

EXEL COMPOSITES PLC INTERIM REPORT FOR JANUARY 1 - SEPTEMBER 30, 2009

January - September 2009 highlights and outlook

- Net sales of continuing operations decreased by 16.6 per cent to EUR 53.8 (64.5) million
- Operating profit of continuing operations was EUR 5.6 (6.4) million, representing 10.5 (10.0) per cent of net sales
- Fully diluted earnings per share were EUR 0.37 (-0.24) of which continuing operations accounted for EUR 0.35 (0.29)
- Net operative cash flow increased by 75.1 per cent to EUR 8.6 (4.9) million
- Return on capital employed improved to 18.4 (-4.0) per cent
- Net gearing continued to improve from 123.9 per cent (year end 2008) to 51.8 per cent
- The challenging market conditions are expected to continue also during the rest of the year affecting net sales and profitability also during the fourth quarter.

July - September 2009 highlights

- Net sales of continuing operations decreased to EUR 15.9 (21.1) million
- Operating profit of continuing operations was EUR 1.2 (1.8) million, representing 7.8 (8.5) per cent of net sales
- Fully diluted earnings per share were EUR 0.07 (0.07) of which continuing operations accounted for EUR 0.06 (0.03)

Vesa Korpimies, President and CEO:

"The economic slow-down continued to impact the pultrusion market during the third quarter. Our sales decreased by 24.5 per cent year on year. However, we were able to maintain our position in our key market segments. Sales improved in the building, construction and infrastructure market segment due to new applications. Furthermore, we signed new long-term agreements in the electrical industry.

We continued to adjust the operations and resources in all business units to the present market situation. We continued to maintain a strong emphasis on profitability and operative working capital reduction, to safeguard good cash flow and to further reinforce our financial position.

The market for composite products is still uncertain. We are prepared for the difficult market conditions to continue. Contingency plans are in place to address the risk of further market decline and we are ready to take further actions if necessary. We will also continue to have a strong focus to drive sales to current and new customers. As a listed company with a strong financial position, Exel has good possibilities to continue the consolidation of the pultrusion market. Even though the short-term market is challenging, the long-term growth opportunities still remain favorable."

CONSOLIDATED KEY FIGURES, EUR million  
(unaudited)

|   | 1.7. –<br>30.9.<br>2009 | 1.7. –<br>30.9.<br>2008 | Change<br>% | 1.1. –<br>30.9.<br>2009 | 1.1. –<br>30.9.<br>2008 | Change,<br>% | 1.1.<br>–<br>31.12<br>2008 |
|---|-------------------------|-------------------------|-------------|-------------------------|-------------------------|--------------|----------------------------|
| Net sales,<br>continuing<br>operations                | 15.9                    | 21.1                    | -24.5       | 53.8                    | 64.5                    | -16.6        | 84.9                       |
| Operating<br>profit,<br>continuing<br>operations      | 1.2                     | 1.8                     | -30.6       | 5.6                     | 6.4                     | -12.4        | 8.6                        |
| % of net<br>sales                                     | 7.8                     | 8.5                     |             | 10.5                    | 10.0                    |              | 10.1                       |
| Profit for<br>the period,<br>continuing<br>operations | 0.7                     | 0.4                     | 89.9        | 4.1                     | 3.4                     | 20.2         | -4.0                       |
| Shareholders'<br>equity                               | 22.7                    | 18.3                    | 24.3        | 22.7                    | 18.3                    | 24.3         | 16.7                       |
| Net interest-<br>bearing<br>liabilities               | 11.8                    | 26.4                    | -55.4       | 11.8                    | 26.4                    | -55.4        | 20.7                       |
| Capital<br>employed                                   | 43.3                    | 50.8                    | -14.8       | 43.3                    | 50.8                    | -14.8        | 45.4                       |
| Return on<br>equity, %                                | 14.3                    | 19.2                    |             | 29.9                    | -18.0                   |              | -14.7                      |
| Return on<br>capital<br>employed, %                   | 12.4                    | 20.3                    |             | 18.4                    | -4.0                    |              | 0.0                        |
| Equity ratio,<br>%                                    | 38.8                    | 26.8                    |             | 38.8                    | 26.8                    |              | 28.2                       |
| Net gearing,<br>%                                     | 51.8                    | 144.3                   |             | 51.8                    | 144.3                   |              | 123.9                      |
| Earnings per<br>share, EUR                            | 0.07                    | 0.07                    | 0.0         | 0.37                    | -0.24                   | 0.0          | -0.25                      |
| Earnings per<br>share,<br>diluted, EUR                | 0.07                    | 0.07                    | 0.0         | 0.37                    | -0.24                   | 0.0          | -0.25                      |
| Equity per<br>share, EUR                              | 1.91                    | 1.54                    | 24.0        | 1.91                    | 1.54                    | 24.0         | 1.40                       |

