

EXEL COMPOSITES PLC'S FINANCIAL STATEMENTS RELEASE 2010

JANUARY-DECEMBER 2010 HIGHLIGHTS

- Net sales from continuing operations for the financial year increased to EUR 72.9 (70.0) million, up by 4.1 per cent on the previous year
- Operating profit from continuing operations for the financial year was EUR 9.4 million (EUR 8.0 million), or 12.9 (11.4) per cent of net sales
- Net operative cash flow was positive at EUR +12.0 (+14.2) million
- Fully diluted earnings per share for the full year were EUR 0.57 (0.56), of which continuing operations accounted for EUR 0.57 (0.50)
- The Board of Directors proposes that a dividend of EUR 0.50 (0.25) per share be paid for the financial year 2010

OCTOBER-DECEMBER 2010 HIGHLIGHTS

- Net sales from continuing operations in the fourth quarter of 2010 were EUR 19.3 (16.2) million, up by 19 per cent on the previous year
- Operating profit from continuing operations in the fourth quarter of 2010 was EUR 3.1 million (EUR 2.4 million), or 16.1 (14.5) per cent of net sales
- Fully diluted earnings per share were EUR 0.19 (0.18), of which continuing operations accounted for EUR 0.19 (0.15)

OUTLOOK FOR 2011

Demand amongst the pultrusion industry clientele has improved gradually in 2010. The first signs of recovery were visible in the 2nd quarter of 2010, and market conditions improved further in the 3rd and 4th quarter. We believe that Exel Composites is well positioned to take advantage of the growth opportunities as the markets gradually recover. As a result of improved profitability, good cash flow generation and reduced debt level we believe in Exel Composites' long-term performance. Exel Composites recorded a strong year end, but maintains its cautious stance in 2011, since market uncertainties persist.

Vesa Korpiemies, President and CEO:

"We could see signs of recovery in the second quarter of 2010 and market conditions continued to improve in the third and fourth quarter of the year. However, the global downturn that begun in late 2008 continued to impact the pultrusion market in the first quarter of 2010. We maintained our focus on cost efficiency and improving productivity. We were able to reduce net interest-bearing liabilities from EUR 6.1 million at the end of 2009 to EUR -1.4 million at the end of 2010 and net gearing has been improved from 23.7 per cent to -4.3 per cent in the same period.

We also continued to strengthen our sales and technical sales organization. Our strategy to invest in the sales teams and to continuously work close together with customers paid off when the market improved. Net sales increased with 4.1 per cent in 2010 compared to the same period in 2009. Our operating profit from continuing operations for the financial year was EUR 9.4 million (EUR 8.0 million), or 12.9 (11.4) per cent of net sales. Although we are reasonably satisfied with the overall performance, there is still room for improvement. Measures to improve the Chinese and British units' efficiency are underway and a positive outcome is expected by the end of 2011.

In 2011, we aim to continue to pursue our strategy of profitable growth. We are well-positioned to capitalize on growth opportunities on the gradually recovering markets. We are looking for bolt-on acquisitions to strengthen our business portfolio and market position. We are convinced that satisfied customers are the best way of ensuring continued profitable growth as well as safeguarding shareholders' interests."

CONSOLIDATED KEY FIGURES, EUR million

	1.10. - 31.12. 2010	1.10.- 31.12. 2009	Change %	1.1. - 31.12. 2010	1.1. - 31.12. 2009	Change, %
Net sales, continuing operations	19.3	16.2	19.0	72.9	70.0	4.1
Operating profit, continuing operations	3.1	2.4	32.0	9.4	8.0	18.0
% of net sales	16.1	14.5		12.9	11.4	
Profit for the period, continuing operations	2.3	1.8	24.5	6.8	5.9	13.9
Shareholders' equity	32.5	25.6	27.1	32.5	25.6	27.1
Net interest- bearing liabilities	-1.4	6.1	-122.8	-1.4	6.1	-122.8
Capital employed	42.7	44.3	-3.4	42.7	44.3	-3.4
Return on equity, %	29.6	36.3		23.3	31.3	
Return on capital employed, %	27.5	29.8		21.8	20.9	
Equity ratio, %	57.4	44.6		57.4	44.6	
Net gearing, %	-4.3	23.7		-4.3	23.7	
Earnings per share, EUR	0.19	0.18		0.57	0.56	
Earnings per share, diluted, EUR	0.19	0.18		0.57	0.56	
Equity per share, EUR	2.73	2.15		2.73	2.15	

## IFRS REPORTING

This financial statements bulletin has been prepared in accordance with the recognition and measurement principles of IFRS, which are the same as in the 2009 financial statements. The Group has adopted the mandatory IFRS standards that entered into force on 1 January 2010, but they have not had an impact on the Group's financial situation.

