

EXEL COMPOSITES PLC'S FINANCIAL STATEMENTS RELEASE 2011

OCTOBER-DECEMBER 2011 HIGHLIGHTS

- Net sales in the fourth quarter of 2011 were EUR 19.8 (19.3) million, up by 2.2 per cent on the previous year
- Operating profit in the fourth quarter of 2011 was EUR 1.8 million (EUR 3.1 million), or 8.9 (16.1) per cent of net sales
- Fully diluted earnings per share were EUR 0.11 (0.19)

JANUARY-DECEMBER 2011 HIGHLIGHTS

- Net sales for the financial year increased to EUR 85.1 (72.9) million, up by 16.8 per cent on the previous year
- Operating profit for the financial year was EUR 11.1 million (EUR 9.4 million), or 13.0 (12.9) per cent of net sales
- Net operative cash flow was positive at EUR +9.6 (+12.0) million
- Fully diluted earnings per share for the full year were EUR 0.67 (0.57)
- The Board of Directors proposes that a dividend of EUR 0.50 (0.50) per share be paid for the financial year 2011

OUTLOOK FOR 2012

The Exel Composites Group had a strong performance in 2011 with sales and operating profit developing favourably.

In the fourth quarter 2011 overall demand softened. There are major uncertainties relating to general growth prospects in the economy, and these uncertainties may affect the demand for composite products. Due to the prevailing state of the markets, the visibility is low.

Exel Composites maintains its cautious stance in 2012, but will continue to drive the long-term initiatives to strengthen the Company's competitive position and to invest in growing market segments to pursue the strategy of profitable growth.

COMMENTS BY THE CEO

"The global recovery that started in the latter half of 2010 continued in 2011. The first half of the year was marked with strong growth for Exel Composites. Demand in Exel Composites' profiles improved until the fourth quarter when the growth started to level off.

During 2011, we continued strong customer-driven product development and managed to sell several new products, especially for window and door industry, electrical industry and for machine industry applications. Market demand in telecommunication and airport products was also good.

Net sales continued to grow throughout 2011, and profitability remained on a good level. Net sales increased by 16.8 per cent to EUR 85.1 (72.9) million and operating profit improved 17.5 per cent from EUR 9.4 million to EUR 11.1 million. Cash flow from business operations was positive at EUR 9.6 (12.0) million. However, the sales and operating profit growth decreased in the third and fourth quarters of the year.

The increased raw material costs, including the European Commission's anti-dumping tariffs on imported Chinese glass fibre, had an adverse effect on the margins. Exel Composites increased product prices, employed alternative sourcing opportunities and increased production in its Chinese operations in Nanjing to reduce the impact of the tariffs. We shall continue price increases to offset the negative impact.

In 2011, we maintained focus on developing our organization. We continued to invest more resources in sales and customer-driven product development. Mr. Kim Sjödahl was appointed SVP Product and Technology Development and member of the Group Management Team as of 1 February 2012 to further develop our global technical sales organization. We also launched ExelWay-project, which targets improving co-operation and harmonizing processes between the units. The project aims at identifying best practices throughout Exel Composites and creating new and efficient business processes. Group-wide practices are also driven by our global ERP and CRM systems which are now widely in use.

The measures taken in the units to improve profitability showed positive results. A particularly positive outcome was achieved at our Nanjing unit in China.

Exel Composites continues to have a strong position in the pultrusion industry. Our success is based on proactive sales work, continuous innovation and close product development with customers. Growth of the composites is generated by new applications. We will continue our strategy of profitable growth with a strong focus on driving sales to current and new customers."

CONSOLIDATED KEY FIGURES, EUR million

	1.10. - 31.12. 2011	1.10.- 31.12. 2010	Change %	1.1. - 31.12. 2011	1.1. - 31.12. 2010	Change, %
Net sales	19.8	19.3	2.2	85.1	72.9	16.8
Operating profit	1.8	3.1	-43.7	11.1	9.4	17.5
% of net sales	8.9	16.1		13.0	12.9	
Profit for the period	1.3	2.3	-44.8	7.9	6.8	17.3
Shareholders' equity	35.1	32.5	8.0	35.1	32.5	8.0
Net interest-bearing liabilities	-1.7	-1.4	25.6	-1.7	-1.4	25.6
Capital employed	43.2	42.7	1.1	43.2	42.7	1.1
Return on equity, %	14.9	29.6		23.5	23.3	
Return on						

capital employed, %	17.2	27.5	26.1	21.8
Equity ratio, %	61.6	57.4	61.6	57.4
Net gearing, %	-5.0	-4.3	-5.0	-4.3
Earnings per share, EUR	0.11	0.19	0.67	0.57
Earnings per share, diluted, EUR	0.11	0.19	0.67	0.57
Equity per share, EUR	2.95	2.73	2.95	2.73

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 2010 financial statements. The Group has adopted the mandatory IFRS standards that entered into force on 1 January 2011, but they have not had an impact on the Group's financial situation.