IFRS REPORTING

This interim report has been prepared in accordance with the recognition and measurement principles of IFRS, which are the same as in the 2008 financial

statements. The Company has adopted the following mandatory IAS and IFRS standards that entered into force on 1 January 2009:

- IFRS 8 Operating segments. The standard replaces IAS 14 Segment Reporting. Exel Composites reports only with one segment, Exel Composites. Exel Sports Brands segment is reported as discontinued operations.
- IAS 1 Presentation of Financial Statements. The standard separates owner and non-owner changes in equity. The Group has applied this standard as of 1 January 2009.
- IAS 23 Borrowing costs. The revised standard requires capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The Group has applied this standard as of 1 January 2009.
- IAS 32 Financial Instruments. Presentation and IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation. According to the revised standard requires entities to classify puttable financial instruments and instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions. The Group has applied this standard as of 1 January 2009.

#### FINANCIAL PERFORMANCE

Net sales of continuing operations in July-September 2009 were EUR 15.9 (21.1) million. Sales in almost all geographical markets decreased in the third quarter, and the order intake was weak. However, sales to general industries, especially defense, improved due to new applications. New applications have been developed also in the building, construction and infrastructure market. Furthermore, new long-term agreements have been signed in the electrical industry. In August 2009, the Federal Aviation Administration (FAA) listed Exel's frangible safety approach masts as approved airport lighting equipment.

Exel's operating profit of continuing operations for July-September 2009 decreased to EUR 1.2 million, compared to EUR 1.8 million the corresponding period last year.

Net sales of continuing operations in January-September 2009 decreased by 16.6 per cent to EUR 53.8 (64.5) million compared to the corresponding period in 2008. Especially the machine industry, sports and leisure, paper industry and telecommunication applications were affected. Sales developed relatively better in Europe compared to Asia, which suffered from tough competition especially in China.

Exel's operating profit of continuing operations for the first nine months of 2009 decreased to EUR 5.6 (6.4) million, compared to the corresponding period last year. Operating profit as a percentage of net sales was 10.5 (10.0) per cent.

The Group's net financial expenses of continuing operations in January-September 2009 decreased by 97.6 per cent to EUR 0.1 (1.9) million. The main reasons for the improvement were lower interest rates, lower debt and favorable currency exchange rates, especially the Australian dollar. The Group's profit before taxes from continuing operations was EUR 5.6 (4.6) million and profit after taxes EUR 4.1 (3.4) million.

Fully diluted earnings per share of continuing operations in January-September 2009 improved to EUR 0.35 (0.29).

The comprehensive rationalization program of the Exel Group has restored profitability by reducing operational costs and streamlining the capital employed. The return on capital employed in January–September 2009 increased to 18.4 (–4.0) per cent.

#### BALANCE SHEET AND FINANCIAL POSITION

Exel maintained a strong emphasis on cash flow and improved the financial position. Reinforced measures were taken to reduce operative working capital and cash flow from business operations for the first nine months of the year was positive at EUR 8.6 (4.9) million. Cash flow before financing, but after capital expenditure, improved to EUR 8.9 (4.0) million.

