-9,063

Total equity and liabilities	59,275	75,192	-15,916
------------------------------	--------	--------	---------

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Share Premium	Non-Restricted Equity	Retained Earnings	Minority Interest	Total
EUR thousand		Reserve	Fund			
<b>Balance at 1 January</b>						
2007	2,141	8,492	0	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			0	-2,379		-2,379
Profit for the period			0	2,010	0	2,010
<b>Balance at 31st December 2007</b>						
2007	2,141	8,492	0	12,900	0	23,533
<b>Balance at 1st January 2008</b>						
2008	2,141	8,492	0	12,900	0	23,533
Share issue	0	0	0	0	0	0
Exchange rate differences	0	0	0	-1,519	0	0
Other items	0	-8,488	8,488	0	0	0
Dividend			0	-2,379		-2,379
Profit for the period			0	-2,956	0	0
<b>Balance at 31st December 2008</b>						
2008	2,141	5	8,488	6,046	0	16,680

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	1.1.- 31.12. 2008	1.1.- 31.12. 2007	Change
<b>EUR thousand</b>			
Cash flow from operating activities			
Profit for the period	-2,956	2,010	-4,966
Adjustments	6,182	9,676	-3,494
Change in working capital	11,815	-5,903	17,718
 Cash flow generated by operations			
Interest paid	-1,876	-1,687	-189
Interest received	259	137	122
Other financial items	-763	-388	-375
Income taxes paid	-1,572	-1,250	-322

Net cash flow from operating activities	11,089	2,595	8,494
<b>Cash flow from investing activities</b>			
Acquisitions	0	0	0
Disposal of business	25	672	-647
Capital expenditure	-1,765	-2,469	704
Proceeds from sale of fixed assets	90	1,306	-1,216
Other cash flow from investing activities	0	0	0
Cash flow from investing activities	-1,650	-491	-1,159
<b>Cash flow from financing</b>			
Share issue	0	0	0
Proceeds from long-term borrowings	10,000	0	10,000
Installments of long-term borrowings	-8,973	-1,600	-7,373
Change in short-term loans	-4,563	958	-5,521
Installments of finance lease liabilities	-390	-381	-9
Dividends paid	-2,379	-2,379	0
Net cash flow from financing	-6,305	-3,402	-2,903
Change in liquid funds	3,134	-1,298	4,432
Liquid funds in the beginning of period	4,901	6,199	-1,298
Change in liquid funds	3,134	-1,298	4,432
Liquid funds at the end of period	8,035	4,901	3,134

#### QUARTERLY KEY FIGURES

EUR thousand	IV/ 2008	III/ 2008	II/ 2008	I/ 2008	IV/ 2007	III/ 2007	II/ 2007	I/ 2007
<b>Net sales by segment</b>								
Exel								
Composites	20570	21415	22933	21757	24728	25259	27577	26697
Exel Sports								
Brands	1628	2812	2393	3171	3914	3827	2166	3727
Intra Group sales	-118	-304	-484	-850	-584	-1173	-1022	-1628
Net sales, total	22082	23923	24842	24078	28058	27912	28721	28797
<b>Operating profit by segment</b>								
Exel								
Composites	2911	1660	1782	2890	3853	2556	4478	4283
Exel Sports								
Brands	-751	707	-7576	-1357	-3005	-5182	-1760	-704
Group items and eliminations	-743	125	165	-196	-177	547	-56	-53
Operating profit, total	1417	2492	-5629	1337	672	-2079	2662	3526

Net financial items	-1181	-1357	554	-1368	-989	-842	-190	-340
Profit before taxes	236	1135	-5075	-31	-317	-2921	2472	3186
Income taxes	-369	-285	1495	-62	283	714	-526	-882
Profit for the period	-133	850	-3580	-92	-34	-2206	1946	-2304
Earnings per share, EUR	-0.01	0.07	-0.30	-0.01	0.00	0.19	0.16	0.19
Earnings per share, EUR, diluted	-0.01	0.07	-0.30	-0.01	0.00	0.19	0.16	0.19
Average number of shares, undiluted, 1,000 shares	11897	11897	11,897	11897	11897	11897	11897	11897
Average number of shares, diluted, 1,000 shares	11897	11897	11897	11897	11897	11897	11897	11897
Average number of personnel	480	499	556	570	574	569	566	576