OCTOBER – DECEMBER 2011

FINANCIAL PERFORMANCE

The Group's net sales in October – December 2011 were EUR 19.8 (19.3) million. The demand started to level off during the fourth quarter, especially in machine and electrical industry markets.

Operating profit in the fourth quarter of 2011 was EUR 1.8 million including EUR +0.2 million non-recurring items (EUR 3.1 million including EUR 0.9 million non-recurring items), or 8.9 (16.1) per cent of net sales. Operating profit without non-recurring items was 7.9 (11.7) per cent of net sales. The increased raw material costs continued to have an adverse effect on the margins. Exel Composites continued measures to mitigate the effects, and passed part of the rising costs to the market by increasing product prices. Personnel costs increased as more resources were invested in sales and customer-oriented product development.

FINANCIAL YEAR 2011

FINANCIAL PERFORMANCE

In 2011, net sales for the Exel Composites Group increased on the previous year, ending the year at EUR 85.1 (72.9) million. Net sales started to improve in the first quarter of 2011 compared to the weak first quarter of 2010. Market conditions improved and strong growth continued until the fourth quarter when the growth started to level off. Strong market demand was experienced especially in telecommunication and machine industry. Building and infrastructure sales were supported by a recovery in airport products from the previous year's low levels as well as a positive trend in windows and doors driven by consistent sales efforts. Sales picked up also in the electrical industry in the third quarter of 2011

following recovered demand most notably in the electrical machine industry and other electrical applications.

A decision was made in the second quarter of 2011 to invest in five new production lines using advanced pultrusion technology to secure future growth. The first advanced line started in September in the Mäntyharju unit in Finland. It is designed to produce more demanding and broader products.

The European Commission raised a new anti-dumping investigation on imported Chinese glass fiber raw materials in August 2011. In September 2010, the Commission imposed an anti-dumping tariff of 43.6 per cent on imported Chinese glass fiber which was lowered to 13.8 per cent in mid-March 2011 in addition to the base tariff of 7 per cent. Exel Composites has increased product prices, employed alternative sourcing opportunities and increased production in its Chinese operations in Nanjing to reduce the impact of the tariffs.

Exel Composites' operating profit for the financial period improved to EUR 11.1 million including EUR +0.5 million non-recurring items (EUR 9.4 million including non-recurring items of EUR +1.4 million). The operating profit as a percentage of net sales was 13.0 (12.9) per cent. Operating profit without non-recurring items was 12.4 (11.0) per cent of net sales. In 2011, other operating income included EUR 0.5 million of one-off items. In the previous year, other operating expenses included one-off restructuring costs of EUR 1.0 million due to the corporate restructuring of the former Floorball licensee and other operating income included one-off Sports licensing income of EUR 2.5 million.

Exel Composites' Nanjing unit in China achieved ISO 14001 Environmental Management status in September 2011. The Group's Finnish units were granted ISO 14001 environmental certificate earlier. The target is to have all the units of the Group certified.

Exel Composites entered into a trademark license agreement with E-Sports Group in relation to Exel's pole products on 1 August 2011. The licence agreement covers the use of the Exel trademark with regards to poles for skiing, Nordic Walking and Nordic Blading. E-Sports Group is the license holder also for Exel floorball products.

The increased raw material costs started to have an adverse effect on the margins in the third quarter of 2011. Exel Composites took measures to mitigate the effects, and passed part of the rising costs to the market by increasing product prices. Personnel costs increased in 2011 as more resources were invested in sales and customer-oriented product development. Exel Composites will continue to strengthen the organization to ensure future growth.

The measures taken in the units to improve profitability showed positive results. A particularly positive outcome was achieved at our Nanjing unit in China.

The Group's net financial expenses in 2011 were EUR 0.3 (0.5) million. The net financial expenses in 2011 included exchange differences of EUR -0.1 (-0.0) million. The Group's profit before taxes was EUR 10.8 (8.9) million and profit after taxes EUR 7.9 (6.8) million.