Net interest-bearing liabilities were reduced to EUR 11.8 million compared to EUR 26.4 million on September 30, 2008, and the net gearing ratio was improved to 51.8 (144.3) per cent.

Capital expenditure was financed with cash flow from business operations. At the end of the third quarter the Group's liquid assets stood at EUR 8.8 (6.1) million.

The Group's consolidated total assets at the end of the period under review were EUR 58.6 (68.1) million.

Equity at the end of the period under review was EUR 22.7 (18.3) million and equity ratio 38.8 (26.8) per cent. Interest-bearing liabilities amounted to EUR 20.5 (32.5) million, of which short-term liabilities accounted for EUR 4.2 (9.4) million.

#### CAPITAL EXPENDITURE AND DEPRECIATION

The capital expenditure on fixed assets during the first nine months amounted to EUR 1.1 (1.0) million.

Total depreciation of non-current assets during the period under review amounted to EUR 2.3 (3.1) million.

#### PERSONNEL

The number of Exel Group employees on 30 September 2009 was 409 (487), of whom 175 (220) worked in Finland and 234 (267) in other countries. The average number of personnel during the reporting period was 443 (542). The decrease both in Finland and abroad is due to the rationalization actions in the Finnish, British and Chinese units and divestments of Exel Sports Brands' Outdoor and Floorball businesses.

The co-determination negotiations concerning the Exel Group's Finnish units were concluded on 31 July 2009. As a result of negotiations, the amount of permanent employment contracts to be terminated was 19. In addition, 7 temporary employment contracts for non-salaried employees and 1 for salaried employees come to termination at the end of their duration. Furthermore, the job descriptions, tasks and essential terms of the employment contracts of both non-salaried and salaried employees have been altered to correspond to the new situation when necessary.

In addition, Exel issued a warning of temporary layoffs covering all the employees of the Finnish units. The warning of temporary layoffs is valid until the end of

2010. Actions to adjust Exel Composites' cost base to lower sales have continued also in the units outside of Finland.

Significant personnel reductions will take place by the end of 2009. Thus, the measures taken are expected to have an effect on the Group's financial situation only in 2010.

#### SHARES AND SHARE CAPITAL

At the end of September 2009, Exel's share capital was EUR 2,141,431.74 and the number of shares was 11,896,843. There were no changes in the share capital during the review period.

Based on the closing price on 30 September 2009, the market capitalization totaled EUR 66.4 (82.4) million. During the reporting period 3,195,810 (821,408) shares were traded, accounting for 26.9 (6.9) per cent of the average number of shares outstanding.

The highest share quotation was EUR 6.20 (12.20) and the lowest EUR 2.37 (6.53). The share price closed at EUR 5.58 (6.93). The average share price during the review period was EUR 3.91 (9.08).

Exel Composites did not hold any own shares at the end of the period under review.

#### SHAREHOLDERS

Exel had a total of 1,749 shareholders on 30 September 2009. For the current shareholder structure, please see [www.exelcomposites.com](http://www.exelcomposites.com).

Exel Composites received no flagging notifications during the third quarter of 2009.

#### CHANGES IN GROUP STRUCTURE

Exel Group's German unit located in Voerde was operationally integrated into Exel Composites Finland during the period under review. The unit in question and the Kivara factory located in Finland have been operating in close co-operation for a number of years. The integration aims at improving efficiency and synergies between the two production units.

#### EVENTS AFTER THE PERIOD UNDER REVIEW

Grant Pearce, Managing Director of Exel Composites Australia and member of Exel Composites Plc's Management Group, resigned at the beginning of October 2009. The executive search for a new managing director has been commenced. In the meanwhile, Callum Gough, SVP Operations, assumes Grant Pearce's responsibilities as Managing Director.

#### MAJOR NEAR-TERM RISKS AND UNCERTAINTIES

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

## OUTLOOK

The challenging market conditions are expected to continue also during the rest of the year affecting net sales and profitability during the fourth quarter. However, Exel's contingency plans are in place to address the risk of further market decline and we are prepared to take prompt actions if necessary.

