

EXEL COMPOSITES PLC'S FINANCIAL STATEMENTS RELEASE 2009

January-December 2009 highlights and outlook for 2010

- Net sales from continuing operations for the financial year decreased to EUR 70.0 (84.9) million, down by 17.6 per cent on the previous year
- Operating profit from continuing operations for the financial year was EUR +8.0 million including net reversal of the restructuring provisions and other non-recurring items of EUR +1.2 million (EUR +8.6 million including EUR -0.7 million non-recurring items), or 11.4 (10.1) per cent of net sales
- Net operative cash flow was positive at EUR +14.2 (+11.1) million
- Fully diluted earnings per share for the full year were EUR 0.56 (-0.25), of which continuing operations EUR 0.50 (0.34)
- The Board of Directors proposes that a dividend of EUR 0.25 (0.00) be paid for the financial year 2009
- Due to the market uncertainty and poor visibility, Exel will not give any profit guidance

October-December 2009 highlights

- Net sales from continuing operations in the fourth quarter of 2009 were EUR 16.2 (20.5) million
- Operating profit from continuing operations in the fourth quarter of 2009 was EUR +2.4 million including net reversal of the restructuring provisions of EUR +0.7 million (EUR +2.2 million), or 14.5 (10.6) per cent of net sales
- Fully diluted earnings per share were EUR 0.18 (-0.01), of which continuing operations accounted for EUR 0.15 (0.05)

Vesa Korpimies, President and CEO:

"The recession continued to impact the pultrusion markets in 2009. Sales decreased in almost all our geographical markets. Exel took robust actions to deal with the economic down-turn. The main objective was to protect the financial fundamentals and the business in order to ensure stability. We reinforced the focus on the core composite business and divested Exel Sports Brands' Floorball business in March 2009. We prioritized cash flow and implemented measures to improve cash management and reduce working capital, as well as to prioritize capital spending. This resulted in a strong cash flow of EUR 14.2 million. The net debt of the Group was reduced from EUR 20.7 million to EUR 6.1 million and gearing was improved from 123.9 per cent to 23.7 per cent. We initiated actions to cut costs and to improve efficiency resulting in a substantial reduction of annual fixed costs. We invested in sales activities in order to protect the top line.

Total earnings per share improved significantly in 2009. Earnings per share for continuing operations improved to EUR 0.50 (0.34) and for discontinued operations to EUR 0.06 (-0.59). The major contributors were the restructuring of the Group including the divestment of Exel Sports Brands and favorable foreign exchange rate development. Return on investment improved from 0.0 per cent to 20.9 per cent.

Small signs of market recovery could be seen during the latter part of the year. Sales to general industries, especially defense, improved due to new applications. New, innovative applications were developed also in the building, construction and infrastructure market. We also see many interesting opportunities relating to new

energy regulations. Furthermore, long-term agreements were signed in the electrical industry.

We maintain a cautious stance on the world economy and expect the challenging market environment to continue also in 2010. We will continue our focus on sales and on developing new applications with our customers. Economic uncertainty calls for prudent house-keeping, hence productivity improvements and cost efficiency remain our priorities also in 2010.

We have a strong financial position and we are well prepared to take advantage of the challenging business environment and the growth opportunities as the markets gradually recover."

CONSOLIDATED KEY FIGURES, EUR million

	1.10. - 31.12. 2009	1.10. - 31.12. 2008	Change %	1.1. - 31.12. 2009	1.1. - 31.12. 2008	Change, %
Net sales, continuing operations	16.2	20.5	-20.6	70.0	84.9	-17.6
Operating profit, continuing operations	2.4	2.2	8.9	8.0	8.6	-7.0
% of net sales	14.5	10.6		11.4	10.1	
Profit for the period, continuing operations	1.8	0.6	195.8	5.9	4.0	47.3
Shareholders' equity	25.6	16.7	53.4	25.6	16.7	53.4
Net interest- bearing liabilities	6.1	20.7	-70.6	6.1	20.7	-70.6
Capital employed	44.1	45.4	-2.8	44.1	45.4	-2.8
Return on equity, %	36.3	-3.0		31.3	-14.7	
Return on capital employed, %	29.8	13.4		20.9	0.0	
Equity ratio, %	44.6	28.2		44.6	28.2	
Net gearing, %	23.7	123.9		23.7	123.9	
Earnings per share, EUR	0.18	-0.01		0.56	-0.25	

Earnings per share, diluted, EUR	0.18	-0.01	0.56	-0.25
Equity per share, EUR	2.15	1.40	2.15	1.40

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 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.