1 OCTOBER – 31 DECEMBER 2010

## FINANCIAL PERFORMANCE

The Group's net sales from continuing operations increased in October – December 2010 by 19.0 per cent to EUR 19.3 (16.2) million. The demand continued on the same level as during the two previous quarters of the year.

Operating profit from continuing operations in the fourth quarter of 2010 was EUR 3.1 million including EUR +0.9 million non-recurring items (EUR +2.4 million including net reversal of the restructuring provisions of EUR +0.7 million), or 16.1 (14.5) per cent of net sales. Operating profit without non-recurring items was 11.7 (10.5) per cent of net sales.

In December 2010, Exel Composites entered into a trademark license agreement with E-Sports Group Oy in relation to Floorball products after having terminated the license agreement with the former license holder EF Team Sports Oy. The license agreement covers the use of the Exel trademark together with other floorball trademarks.

## FINANCIAL YEAR 2010

## FINANCIAL PERFORMANCE

In 2010, net sales from continuing operations for the Exel Composites Group increased on the previous year, ending the year at EUR 72.9 (70.0) million. Main part, EUR 1.9 million, of the growth was caused by currency rate changes. The composite profile market continued to be competitive and there was overcapacity in the market. However, net sales started to improve in third quarter of 2010 and continued to improve in the fourth quarter in telecommunication and paper industry segments, electrical and machine industry and cleaning and maintenance markets. Building and construction industry continued to suffer from poor demand, but there is growing interest in composite glass fiber window and door profiles because of new energy regulations.

The European Commission imposed an anti-dumping tariff of 43.6 per cent on imported Chinese glass fiber in September 2010. Exel Composites has taken actions to reduce the impact of the tariff, including increasing product prices, employing alternative sourcing opportunities as well as increasing production and improving efficiency in Exel Composites' Chinese operations in Nanjing.

Exel Composites' operating profit from continuing operations for the financial year improved to EUR 9.4 million including EUR +1.4 million non-recurring items (EUR 8.0 million including net reversal of the restructuring provisions and non-recurring items of EUR +1.2 million). The operating profit as a percentage of net sales from continuing operations was 12.9 (11.4) per cent. Operating profit without non-recurring items was 11.0 (9.7) per cent of net sales. Other operating

expenses include one-off restructuring costs of EUR 1.1 million due to the corporate restructuring of the former Floorball licensee. Other operating income includes one-off Sports licensing income of EUR 2.5 million. After deduction of related costs this gives a positive net effect in operating profit of EUR 1.4 million.

The Group's net financial expenses from continuing operations in 2010 were EUR 0.5 (0.0) million. The net financial expenses in 2010 included exchange differences of EUR -0.0 (+0.8) million. The Group's profit before taxes from continuing operations was EUR 9.0 (8.0) million and profit after taxes EUR 6.8 (5.9) million.

Earnings per share for continuing operations improved to EUR 0.57 (0.50). Earnings per share for discontinued operations were EUR 0.00 (0.06). Fully diluted total earnings per share improved from EUR 0.56 in 2009 to EUR 0.57 in 2010.

The return on capital employed in 2010 increased to 21.8 (20.9) per cent, due to improved operating profit and higher turnover of capital employed.

#### BALANCE SHEET AND FINANCIAL POSITION

Exel Composites maintained a strong emphasis on cash flow and improved the financial position further in 2010. Measures were taken to further reduce operative working capital. Cash flow from business operations was positive at EUR 12.0 (14.2) million. Cash flow before financing, but after capital expenditure, amounted to EUR 10.4 (14.4) 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 11.6 (12.6) million.

The Group's consolidated total assets at the end of the financial year were EUR 56.9 (57.3) million.