Even though the short-term market outlook is challenging, the long-term growth opportunities still remain favorable. Exel will continue to have a strong focus to drive sales to current and new customers, as well as to pursue bolt-on acquisition opportunities. Exel is a leading, international pultrusion Group with a strong financial position and well poised to consolidate its position in the pultrusion market.

## NEWS CONFERENCE

A news conference for investment analysts and the press will be held today 29 October 2009 at 12.30 pm in the Pavilion Cabinet of Scandic Hotel Simonkenttä at Simonkatu 9, Helsinki, Finland.

Vantaa, 29 October 2009

EXEL COMPOSITES PLC  
Board of Directors

Vesa Korpimies  
President and CEO

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding expectations for general economic development and the market situation, expectations for company growth, development and profitability, and statements preceded by "expects" or "estimates" or similar expressions, are forward-looking statements. These statements are based on current decisions and plans and currently known facts. They involve risks and uncertainties which may cause the actual results to materially differ from the results currently expected by the company.

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## DISTRIBUTION

NASDAQ OMX Helsinki Ltd.  
Main news media  
[www.exelcomposites.com](http://www.exelcomposites.com)

## EXEL COMPOSITES IN BRIEF

Exel Composites ([www.exelcomposites.com](http://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.

CONDENSED CONSOLIDATED INCOME STATEMENT  
(unaudited)

|                             | EUR<br>thousand | 1.7. -<br>30.9.<br>2009 | 1.7.-<br>30.9.<br>2008 | Change,<br>% | 1.1. -<br>30.9.<br>2009 | 1.1. -<br>30.9.<br>2008 | Change<br>, % | 1.1. -<br>31.<br>12.<br>2008 |
|-----------------------------|-----------------|-------------------------|------------------------|--------------|-------------------------|-------------------------|---------------|------------------------------|
| Continuing operations       |                 |                         |                        |              |                         |                         |               |                              |
| Net sales                   |                 | 15942                   | 21111                  | -24.5        | 53757                   | 64467                   | -16.6         | 84921                        |
| Materials and services      |                 | -6702                   | -9008                  | -25.6        | -22038                  | -25753                  | -14.4         | -34576                       |
| Employee benefit expenses   |                 | -4332                   | -5252                  | -17.5        | -13922                  | -16368                  | -14.9         | -20650                       |
| Depreciation and impairment |                 | -748                    | -884                   | -15.4        | -2316                   | -3147                   | -26.4         | -3967                        |
| Other operating expenses    |                 | -3101                   | -4193                  | -26.0        | -10779                  | -12825                  | -16.0         | -17417                       |
| Other operating income      |                 | 180                     | 11                     | 1536.4       | 928                     | 53                      | 1650.9        | 281                          |
| Operating profit            |                 | 1239                    | 1785                   | -30.6        | 5629                    | 6425                    | -12.4         | 8593                         |
| Net financial items         |                 | -288                    | -1328                  | -78.3        | -50                     | -1859                   | -97.3         | -3003                        |
| Profit before tax           |                 | 951                     | 456                    | 108.6        | 5579                    | 4567                    | 22.2          | 5590                         |
| Income taxes                |                 | -252                    | -88                    | 186.4        | -1475                   | -1153                   | 27.9          | -1554                        |
| Profit/loss for the         |                 |                         |                        |              |                         |                         |               |                              |