1 OCTOBER - 31 DECEMBER 2009

FINANCIAL PERFORMANCE

Net sales from continuing operations decreased in the last quarter of 2009 by 20.6 per cent to EUR 16.2 (20.5) million.

Operating profit from continuing operations in the fourth quarter of 2009 was EUR +2.4 million including net reversal of the restructuring provisions of EUR +0.7 million (EUR +2.2 million), or 14.5 (10.6) per cent of net sales.

FINANCIAL YEAR 2009

FINANCIAL PERFORMANCE

Net sales from continuing operations for the Exel Composites Group decreased on the previous year, ending the year at EUR 70.0 (84.9) million. Sales in almost all geographical markets decreased in 2009, and the order intake was weak. 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.

The Company initiated measures to reduce fixed costs, to improve productivity and to increase sales activities. Despite a decline in sales, the operating profit as a percentage of net sales from continuing operations was improved to 11.4 (10.1) percent. However, Exel Composites' operating profit from continuing operations for the financial period decreased to EUR 8.0 million (including net reversal of the restructuring provisions and non-recurring items of EUR +1.2 million) compared to EUR 8.6 million (including EUR -0.7 million non-recurring items).

The Group's net financial expenses from continuing operations in 2009 decreased to EUR 0.0 (3.0) 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 8.0 (5.6) million and profit after taxes EUR 5.9 (4.0) million.

Exel Composites initiated a restructuring program to increase the focus on the core industrial activities. The Exel Sports Brands floorball business was divested through an asset deal and the transaction also included a licensing agreement to secure the continued presence and distribution of Exel branded floorball products. The operating profit of discontinued operations improved to EUR 1.1 (-9.0) million.

Due to the comprehensive savings and restructuring programs, the total earnings per share improved. Earnings per share for continuing operations improved to EUR 0.50 (0.34) and for discontinued operations to EUR 0.06 (-0.59). Fully diluted total earnings per share improved from EUR -0.25 in 2008 to EUR 0.56 in 2009.

The return on capital employed in 2009 increased to 20.9 (0.0) per cent, due to improved operating margins 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 in 2009. Reinforced measures were taken to reduce operative working capital and cash flow from business operations was positive at EUR 14.2 (11.1) million. Cash flow before financing, but after capital expenditure, amounted to EUR 14.4 (9.4) million.

Net interest-bearing liabilities were reduced by EUR 14.6 million to EUR 6.1 (20.7) million, and the net gearing ratio improved to 23.7 (123.9) per cent.

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 12.6 (8.0) million.

The Group's consolidated total assets at the end of the financial year were EUR 57.3 (59.3) million.

Equity at the end of the financial year was EUR 25.6 (16.7) million and equity ratio 44.6 (28.2) per cent. Interest-bearing liabilities amounted to EUR 18.7 (28.7) million, of which short-term liabilities accounted for EUR 2.3 (6.6) million.

The Company paid no dividends during the financial year.

CAPITAL EXPENDITURE AND DEPRECIATION

The capital expenditure on fixed assets amounted to EUR 1.4 (1.8) million.

Total depreciation of non-current assets during the year under review amounted to EUR 3.0 (4.0 including write-downs amounting to EUR 0.3 million) million.