Fully diluted total earnings per share improved from EUR 0.57 in 2010 to EUR 0.67 in 2011. Return on capital employed in 2011 increased to 26.1 (21.8) per cent, due to improved operating profit and higher turnover of capital employed. Return on equity was 23.5 (23.3) per cent.

BALANCE SHEET AND FINANCIAL POSITION

Exel Composites maintained a strong emphasis on cash flow and improved the financial position further in 2011. Cash flow from business operations was positive at EUR 9.6 (12.0) million. Cash flow before financing, but after capital expenditure, amounted to EUR 6.4 (10.4) 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 9.8 (11.6) million.

The Group's consolidated total assets at the end of the financial year were EUR 57.0 (56.9) million.

Interest-bearing liabilities amounted to EUR 8.1 (10.2) million. Net interest-bearing liabilities were reduced by EUR 0.4 million to EUR -1.7 (-1.4) million. Non-current liabilities were prematurely amortized by EUR 2.1 million.

Exel Composites ensured in July 2011 a new committed 3-year revolving credit facility of EUR 20 million to refinance current credit facilities and to ensure the financing of growth.

Equity at the end of the financial year was EUR 35.1 (32.5) million and equity ratio 61.6 (57.4) per cent. The net gearing ratio was -5.0 (-4.3) per cent.

The Company paid total dividends during the financial year of EUR 5.9 (3.0) million. Dividend per share was EUR 0.50 (0.25) including an extraordinary dividend of EUR 0.25 per share due to Exel Composites' 50th anniversary in 2010.

CAPITAL EXPENDITURE AND DEPRECIATION

The capital expenditure on fixed assets amounted to EUR 3.2 (1.6) million.

Total depreciation of non-current assets during the year under review amounted to EUR 2.7 (2.9) million.

PERSONNEL

The number of Exel Composites Group employees on 31 December 2011 was 428 (408), of whom 199 (189) worked in Finland and 229 (219) in other countries. The average number of personnel during the financial year was 428 (404). The increase both in Finland and abroad is due to the increased sales volumes.

RESEARCH AND DEVELOPMENT

Product and technology development costs totaled EUR 1.6 (1.3) million, representing 1.9 (1.8) per cent of net sales. The main projects were connected with the development of new products and customer applications.

SHARES AND SHARE CAPITAL

The 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.

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 Industrials sector.

During the financial year the highest share price quoted was EUR 9.40 (7.25) and the lowest EUR 6.75 (5.00). At the end of the year, the share price was EUR 7.65 (7.06). The average share price during the financial year was EUR 8.10 (5.86).

Total shareholder return (TSR) in 2011 was 15 (36) per cent.

A total of 1,381,139 (2,298,611) shares were traded during the year, which represents 11.6 (19.3) per cent of the average number of shares. On 31 December 2011, Exel Composites' market capitalization was EUR 91.0 (84.0) million.

SHAREHOLDERS AND DISCLOSURES

On 31 December 2011, 0.8 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 2011. Other major shareholders included Ilmarinen Mutual Pension Insurance Company (5.8 per cent), OP-Suomi Small Cap Investment Fund (4.5 per cent) and Ulkomarkkinat Oy (4.0 per cent). At the end of the year, the Company had a total of 2,649 (2,363) shareholders.

Exel Composites received two flagging announcements during the financial year. Exel Composites Plc was informed on 20 May 2011 that the holdings of Veikko Laine Oy (business identity code 0110592-0) had fallen under 5 per cent of the voting rights and share capital in Exel Composites Plc. Before the transaction the holdings of Veikko Laine Oy were 595.796 shares or 5.95 per cent Exel Composites' share capital and votes. After the transaction Veikko Laine Oy's ownership share was 395.796 shares or 3.33 per cent.

On 12 December 2011 Exel Composites Plc was informed that the holdings of Evli Group Plc (business identity code 0533755-0) had fallen under 5 per cent of the voting rights and share capital in Exel Composites Plc on 9 December 2011. As a result of selling 50,000 Exel Composites shares on 9 December 2011, the holdings of the funds administered by Evli Fund Management Company Ltd (business identity code 0744659-0) in Exel Composites Plc fell to 4.77 per cent.

CORPORATE GOVERNANCE

Exel Composites issues a Corporate Governance Statement for the financial year 2011. 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.

DECISIONS OF THE AGM 2011

The Annual General Meeting of Exel Composites Plc held on 6 April 2011 approved the Board's proposal to distribute a dividend of EUR 0.50 per share for the financial year 2010 amounting to a total of EUR 5.9 (3.0) million.