|   |     |      |        |      |       |        |       |
|---|-----|------|--------|------|-------|--------|-------|
| period from continuing operations                               | 699 | 368  | 89.9   | 4105 | 3414  | 20.2   | 4036  |
| Discontinued operations   |     |      |        |      |       |        |       |
| Profit/loss for the period from discontinuing operations        | 97  | 482  | -79.9  | 310  | -6236 | 105.0  | -6992 |
| Profit/loss for the period                                      | 796 | 850  | -6.4   | 4415 | -2823 | 256.4  | -2956 |
| Other comprehensive income:                                     |     |      |        |      |       |        |       |
| Exchange differences on translating foreign operations          | -42 | 263  | -116.0 | 1621 | -32   | 5165.6 | -1513 |
| Income tax relating to components of other comprehensive income | 0   | 0    | 0.0    | 0    | 0     | 0.0    | 0     |
| Other comprehensive income, net of tax                          | -42 | 263  | -116.0 | 1621 | -32   | 5165.6 | -1513 |
| Total comprehensive income                                      | 754 | 1114 | -32.3  | 6036 | -2854 | 311.5  | -4469 |
| Profit/loss attributable to:                                    |     |      |        |      |       |        |       |
| Equity holders of the parent company                            | 796 | 850  | -6.4   | 4415 | -2823 | 256.4  | -2956 |
| Minority interest   | 0   | 0    | 0.0    | 0    | 0     | 0.0    | 0     |
| Comprehensive income  |     |      |        |      |       |        |       |



attribu-  
table to:  
Equity  
holders of  
the parent  
company  
Minority  
interest

|     |     |       |      |       |       |       |
|-----|-----|-------|------|-------|-------|-------|
| 754 | 114 | -32.3 | 6036 | -2854 | 311.5 | -4469 |
| 0   | 0   |       | 0    | 0     |       | 0     |

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

|      |      |  |      |       |  |       |
|------|------|--|------|-------|--|-------|
| 0.06 | 0.03 |  | 0.35 | 0.29  |  | 0.34  |
| 0.01 | 0.04 |  | 0.03 | -0.52 |  | -0.59 |
| 0.07 | 0.07 |  | 0.37 | -0.24 |  | -0.25 |

#### CONDENSED CONSOLIDATED BALANCE SHEET

| EUR thousand | 30.9.2009 | 30.9.2008 | Change | 31.12.2008 |
|--------------|-----------|-----------|--------|------------|
|--------------|-----------|-----------|--------|------------|

#### ASSETS

##### Non-current assets

|                          |        |        |        |        |
|--------------------------|--------|--------|--------|--------|
| Goodwill                 | 9,698  | 9,224  | 474    | 8,362  |
| Other intangible assets  | 2,497  | 2,772  | -275   | 2,514  |
| Tangible assets          | 10,981 | 12,271 | -1,290 | 11,823 |
| Deferred tax assets      | 3,288  | 4,447  | -1,159 | 3,207  |
| Other non-current assets | 62     | 70     | -8     | 68     |
| Non-current assets total | 26,525 | 28,783 | -2,258 | 25,975 |

##### Current assets

|                                     |        |        |        |        |
|-------------------------------------|--------|--------|--------|--------|
| Inventories                         | 10,040 | 16,470 | -6,430 | 12,408 |
| Trade and other<br>receivables      | 13,250 | 16,777 | -3,527 | 12,856 |
| Other liquid assets                 | 0      | 0      | 0      | 0      |
| Cash at bank and in hand            | 8,767  | 6,115  | 2,652  | 8,035  |
| Current assets total                | 32,057 | 39,362 | -7,305 | 33,300 |
| Non-current assets held<br>for sale | 0      | 0      | 0      | 0      |
| Total assets                        | 58,582 | 68,146 | -9,564 | 59,275 |

#### EQUITY AND LIABILITIES

##### Shareholders' equity

|                                      |       |       |   |       |
|--------------------------------------|-------|-------|---|-------|
| Share capital                        | 2,141 | 2,141 | 0 | 2,141 |
| Share premium reserve                | 0     | 0     | 0 | 0     |
| Other reserves                       | 5     | 5     | 0 | 5     |
| Invested unrestricted<br>equity fund | 8,488 | 8,488 | 0 | 8,488 |