Net interest-bearing liabilities were reduced by EUR 7.5 million to EUR -1.4 (6.1) million, and the net gearing ratio improved to -4.3 (23.7) per cent.

Equity at the end of the financial year was EUR 32.5 (25.6) million and equity ratio 57.4 (44.6) per cent. Interest-bearing liabilities amounted to EUR 10.2 (18.7) million, of which short-term liabilities accounted for EUR 0.0 (2.3) million.

The Company paid total dividends during the financial year of EUR 3.0 (0.0) million. Dividend per share was EUR 0.25 (0.00).

#### CAPITAL EXPENDITURE AND DEPRECIATION

The capital expenditure on fixed assets amounted to EUR 1.6 (1.4) million.

Total depreciation of non-current assets during the year under review amounted to EUR 2.9 (3.0) million.

#### PERSONNEL

The number of Exel Composites Group employees on 31 December 2010 was 408 (419), of whom 189 (183) worked in Finland and 219 (236) in other countries. The average number of personnel during the financial year was 404 (436). The decrease is due to the rationalization actions in the British and Chinese units.

## SHARES AND SHARE CAPITAL

The share capital has remained unchanged during the financial year, totalling 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.

Exel Composites did not hold any of its own shares during the period of review.

## SHARE PERFORMANCE AND TURNOVER

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

During the financial year the highest share price quoted was EUR 7.25 (6.20) and the lowest EUR 5.00 (2.37). At the end of the year, the share price was EUR 7.06 (5.39). The average share price during the financial year was EUR 5.86 (4.08).

Total shareholder return (TSR) in 2010 was 36 (98) per cent.

A total of 2,298 611 (3,522,974) shares were traded during the year, which represents 19.3 (29.6) per cent of the average number of shares. On 31 December 2010, Exel Composites' market capitalization was EUR 84.0 (64.1) million.

## SHAREHOLDERS AND DISCLOSURES

On 31 December 2010, 0.7 per cent of the shares and votes of Exel Composites were owned or controlled, directly or indirectly by the President and CEO and the members of the Board.

The Company's largest shareholder is the Swedish investment company Nordstjernan AB, which owned 29.4 per cent of shares at the end of 2010. Other major shareholders included Ilmarinen Mutual Pension Insurance Company (5.8 per cent), Veikko Laine Oy (5.2 per cent) and Ulkomarkkinat Oy (4.0 per cent). At the end of the year, the Company had a total of 2,363 (1,785) shareholders.

Exel Composites received no flagging announcements during the financial year.

## CORPORATE GOVERNANCE

Exel Composites issues a Corporate Governance Statement for the financial year 2010. The Corporate Governance Statement has been composed in accordance with recommendation 54 of the new Corporate Governance Code and Chapter 2, Section 6 of the Finnish Securities Market Act. The Corporate Governance Statement is issued separately from the Board of Directors' report. Further information concerning the corporate governance matters is available at the Group's website at [www.exelcomposites.com](http://www.exelcomposites.com).

## DECISIONS AT THE AGM 2010

The Annual General Meeting of Exel Composites Plc held on 31 March 2010 approved the Board's proposal to distribute a dividend of EUR 0.25 per share for the financial year 2009 amounting to a total of EUR 3.0 (0.0) million.

The Annual General Meeting decided to amend Section 10 of the Articles of Association so that an invitation to a General Meeting is delivered to shareholders at the latest three (3) weeks before the meeting, however, at least

nine (9) days before the record date of the Meeting by publishing the invitation on the Company's website or dispatching it to each shareholder by registered mail to the address entered in the shareholders' register or otherwise verifiably in writing.

The Annual General Meeting authorized the Board of Directors to acquire the Company's own shares by using unrestricted equity. The maximum amount to be acquired is 600,000 shares. The authorization is valid until the next Annual General Meeting.

The Annual General Meeting authorized the Board of Directors to issue a maximum of 2,400,000 new shares and convey a maximum of 600,000 own shares. By virtue of the authorization, the Board of Directors also has the right to grant option rights, convertible bonds and/or special rights referred to in Chapter 10, Section 1 of the Companies Act. The authorization is valid until 31 March 2013.