PERSONNEL

The number of Exel Composites Group employees on 31 December 2009 was 419 (472), of whom 183 (208) worked in Finland and 236 (264) in other countries. The average number of personnel during the financial year was 436 (526). The decrease both in Finland and abroad is due to the rationalization actions in the Finnish, British and Chinese units and the divestments of Exel Sports Brands' Outdoor and Floorball businesses.

The co-determination negotiations concerning the 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 came to termination at the end of their duration. Furthermore, the job descriptions, tasks and essential terms of the employment contracts of certain both non-salaried and salaried employees were altered to correspond to the new situation.

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 continued also in the units outside of Finland.

CHANGES IN THE GROUP STRUCTURE

Divestment of Exel Sports Brands

In March 2009, Exel signed an agreement to sell Exel Sports Brands' Floorball business to Cape Nordic Oy, a sports and fashion distributor based in Finland. Cape Nordic took over the Floorball business and acquired the inventory and order backlog related to the Floorball business through an asset deal. The transaction also included a long-term licensing agreement related to the use of the Exel brand together with other brands related to the Floorball business. The employees of the Floorball business in Finland (9 persons) and Sweden (5 persons) were transferred to Cape Nordic as existing employees. The divestment of the Floorball business completed Exel Composites' program to reinforce focus on the core industrial activities.

On 31 December 2009 the merger of Exel Composites Plc and Exel Sports Oy was entered in the Trade Register. Exel Sports Oy's assets and liabilities were transferred to the parent company Exel Composites Plc without liquidation. No merger consideration was paid for the merger, as the parent company owned all the shares of the merging company. The merger caused no amendments to Exel Composites Plc's Articles of Association. The reason for the merger was the clarification of the company structure.

CHANGES IN GROUP MANAGEMENT

Mr. Grant Pearce, Managing Director of Exel Composites Australia and member of Exel Composites Plc's Management Group resigned in September 2009.

Mr. Lasse Orre was appointed Senior Vice President Sales and member of Exel Composites Plc's Management Group as of 1 February 2010.

SHARES AND SHARE CAPITAL

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

The Annual General Meeting of Exel Oyj held on 16 April 2009 approved the Board's proposal not to distribute a dividend for the financial year 2008.

The Annual General Meeting decided to amend Section 1 of the Articles of Association regarding the Company Name and Domicile and changed the Company name to Exel Composites Oyj in Finnish and Exel Composites Plc in English. The AGM also decided to amend Section 10 of the Articles of Association regarding Invitations to Meetings to comply with the Finnish Corporate Governance Code for Listed Companies.

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 16 April 2010.

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 16 April 2010.

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

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.

Share performance and turnover

During the financial year the highest share price quoted was EUR 6.20 (12.20) and the lowest EUR 2.37 (2.41). At the end of the year, the share price was EUR 5.39 (2.72). The average share price during the financial year was EUR 4.08 (5.92).

A total of 3,522,974 (1,654,322) shares were traded during the year, which represents 29.6 (13.9) per cent of the average number of shares. On 31 December 2009, Exel's market capitalization was EUR 64.1 (32.6) million.

SHAREHOLDERS AND DISCLOSURES

On 31 December 2009, 0.6 per cent of the shares and votes of Exel were owned or controlled, directly or indirectly by the President and CEO and the members of the Board.

The Company's largest shareholder is the Swedish investment company Nordstjernan AB, which owned 29.4 per cent of shares at the end of 2009. Other major shareholders included Ilmarinen Mutual Pension Insurance Company (5.8%) and Veikko Laine Oy (5.2%). At the end of the year, the Company had a total of 1,785 (1,673) shareholders.

On 8 January 2009, Exel received a flagging announcement from Veikko Laine Oy according to which the holdings of Veikko Laine Oy had exceeded 1/20 of the voting rights and share capital in Exel Plc.

On 4 December 2009, Exel received a flagging announcement from Evli Group according to which the holdings of Evli Group had exceeded 1/20 of the voting rights and share capital in Exel Composites Plc.

CORPORATE GOVERNANCE

Exel Composites issues a Corporate Governance Statement for the financial year 2009. The Corporate Governance Statement has been composed in accordance with recommendation 51 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.