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.

BOARD OF DIRECTORS AND AUDITORS

On 6 April 2011, the Annual General Meeting appointed Peter Hofvenstam, Göran Jönsson, Reima Kerttula and Heikki Mairinoja to continue on the Board of Directors. Vesa Kainu was no longer available for re-election to the Board. Heikki Hiltunen was elected as a new member of the Board of Directors. At the formative meeting of the Board of Directors held after the AGM, the Board of Directors re-elected from among its members Peter Hofvenstam as its Chairman.

The Board of Directors convened 9 times in 2011 and the average attendance rate at these meetings was 100 per cent. The fees paid to the Board of Directors totaled EUR 140 (154) thousand in 2011.

The Board of Directors has reviewed the independence of Board members in accordance with Recommendation 15 of the Corporate Governance Code. Heikki Hiltunen, 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 2011. In 2011 the Nomination Board comprised Tomas Billing as Chairman (Nordstjernan AB), Matti Rusanen (Ilmarinen Mutual Pension Insurance Company), Samuli Sipilä (OP Fund Management), Erkki Myllärniemi (Ulkomarkkinat Oy), and Peter Hofvenstam, the Chairman of the Board of Directors, as an expert member. The Nomination Board met three times in 2011.

Ernst & Young, Authorized Public Accountants, with Juha Hilmola, APA, as principal auditor, were elected to serve as company auditor in the AGM in 2011.

The fees paid to the auditors totaled EUR 173 (206) thousand in 2011.

GROUP STRATEGY REDEFINED

The Group strategy was redefined in September 2011 and the financial goals over a business cycle remained unchanged. The objective is that Exel Composites' average organic growth annually exceeds market growth of the industry. Growth achieved through acquisitions is part of Exel Composites' strategy. Exel Composites' target is the operating profit to exceed 10 per cent of net sales. Exel Composites aims to distribute at least 40 per cent of net income in dividends, as permitted by the financial structure and growth opportunities.

MAJOR NEAR-TERM RISKS AND UNCERTAINTIES

The most significant near-term business risks are related to 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 continue and put pressure on profitability. In case the European Commission decides on new anti-dumping tariffs to be imposed on Chinese glass fiber, it may have a negative effect on the profitability if the rising costs of glass fiber can only be transferred partially to product prices. If 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 losses.

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IRFS)

All IFRS's in force on 31 December 2011 that are applicable to Exel Composites' business operations, including all SIC- and IFRIC-interpretations thereon, have been complied with when preparing year 2011 and comparable year 2010 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

Kim Sjö Dahl was appointed Senior Vice President Product and Technology Development and member of Exel Composites Plc's Group Management Team as of 1 February 2012. He holds an M.Sc. in Mechanical Engineering. Mr. Sjö Dahl has been employed by Exel Composites since 1997. His earlier position is VP Product Development for Exel Composites' units in Finland and Germany.

OUTLOOK FOR 2012

The Exel Composites Group had a strong performance in 2011 with sales and operating profit developing favourably.

In the fourth quarter 2011 overall demand softened. There are major uncertainties relating to general growth prospects in the economy, and these uncertainties may affect the demand for composite products. Due to the prevailing state of the markets, the visibility is low.

Exel Composites maintains its cautious stance in 2012, but will continue to drive the long-term initiatives to strengthen the Company's competitive position and to invest in growing market segments to pursue the strategy of profitable growth.

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 2011 Exel Composites Plc's distributable funds totaled EUR 22,736 thousand, of which profit for the financial period accounted for EUR 6,832 thousand.

The Board proposes to the Annual General Meeting that a dividend of EUR 0.50 (0.50) per share be paid for the 2011 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 3 April 2012. If the Annual General Meeting approves the Board's proposal, it is estimated that the dividend will be paid on 12 April 2012.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

EUR thousand	1.10. - 31.12. 2011	1.10.- 31.12. 2010	Change, %	1.1. - 31.12. 2011	1.1. - 31.12. 2010	Change, %
Net sales	19,758	19,338	2.2	85,136	72,872	16.8
Materials and services	-7,529	-7,700	2.2	-33,358	-28,403	-17.4
Employee benefit expenses	-5,419	-4,982	-8.8	-21,133	-18,833	-12.2
Depreciation and impairment	-672	-719	6.5	-2,702	-2,880	6.2
Other operating expenses	-4,668	-3,901	-19.7	-17,709	-16,808	-5.4
Other operating income	284	1,078	-73.7	849	3,481	-75.6
Operating profit	1,754	3,115	-43.7	11,082	9,430	17.5
Net financial items	-31	-246	87.4	-284	-493	42.4
Profit before tax	1,723	2,869	-39.9	10,798	8,936	20.8
Income taxes	-459	-578	20.6	-2,852	-2,165	-31.7
Profit/loss for the period	1,264	2,291	-44.8	7,946	6,772	17.3
Other comprehensive income:						