#### BOARD OF DIRECTORS AND AUDITORS

On 31 March 2010, the Annual General Meeting appointed Peter Hofvenstam, Göran Jönsson, Vesa Kainu, Reima Kerttula and Heikki Mairinoja to continue on the Board of Directors. Peter Hofvenstam was re-elected Chairman of the Board.

The Board of Directors convened 13 times in 2010 and the average attendance rate at these meetings was 100 per cent. The fees paid to the Board of Directors totaled EUR 154 (140) thousand in 2010.

The Board of Directors has reviewed the independence of Board members in accordance with Recommendation 15 of the Corporate Governance Code. Vesa Kainu, Reima Kerttula 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 Annual General Meeting of Exel Composites has elected a Shareholders' Nomination Board, which nominates candidates to the Annual General Meeting for election as Board members and proposes the fees to be paid to the Board members. The Nomination Board included the Chairman and persons nominated by the four largest shareholders as of 1 November 2010. In 2010 the Nomination Board comprised Tomas Billing as chairman (Nordstjernan AB), Matti Rusanen (Ilmarinen Mutual Pension Insurance Company), Pertti Laine (Veikko Laine Oy), Erkki Myllärniemi (Ulkomarkkinat Oy), and Peter Hofvenstam, the Chairman of the Board of Directors, acting as an expert member. The board met one time in 2010.

Ernst & Young, Authorized Public Accountants, with Juha Hilmola, APA, as principal auditor, were elected to serve as company auditor in the AGM in 2010.

The fees paid to the auditors totaled EUR 206 (186) thousand in 2010.

#### STRATEGIC REVIEW CONDUCTED

Exel Composites' Board of Directors has in 2010 conducted a review of the strategic options available to enhance shareholder value. Exel Composites has a strong financial position and 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.

#### MAJOR NEAR-TERM RISKS AND UNCERTAINTIES

The most significant near-term business risks are related the general economic development, government regulations and a possible new financial crisis in the Euro area as well as to market demand in certain market segments. Raw material prices, energy cost and other cost increases may put pressure on profitability. The European Commission's anti-dumping tariffs imposed on Chinese glass fiber will have a negative effect on the profitability in case the rising costs of glass fiber can only be transferred partially to product prices. In case the measures taken in the Chinese and British units to improve efficiency prove to be unsuccessful, this may have an effect on the result of the company. 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 loss.

#### ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IRFS)

All IFRS's in force on 31 December 2010 that are applicable to Exel Composites' business operations, including all SIC- and IFRIC-interpretations thereon, have been complied with when preparing year 2010 and comparable year 2009 figures. International financial reporting standards, referred to in the Finnish Accounting Act and in ordinances issued based on the provisions of this Act, refer to the standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the EU. The notes to the consolidated financial statements conform also with the Finnish accounting and company legislation.

#### EVENTS AFTER THE REPORTING PERIOD

Mr. Lasse Orre, SVP Sales, was appointed VP Sales of the Group's Nanjing unit in China as of 1 February 2011. Due to his new responsibilities he is no longer member of the Group Management. The Group Management of Exel Composites consists of Vesa Korpimies, Ilkka Silvanto and Callum Gough.

#### OUTLOOK FOR 2011

Demand amongst the pultrusion industry clientele has improved gradually in 2010. The first signs of recovery were visible in the 2nd quarter of 2010, and market conditions improved further in the 3rd and 4th quarter. We believe that Exel Composites is well positioned to take advantage of the growth opportunities as the markets gradually recover. As a result of improved profitability, good cash flow generation and reduced debt level we believe in Exel Composites' long-term performance. Exel Composites recorded a strong year end, but maintains its cautious stance in 2011, since market uncertainties persist.

#### BOARD PROPOSAL FOR DIVIDEND DISTRIBUTION

Exel Composites' financial 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 2010 Exel Composites Plc's distributable funds totaled EUR 21,852 thousand, of which profit for the financial period accounted for EUR 6,784 thousand.

The Board proposes to the Annual General Meeting that a dividend of EUR 0.50 (0.25) per share including an extraordinary dividend of EUR 0.25 per share due to Exel Composites' 50<sup>th</sup> anniversary in 2010 be paid for the 2010 financial year.