|   |        |        |         |        |
|---|--------|--------|---------|--------|
| Translation differences   | -772   | -935   | 163     | -2,393 |
| Retained earnings   | 8,440  | 11,400 | -2,960  | 11,395 |
| Profit for the period   | 4,415  | -2,823 | 7,238   | -2,956 |
| Total equity attributable to equity holders of the parent company | 22,717 | 18,277 | 4,440   | 16,680 |
| Minority share  | 0      | 0      | 0       | 0      |
| Total equity  | 22,717 | 18,277 | 4,440   | 16,680 |
| Non-current liabilities   |        |        |         |        |
| Interest-bearing liabilities                                      | 16,329 | 23,070 | -6,741  | 22,057 |
| Interest-free liabilities   | 389    | 0      | 389     | 348    |
| Deferred tax liabilities  | 342    | 927    | -585    | 353    |
| Current liabilities   |        |        |         |        |
| Interest-bearing liabilities                                      | 4,210  | 9,411  | -5,201  | 6,648  |
| Trade and other non-current liabilities                           | 14,596 | 16,461 | -1,865  | 13,188 |
| Total liabilities   | 35,866 | 49,869 | -14,003 | 42,594 |
| Total equity and liabilities                                      | 58,582 | 68,146 | -9,564  | 59,275 |

#### STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| EUR<br>thousand                       | Share<br>Capital | Share<br>Premium<br>Reserve | Other<br>Reserves | Invested<br>Unrestricted<br>Equity<br>Fund | Translation<br>Differences | Retained<br>Earnings | Minority<br>Interest | Total  |
|---------------------------------------|------------------|-----------------------------|-------------------|--|----------------------------|----------------------|----------------------|--------|
| Balance at<br>1 January<br>2008       | 2,141            | 8,488                       | 5                 | 0  | -880                       | 13,780               | 0                    | 23,533 |
| Comprehensive result                  | 0                | 0                           | 0                 | 0  | -55                        | -2,823               | 0                    | -2,878 |
| Dividend                              |                  |                             |                   |  |                            | -2,379               |                      | -2,379 |
| Balance at<br>30<br>September<br>2008 | 2,141            | 8,488                       | 5                 | 0  | -935                       | 8,578                | 0                    | 18,277 |
| Balance at<br>1st January<br>2009     | 2,141            | 0                           | 5                 | 8,488                                      | -2,393                     | 8,440                | 0                    | 16,680 |

|                                       |       |   |   |       |       |        |   |        |
|---------------------------------------|-------|---|---|-------|-------|--------|---|--------|
| Comprehen-<br>sive result             | 0     | 0 | 0 | 0     | 1,621 | 4,415  | 0 | 5,280  |
| Dividend                              |       |   |   |       |       | 0      |   | 0      |
| Balance at<br>30<br>September<br>2009 | 2,141 | 0 | 5 | 8,488 | -772  | 12,639 | 0 | 22,717 |

#### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| EUR thousand                                | 1.1. -<br>30.9.<br>2009 | 1.1. -<br>30.9.<br>2008 | Change  | 1.1. -<br>31.12.<br>2008 |
|---|-------------------------|-------------------------|---------|--------------------------|
| Cash Flow from Operating Activities         |                         |                         |         |                          |
| Profit for the period                       | 4,415                   | -2,823                  | 7,238   | -2,956                   |
| Adjustments                                 | 2,994                   | 3,930                   | -936    | 6,182                    |
| Change in working capital                   | 1,486                   | 6,770                   | -5,284  | 11,815                   |
| Cash Flow Generated by Operations           | 8,895                   | 7,877                   | 1,018   | 15,041                   |
| Interest paid                               | -822                    | -1,454                  | 632     | -1,876                   |
| Interest received                           | 136                     | 93                      | 43      | 259                      |
| Other financial items                       | 743                     | -251                    | 994     | -763                     |
| Income taxes paid                           | -364                    | -1,360                  | 996     | -1,572                   |
| Net Cash Flow from Operating<br>Activities  | 8,588                   | 4,905                   | 3,683   | 11,089                   |
| Cash Flow from Investing Activities         |                         |                         |         |                          |
| Acquisitions                                | 0                       | 0                       | 0       | 0                        |
| Disposal of business                        | 1,000                   | 25                      | 975     | 25                       |
| Capital expenditure                         | -1,080                  | -979                    | -101    | -1,765                   |
| Proceeds from sale of fixed assets          | 410                     | 60                      | 350     | 90                       |
| Cash Flow from Investing<br>Activities      | 330                     | -894                    | 1,224   | -1,650                   |
| Cash Flow from Financing                    |                         |                         |         |                          |
| Share issue                                 | 0                       | 0                       | 0       | 0                        |
| Proceeds from long-term borrowings          | 0                       | 10,000                  | -10,000 | 10,000                   |
| Instalments of long-term<br>borrowings      | -7,623                  | -8,315                  | 692     | -8,973                   |
| Change in short-term loans                  | -264                    | -1,811                  | 1,547   | -4,563                   |
| Instalments of finance lease<br>liabilities | -299                    | -292                    | -7      | -390                     |
| Dividends paid                              | 0                       | -2,379                  | 2,379   | -2,379                   |
| Net Cash Flow from Financing                | -8,186                  | -2,797                  | -5,389  | -6,305                   |
| Change in Liquid Funds                      | 732                     | 1,214                   | -482    | 3,134                    |