Exchange differences on translating foreign operations	1,635	1,151	42.1	893	3,411	-73.8
Other comprehensive income, net of tax	1,635	1,151	42.1	893	3,411	-73.8
Total comprehensive income	2,898	3,442	-15.8	8,839	10,183	-13.2
Profit/loss attributable to: Equity holders of the parent company	1,264	2,291		7,946	6,772	
Comprehensive income attributable to: Equity holders of the parent company	2,898	3,442		8,839	10,183	
Earnings per share, diluted and undiluted, EUR	0.11	0.19		0.67	0.57	

CONDENSED CONSOLIDATED BALANCE SHEET

EUR thousand	31.12.2011	31.12.2010	Change
ASSETS			
Non-current assets			
Goodwill	11,939	11,637	302
Other intangible assets	1,961	2,426	-465
Tangible assets	11,612	10,427	1,185
Deferred tax assets	148	1,585	-1,437
Other non-current assets	64	64	0
Non-current assets total	25,723	26,139	-415
Current assets			
Inventories	10,499	9,600	899
Trade and other			

receivables	10,985	9,540	1,445
Cash at bank and in hand	9,840	11,606	-1,766
Current assets total	31,323	30,746	577
Total assets	57,047	56,885	162

EQUITY AND LIABILITIES

Shareholders' equity			
Share capital	2,141	2,141	0
Other reserves	30	37	-7
Invested unrestricted equity fund	8,488	8,488	0
Translation differences	4,204	3,311	893
Retained earnings	12,309	11,757	552
Profit for the period	7,946	6,772	1,174

Total equity attributable to equity holders of the parent company	35,118	32,507	2,611
Total equity	35,118	32,507	2,611

Non-current liabilities

Interest-bearing liabilities	8,088	10,204	-2,116
Interest-free liabilities	392	362	30
Deferred tax liabilities	539	549	-10

Current liabilities

Interest-bearing liabilities	10	15	-5
Trade and other non-current liabilities	12,900	13,250	-350

Total liabilities	21,928	24,378	-2,450
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Total equity and liabilities	57,047	56,885	162
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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 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

Balance at 31 December 2010	2,141	37	8,488	3,311	18,529	32,507
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Balance at 1st January 2011	2,141	37	8,488	3,311	18,529	32,507
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Comprehen- sive result	0	0	0	893	7,946	8,839
Other items	0	-7	0	0	-271	-278
Dividend				0		-5,948

Balance at 31 December 2011	2,141	30	8,488	4,204	20,255	35,118
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	1.1. - 31.12. 2011	1.1. - 31.12. 2010	Change
Cash Flow from Operating Activities			
Profit for the period	7,946	6,772	1,174
Adjustments	6,308	6,276	-32
Change in working capital	-2,216	1,729	-3,945
Cash Flow Generated by Operations	12,038	14,777	-2,739
Interest paid	-349	-515	166
Interest received	129	114	15
Other financial items	-191	-88	-103
Income taxes paid	-2,067	-2,296	229
Net Cash Flow from Operating Activities	9,560	11,992	-2,432
Cash Flow from Investing Activities			
Acquisitions	0	0	0
Disposal of business	0	0	0
Capital expenditure	-3,208	-1,570	-1,638
Proceeds from sale of fixed assets	0	0	
Cash Flow from Investing Activities	-3,208	-1,570	-1,638
Cash Flow from Financing			
Share issue	0	0	0
Proceeds from long-term borrowings	0	0	0
Instalments of long-term borrowings	-2,160	-6,857	4,697
Change in short-term loans	0	-106	106

Instalments of finance lease liabilities	-10	-1,477	1,467
Dividends paid	-5,948	-2,974	-2,974
Net Cash Flow from Financing	-8,118	-11,414	3,296
Change in Liquid Funds	-1,766	-992	-774
Liquid funds in the beginning of period	11,606	12,597	-991
Change in liquid funds	-1,766	-992	-775
Liquid funds at the end of period	9,840	11,606	-1,766