As a basis for its proposal, the Board of Directors has made an assessment of the Group's financial position and ability to meet its commitments, as well as the Group'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 12 April 2011. If the Annual General Meeting approves the Board's proposal, it is estimated that dividend payments will be paid on 21 April 2011.

#### CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

EUR thousand	1.10. – 31.12. 2010	1.10.– 31.12. 2009	Change, %	1.1. – 31.12. 2010	1.1. – 31.12. 2009	Change, %
Continuing operations						
Net sales	19338	16248	19.0	72872	70005	4.1
Materials and services	-7700	-6393	-20.4	-28403	-28430	0.1
Employee benefit expenses	-4982	-4071	-22.4	-18833	-1,994	-4.7
Depreciation and impairment	-719	-712	-1.0	-2880	-3028	4.9
Other operating expenses	-3901	-3080	-26.7	-16808	-13859	-21.3
Other operating income	1078	367	193.7	3481	1296	168.6
Operating profit	3115	2360	32.0	9430	7990	18.0
Net financial items	-246	30	-920.0	-493	-20	-2365.0
Profit before tax	2869	2390	20.0	8936	7970	12.1
Income taxes	-578	-550	-5.1	-2165	-2025	-6.9
Profit/loss for the						

period from continuing operations	2291	1840	24.5	6772	5945	13.9
Discon- tinued operations Profit/los s for the period from disconti- nued operations	0	351	-100.0	0	662	-100.0
Profit/los s for the period	2291	2191	4.6	6772	6607	2.5
Other comprehens ive income:						
Exchange difference s on translatin g foreign operations	1,151	672	71.3	3411	2293	48.8
Other comprehen- sive income, net of tax	1151	672	71.3	3411	2293	48.8
Total comprehens ive income	3442	2864	20.2	10183	8900	14.4
Profit/los s attributa- ble to:						
Equity holders of the parent company	2291	2191	4.6	6772	6607	2.5
Non- controllin g interest	0	0	0.0	0	0	0.0
Comprehen- sive income						

attribu-  
table to:  
Equity  
holders of  
the parent  
company  
Non-  
controllin  
g interest

3442	2864	20.2	10183	8900	14.4
0	0	0.0	0	0	0.0

Earnings  
per share,  
diluted  
and  
undiluted,  
EUR  
From  
continuing  
operations  
From  
disconti-  
nued  
operations  
Total

0.19	0.15	0.0	0.57	0.50	0.0
0.00	0.03		0.00	0.06	
0.19	0.18		0.57	0.56	

# CONDENSED CONSOLIDATED BALANCE SHEET

EUR thousand	31.12.2010	31.12.2009	Change
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## ASSETS

### Non-current assets

Goodwill	11,637	9,968	1,669
Other intangible assets	2,426	2,460	-34
Tangible assets	10,427	10,835	-408
Deferred tax assets	1,585	2,315	-730
Other non-current assets	64	64	0
Non-current assets total	26,139	25,642	497

### Current assets

Inventories	9,600	8,782	818
Trade and other receivables	9,540	10,281	-741
Cash at bank and in hand	11,606	12,597	-991
Current assets total	30,746	31,661	-915
Total assets	56,885	57,303	-410

## EQUITY AND LIABILITIES

### Shareholders' equity

Share capital	2,141	2,141	0
Other reserves	37	37	0
Invested unrestricted equity fund	8,488	8,488	0
Translation differences	3,311	-100	3,411
Retained earnings	11,757	8,407	3,350

Profit for the period	6, 772	6,607	165
Total equity attributable to equity holders of the parent company	32,507	25,580	6,927
Total equity	32,507	25,580	6,927
Non-current liabilities			
Interest-bearing liabilities	10,204	16,346	-6,142
Interest-free liabilities	362	330	32
Deferred tax liabilities	549	248	301
Current liabilities			
Interest-bearing liabilities	15	2,324	-2,309
Trade and other non-current liabilities	13,250	12,476	774
Total liabilities	24,378	31,723	-7,345
Total equity and liabilities	56,885	57,303	-418

#### STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR thousand	Share Capit al	Other Reser ves	Invest ed Unrest ricted Equity Fund	Transl ation Differ ences	Retain ed Earnin gs	Total
Balance at 1 January 2009	2,141	5	8,488	-2,393	8,440	16,680
Comprehen- sive result	0	0	0	2,293	6,607	8,900
Other items	0	33	0	0	-33	0
Dividend				0	-2,974	0
Balance at 31 December 2009	2,141	37	8,488	-100	15,013	25,580
Balance at 1st January 2010	2,141	37	8,488	-100	15,013	25,580
Comprehen- sive result	0	0	0	3,411	6,772	10,183
Other items	0	0	0	0	-282	-282
Dividend				0	-2,974	-2,974

Balance at						
31 December						
2010	2,141	37	8,488	3,311	18,529	32,507

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	1.1. - 31.12. 2010	1.1. - 31.12. 2009	Change
Cash Flow from Operating Activities			
Profit for the period	6,772	6,607	165
Adjustments	6,276	4,829	1,447
Change in working capital	1,729	2,309	-580
Cash Flow Generated by Operations	14,777	13,745	1,032
Interest paid	-515	-1,015	500
Interest received	114	292	-178
Other financial items	-88	770	-858
Income taxes paid	-2,296	427	-2,723
Net Cash Flow from Operating Activities	11,992	14,219	-2,227
Cash Flow from Investing Activities			
Acquisitions	0	0	0
Disposal of business	0	1,225	-1,225
Capital expenditure	-1,570	-1,440	-130
Proceeds from sale of fixed assets	0	410	-410
Cash Flow from Investing Activities	-1,570	195	-1,765
Cash Flow from Financing			
Share issue	0	0	0
Proceeds from long-term borrowings	0	0	0
Instalments of long-term borrowings	-6,857	-7,623	766
Change in short-term loans	-106	-1,823	1,717
Instalments of finance lease liabilities	-1,477	-406	-1,071
Dividends paid	-2,974	0	-2,974
Net Cash Flow from Financing	-11,414	-9,852	-1,162
Change in Liquid Funds	-992	4,562	-5,554
Liquid funds in the beginning of period	12,597	8,035	4,562
Change in liquid funds	-992	4,562	-5,553
Liquid funds at the end of period	11,606	12,597	-991

QUARTERLY KEY FIGURES

EUR thousand	IV/ 2010	III/ 2010	II/ 2010	I/ 2010	IV/ 2009	III/ 2009	II/ 2009	I/ 2009
Continuing operations								
Net sales	19,338	18,692	19,173	15,671	16,248	15,942	19,285	18,530
Materials and services	-7,700	-7,451	-7,189	-6,062	-6,393	-6,702	-7,988	-7,347
Employee benefit expenses	-4,982	-4,577	-4,892	-4,381	-4,071	-4,332	-4,763	-4,827
Depreciation and impairment	-719	-724	-763	-675	-712	-748	-748	-820
Operating expenses	-3,901	-3,856	-4,229	-4,824	-3,080	-3,101	-3,843	-3,836
Other operating income	1,078	595	553	1,255	367	180	448	300
Operating profit	3,115	2,679	2,653	983	2,360	1,239	2,390	2,001
Net financial items	-246	-152	-10	-86	30	-288	185	53
Profit before taxes	2,869	2,527	2,643	897	2,390	951	2,575	2,054
Income taxes	-578	-662	-706	-219	-550	-252	-693	-530
Profit/loss for the period from continuing operations	2,291	1,865	1,937	678	1,840	699	1,882	1,524
Profit/loss for the period from discontinued activities	0	0	0	0	351	97	80	133
Profit/loss for the period	2,291	1,865	1,937	678	2,191	796	1,962	1,658
Earnings per share, EUR	0.19	0.16	0.16	0.06	0.18	0.07	0.16	0.14
Earnings per share, EUR, diluted	0.19	0.16	0.16	0.06	0.18	0.07	0.16	0.14
Average number of shares, undiluted, 1,000 shares	11,897	11,897	11,897	11,897	11,897	11,897	11,897	11,897
Average number of shares, diluted, 1,000 shares	11,897	11,897	11,897	11,897	11,897	11,897	11,897	11,897
Average number								

of personnel	408	402	397	408	414	425	452	461
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#### COMMITMENTS AND CONTINGENCIES