Liquid funds in the beginning of

|                                   |       |       |       |       |
|-----------------------------------|-------|-------|-------|-------|
| period                            | 8,035 | 4,901 | 3,134 | 4,901 |
| Change in liquid funds            | 732   | 1,214 | -482  | 3,134 |
| Liquid funds at the end of period | 8,767 | 6,115 | 2,652 | 8,035 |

#### QUARTERLY KEY FIGURES

| EUR thousand   | III/<br>2009 | II/<br>2009 | I/<br>2009 | IV/<br>2008 | III/<br>2008 | II/<br>2008 | I/<br>2008 |
|--|--------------|-------------|------------|-------------|--------------|-------------|------------|
| Continuing operations                                    |              |             |            |             |              |             |            |
| Net sales  | 15,942       | 19,285      | 18,530     | 20,454      | 21,111       | 22,449      | 20,900     |
| Materials and services                                   | -6,702       | -7,988      | -7,347     | -8,822      | -9,008       | -8,559      | -8,100     |
| Employee benefit expenses                                | -4,332       | -4,763      | -4,827     | -4,282      | -5,252       | -5,393      | -5,720     |
| Depreciation and impairment                              | -748         | -748        | -820       | -819        | -884         | -1,362      | -900       |
| Operating expenses                                       | -3,101       | -3,843      | -3,836     | -4,591      | -4,193       | -5,220      | -3,400     |
| Other operating income                                   | 180          | 448         | 300        | 229         | 11           | 32          | 100        |
| Operating profit   | 1,239        | 2,390       | 2,001      | 2,168       | 1,785        | 1,947       | 2,600      |
| Net financial items                                      | -288         | 185         | 53         | -1,145      | -1,328       | 606         | -1,100     |
| Profit before taxes                                      | 951          | 2,575       | 2,054      | 1,023       | 456          | 2,553       | 1,500      |
| Income taxes   | -252         | -693        | -530       | -401        | -88          | -655        | -400       |
| Profit/loss for the period from continuing operations    | 699          | 1,882       | 1,524      | 622         | 368          | 1,898       | 1,100      |
| Profit/loss for the period from discontinuing activities | 97           | 80          | 133        | -755        | 482          | -5,478      | -1,200     |
| Profit/loss for the period                               | 796          | 1,962       | 1,658      | -133        | 850          | -3,580      | -900       |
| Earnings per share, EUR                                  | 0.07         | 0.16        | 0.14       | -0.01       | 0.07         | -0.30       | -0.09      |
| Earnings per share, EUR, diluted                         | 0.07         | 0.16        | 0.14       | -0.01       | 0.07         | -0.30       | -0.09      |
| Average number of shares, undiluted, 1,000 shares        | 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     |
| Average number of personnel                              | 425          | 452         | 461        | 480         | 499          | 556         | 570        |