#### COMMITMENTS AND CONTINGENCIES

EUR thousand	31.12.2008	31.12.2007
On own behalf		
Mortgages	2,783	2,783
Corporate mortgages	12,500	12,500
Other lease liabilities		
- in next 12 months	492	496
- in next 1-5 years	1,756	2,205
Other commitments	92	876

#### DERIVATIVE FINANCIAL INSTRUMENTS

Nominal values EUR thousand	31.12.2008	31.12.2007
Foreign exchange derivatives		
Forward contracts	1,770	8,372
Purchased currency options	0	5,078
Sold currency options	0	4,297
Currency swaps	0	1,617

Interest rate derivatives			
Interest rate swaps	9,810	333	
Purchased interest rate options	3,500	4,667	

CONSOLIDATED KEY FIGURES

	1.1.- 1.1.-31.12. EUR thousand	31.12. 2008	Change %
Net sales	94,925	113,489	-16.4
Operating profit	-384	4,780	-108.0
% of net sales	-0.4	4.2	
Profit before tax	-3,735	2,420	-254.3
% of net sales	-3.9	2.1	
Profit for the period	-2,956	2,010	-247.1
% of net sales	-3.1	1.8	
Shareholders' equity	16,680	23,553	-29.1
Interest-bearing liabilities	28,706	32,762	-12.4
Cash and cash equivalents	8,035	4,901	63.9
Net interest-bearing liabilities	20,671	27,861	-25.8
Capital employed	45,386	56,295	-19.4
Return on equity, %	-14.7	8.4	
Return on capital employed, %	0.0	7.3	
Equity ratio, %	28.2	31.3	
Net gearing, %	123.9	118.4	
Capital expenditure	1,765	2,469	-28.5
% of sales	1.9	2.2	
Research and development costs	1,918	2,824	-32.1
% of net sales	2.0	2.5	
Order stock	11,650	12,889	-9.6
Earnings per share, EUR	-0.25	0.17	
Earnings per share, EUR, diluted	-0.25	0.17	
Equity per share, EUR	1.40	1.98	
Average number of shares			
- cumulative	11,897	11,897	
- cumulative, diluted	11,897	11,897	
Average number of employees	527	568	-7.2

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 16 April 2009 beginning at 10.00 am at Kansallissali, Aleksanterinkatu 44, Helsinki, Finland.

#### FINANCIAL REPORTING IN 2009

The 2008 Annual Report will be published on the Company's website during week 11.

The Group will issue quarterly interim reports on 7 May, 23 July and 29 October 2009.

#### PRESS CONFERENCE

Exel will hold a press conference regarding the financial statements today Friday 13 February 2009 for the media and analysts at 12.30 am in the Pavilion Cabinet of the Scandic Hotel Simonkenttä at Simonkatu 9, Helsinki, Finland.

Vantaa, 13 February 2009

EXEL OYJ Board of Directors	Vesa Korpimies President and CEO
--------------------------------	-------------------------------------

#### Further information:

Vesa Korpimies, President and CEO, tel. +359 50 590 6754, or email [vesa.korpimies@exel.net](mailto:vesa.korpimies@exel.net)

Ilkka Silvanto, CFO and Administrative Director, tel. +358 50 598 9553, or email [ilkka.silvanto@exel.fi](mailto:ilkka.silvanto@exel.fi)

DISTRIBUTION  
DASDAQ OMX Helsinki Ltd.  
Main news media  
[www.exel.net](http://www.exel.net)

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 NASDAQ OMX Helsinki Ltd.