EUR thousand	31.12.2010	31.12.2009
On own behalf		
Mortgages	2,783	2,783
Corporate mortgages	12,500	12,500
Lease liabilities		
- in next 12 months	886	994
- in next 1-5 years	2,770	2,592
Other commitments	10	39

#### DERIVATIVE FINANCIAL INSTRUMENTS

Nominal values	31.12.2010	31.12.2009
EUR thousand		
Foreign exchange derivatives		
Forward contracts	0	341
Interest rate derivatives		
Interest rate swaps	10,000	10,000
Purchased interest rate options	0	0

#### CONSOLIDATED KEY FIGURES

EUR thousand	1.1. - 31.12. 2010	1.1. - 31.12. 2009	Change %
Continuing operations			
Net sales	72,872	70,005	4.1
Operating profit	9,430	7,990	18.0
% of net sales	12.9	11.4	
Profit before tax	8,936	7,970	12.1
% of net sales	12.3	11.4	
Profit for the period	6,772	5,945	13.9
% of net sales	9.3	8.5	
Shareholders' equity	32,507	25,580	27.1
Interest-bearing liabilities	10,219	18,669	-45.3
Cash and cash equivalents	11,606	12,597	-7.9
Net interest-bearing liabilities	-1,387	6,072	-122.8
Capital employed	42,725	44,094	-3.4
Return on equity, %	23.3	31.3	
Return on capital employed, %	21.8	20.9	
Equity ratio, %	57.4	44.6	

Net gearing, %	-4.3	23.7	
Capital expenditure	1,570	1,440	9.0
% of sales	2.2	2.1	
Research and development costs	1,312	1,407	-6.8
% of net sales	1.8	2.0	
Order stock	13,316	8,827	50.9
Earnings per share, EUR	0.57	0.56	2.5
Earnings per share, EUR, diluted	0.57	0.56	2.5
Equity per share, EUR	2.73	2.15	27.1
Average number of shares			
- cumulative	11,897	11,897	0.0
- cumulative, diluted	11,897	11,897	0.0
Average number of employees	404	436	-7.3

The financial statements are audited and the auditor's report for the financial statements has been issued.

#### ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Wednesday 6 April 2011 beginning at 10.30 am at Kansallissali, Aleksanterinkatu 44, Helsinki, Finland.

#### FINANCIAL REPORTING IN 2011

The 2010 Annual Report will be published on the Company's website during week 10 at [www.exelcomposites.com](http://www.exelcomposites.com).

The Group will issue quarterly interim reports on 5 May, 22 July and 26 October 2011.

#### PRESS CONFERENCE

Exel will hold an analyst and press conference regarding the financial statements today Friday 18 February 2011 at 12.30 pm in the Pavilion Cabinet of the Scandic Hotel Simonkenttä at Simonkatu 9, Helsinki, Finland.

#### FORWARD-LOOKING STATEMENTS

Certain statements in this report, which are not historical facts, including, without limitation, those regarding expectations for general economic development and market situation; regarding customer industry profitability and investment willingness; regarding Company growth, development and profitability; regarding cost savings; regarding fluctuations in exchange rates and interest levels; regarding the success of pending and future acquisitions and restructurings; and statements preceded by "believes," "expects," "anticipates," "foresees" or similar expressions are forward-looking statements.

These statements are based on current expectations and currently known facts. Therefore, they involve risks and uncertainties that may cause actual results to differ materially from results currently expected by the Company.

Vantaa, 18 February 2011

EXEL COMPOSITES PLC  
Board of Directors

Vesa Korpimies  
President and CEO

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EXEL COMPOSITES IN BRIEF

Exel Composites is a technology company which designs, manufactures and markets composite profiles and tubes for industrial applications. The Group is the leading composite profile manufacturer in the world and concentrates on growing niche segments.

The core of the operations is based on own, internally developed composite technology, product range based on it and a strong market position in selected segments with a strong quality and brand image. Profitable growth is pursued by a relentless search for new applications and development in co-operation with customers. The personnel's expertise and high level of technology play a major role in Exel Composites' operations.

Exel Composites Plc share is listed in the Small Cap segment of NASDAQ OMX Helsinki Ltd.