# COMMITMENTS AND CONTINGENCIES

| EUR thousand        | 30.9.2009 | 30.9.2008 | 31.12.2008 |
|---------------------|-----------|-----------|------------|
| On own behalf       |           |           |            |
| Mortgages           | 2,783     | 2,783     | 2,783      |
| Corporate mortgages | 12,500    | 12,500    | 12,500     |
| Lease liabilities   |           |           |            |
| - in next 12 months | 554       | 424       | 492        |
| - in next 1-5 years | 1,403     | 1,577     | 1,756      |
| Other commitments   | 157       | 165       | 92         |

# DERIVATIVE FINANCIAL INSTRUMENTS

| Nominal values<br>EUR thousand  | 30.9.2009 | 30.9.2008 | 31.12.2008 |
|---------------------------------|-----------|-----------|------------|
| Foreign exchange derivatives    |           |           |            |
| Forward contracts               | 689       | 1,727     | 1,770      |
| Purchased currency options      | 0         | 1,418     | 0          |
| Sold currency options           | 0         | 709       | 0          |
| Currency swaps                  | 0         | 0         | 0          |
| Interest rate derivatives       |           |           |            |
| Interest rate swaps             | 9,286     | 10,167    | 9,810      |
| Purchased interest rate options |           | 3,500     | 3,500      |

# CONSOLIDATED KEY FIGURES

| EUR thousand                     | 1.1. -<br>30.9.<br>2009 | 1.1. -<br>30.9.<br>2008 | Change, % | 1.1. -<br>31.12.<br>2008 |
|----------------------------------|-------------------------|-------------------------|-----------|--------------------------|
| Continuing operations            |                         |                         |           |                          |
| Net sales                        | 53,757                  | 64,467                  | -16.6     | 84,921                   |
| Operating profit                 | 5,630                   | 6,425                   | -12.4     | 8,593                    |
| % of net sales                   | 10.5                    | 10.0                    |           | 10.1                     |
| Profit before tax                | 5,580                   | 4,567                   | 22.2      | 5,590                    |
| % of net sales                   | 10.4                    | 7.1                     |           | 6.6                      |
| Profit for the period            | 4,105                   | 3,414                   | 20.2      | 4,036                    |
| % of net sales                   | 7.6                     | 5.3                     |           | 4.8                      |
| Shareholders' equity             | 22,717                  | 18,277                  | 24.3      | 16,680                   |
| Interest-bearing liabilities     | 20,539                  | 32,481                  | -36.8     | 28,706                   |
| Cash and cash equivalents        | 8,767                   | 6,115                   | 43.4      | 8,035                    |
| Net interest-bearing liabilities | 11,772                  | 26,366                  | -55.4     | 20,671                   |
| Capital employed                 | 43,255                  | 50,758                  | -14.8     | 45,386                   |
| Return on equity, %              | 29.9                    | -18.0                   |           | -14.7                    |
| Return on capital employed, %    | 18.4                    | -4.0                    |           | 0.0                      |
| Equity ratio, %                  | 38.8                    | 26.8                    |           | 28.2                     |
| Net gearing, %                   | 51.8                    | 144.3                   |           | 123.9                    |

|                                  |        |        |        |        |
|----------------------------------|--------|--------|--------|--------|
| Capital expenditure              | 1,080  | 979    | 10.3   | 1,765  |
| % of sales                       | 2.0    | 1.5    |        | 2.1    |
| Research and development costs   | 1,158  | 1,589  | -27.1  | 1,918  |
| % of net sales                   | 2.2    | 2.5    |        | 2.3    |
| Order stock                      | 10,123 | 12,292 | -17.6  | 11,650 |
| Earnings per share, EUR          | 0.37   | -0.24  | -256.4 | -0.25  |
| Earnings per share, EUR, diluted | 0.37   | -0.24  | -256.4 | -0.25  |
| Equity per share, EUR            | 1.91   | 1.54   | 24.0   | 1.40   |
| Average number of shares         |        |        |        |        |
| - cumulative                     | 11,897 | 11,897 | 0.0    | 11,897 |
| - cumulative, diluted            | 11,897 | 11,897 | 0.0    | 11,897 |
| Average number of employees      | 443    | 542    | -18.3  | 527    |