QUARTERLY KEY FIGURES

EUR thousand	IV/ 2011	III/ 2011	II/ 2011	I/ 2011	IV/ 2010	III/ 2010	II/ 2010	1/ 2010
Net sales	19,758	20,463	23,367	21,548	19,338	18,692	19,173	15,671
Materials and services	-7,529	-8,156	-9,295	-8,378	-7,700	-7,451	-7,189	-6,062
Employee benefit expenses	-5,419	-4,820	-5,672	-5,221	-4,982	-4,577	-4,892	-4,381
Depreciation and impairment	-672	-683	-663	-684	-719	-724	-763	-675
Operating expenses	-4,668	-4,356	-4,424	-4,262	-3,901	-3,856	-4,229	-4,824
Other operating income	284	113	317	135	1,078	595	553	1,255
Operating profit	1,754	2,560	3,630	3,137	3,115	2,679	2,653	983
Net financial items	-31	-126	-104	-23	-246	-152	-10	-86
Profit before taxes	1,723	2,434	3,527	3,115	2,869	2,527	2,643	897
Income taxes	-459	-664	-948	-782	-578	-662	-706	-219
Profit/loss for the period from continuing operations	1,264	1,770	2,579	2,333	2,291	1,865	1,937	678
Profit/loss for the period	1,264	1,770	2,579	2,333	2,291	1,865	1,937	678
Earnings per share, EUR	0.11	0.15	0.22	0.20	0.19	0.16	0.16	0.06
Earnings per share, EUR, diluted	0.11	0.15	0.22	0.20	0.19	0.16	0.16	0.06

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	433	433	432	416	408	402	397	408

COMMITMENTS AND CONTINGENCIES

EUR thousand	31.12.2011	31.12.2010
On own behalf		
Mortgages	2,783	2,783
Corporate mortgages	12,500	12,500
Lease liabilities		
- in next 12 months	1,035	886
- in next 1-5 years	2,724	2,770
Other commitments	25	10

DERIVATIVE FINANCIAL INSTRUMENTS

Nominal values	31.12.2011	31.12.2010
EUR thousand		
Foreign exchange derivatives		
Forward contracts	0	0
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. 2011	1.1. - 31.12. 2010	Change %
Continuing operations			
Net sales	85,136	72,872	16.8
Operating profit	11,082	9,430	17.5
% of net sales	13.0	12.9	
Profit before tax	10,798	8,936	20.8
% of net sales	12.7	12.3	
Profit for the period	7,946	6,772	17.3
% of net sales	9.3	9.3	
Shareholders' equity	35,118	32,507	8.0

Interest-bearing liabilities	8,098	10,219	-20.8
Cash and cash equivalents	9,840	11,606	-15.2
Net interest-bearing liabilities	-1,742	-1,387	25.6
Capital employed	43,216	42,725	1.1
Return on equity, %	23.5	23.3	
Return on capital employed, %	26.1	21.8	
Equity ratio, %	61.6	57.4	
Net gearing, %	-5.0	-4.3	
Capital expenditure	3,208	1,570	104.3
% of sales	3.8	2.2	
Research and development costs	1,639	1,312	24.9
% of net sales	1.9	1.8	
Order stock	13,114	13,316	-1.5
Earnings per share, EUR	0.67	0.57	17.7
Earnings per share, EUR, diluted	0.67	0.57	17.7
Equity per share, EUR	2.95	2.73	8.1
Average number of shares			
- cumulative	11,897	11,897	0.0
- cumulative, diluted	11,897	11,897	0.0
Average number of employees	428	404	5.9

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 Thursday 29 March 2012 beginning at 10.30 am at Kansallissali, Aleksanterinkatu 44, Helsinki, Finland.

FINANCIAL REPORTING IN 2012

The 2011 Annual Report will be published on the Company's website on Thursday 8 March 2012 at www.exelcomposites.com.

The Group will issue quarterly interim reports on 4 May, 25 July and 26 October 2012.

PRESS CONFERENCE

Exel will hold an analyst and press conference regarding the financial statements today Friday 17 February 2012 at 12.30 pm in the Tapiola 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.

Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Exel Composites does not undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Vantaa, 17 February 2012

EXEL COMPOSITES PLC
Board of Directors

Vesa Korpimies
President and CEO

FURTHER INFORMATION:

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EXEL COMPOSITES IN BRIEF

Exel Composites (www.exelcomposites.com) 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.