BOARD OF DIRECTORS AND AUDITORS

On 16 April 2009, the Annual General Meeting appointed Peter Hofvenstam, Göran Jönsson, Vesa Kainu and Heikki Mairinoja to continue on the Board of Directors. Reima Kerttula was appointed as new member of the Board. Peter Hofvenstam was re-elected Chairman of the Board.

The Board of Directors convened 10 times in 2009 and the average attendance rate at these meetings was 98 per cent. The fees paid to the Board of Directors totaled EUR 140 thousand in 2009.

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 Committee, 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 Committee included the Chairman and persons nominated by the four largest shareholders as of 1 November 2009. In 2009 the Nomination Committee comprised Tomas Billing as Chairman (Nordstjernan AB), Mikko Mursula (Ilmarinen Mutual Pension Insurance Company) and Pertti Laine (Veikko Laine Oy). The committee met twice in 2009.

Ernst & Young, Authorized Public Accountants, with Eija Niemi-Nikkola, APA, as principal auditor, were elected to serve as company auditor in the AGM in 2009.

The fees paid to the auditors totaled EUR 186 (188) thousand in 2009.

MAJOR NEAR-TERM RISKS AND UNCERTAINTIES

The most significant near-term business risks are related the development of general economic development and especially to market demand in certain market segments. The market sentiment is still utmost vulnerable and 2010 still seems challenging. The raw material prices, energy cost and other cost increases may put pressure on profitability. Currency rate changes, especially strengthening USD and price competition may also have a negative effect on the result. The availability

of financing may weaken the demand in Exel's market and increases the credit loss risks. Disturbance in the labor market may also have an impact on deliveries.

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IRFS)

All IFRS's in force on 31 December 2009 that are applicable to Exel Composites' business operations, including all SIC- and IFRIC-interpretations thereon, have been complied with when preparing year 2009 and comparable year 2008 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

Exel sold its Floorball business to Cape Nordic in March 2009. The transaction included a long-term licensing agreement related to the use of the Exel brand together with other floorball brands. Exel terminated the license agreement with Cape Nordic in January 2010, and entered into a new license agreement with EF Team Sports Oy, who continued the Floorball business with the brands in question as from 30 January 2010.

MARKET OUTLOOK FOR 2010

The Group has a cautious stance on the economy for 2010 and expects the market conditions to remain challenging. Exel Composites is prepared to take further prompt actions, but also to capture opportunities due to the economic down-turn. Even though the short-term market outlook is challenging, the long-term growth opportunities remain favorable.

EXEL COMPOSITES' OUTLOOK FOR 2010

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

BOARD PROPOSAL FOR DIVIDEND DISTRIBUTION

Exel's 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 2009 Exel Composites Plc's distributable funds totaled EUR 18,043 thousand, of which profit for the financial period accounted for EUR 3,417 thousand.

The Board proposes to the Annual General Meeting that a dividend of EUR 0.25 (0.00) per share be paid for the 2009 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 7 April 2010. If the Annual General Meeting approves the Board's proposal, it is estimated that dividend payments will commence on 14 April 2010.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

EUR thousand	1.10. – 31.12. 2009	1.10. – 31.12. 2008	Change, %	1.1. – 31.12. 2009	1.1. – 31.1. 2008	Change , %
Continuing operations						
Net sales	16248	20454	-20.6	70005	84921	-17.6
Materials and services	-6393	-8822	27.5	-28430	-34576	17.8
Employee benefit expenses	-4071	-4282	4.9	-17994	-20650	12.9
Depreciati- on and impairment	-712	-819	13.1	-3028	-3967	23.7
Other operating expenses	-3080	-4591	32.9	-13859	-17417	20.4
Other operating income	367	229	60.3	1296	281	361.2
Operating profit	2360	2168	8.9	7990	8593	-7.0
Net financial items	30	-1145	102.6	-20	-3003	99.3
Profit before tax	2390	1023	133.6	7970	5590	42.6
Income taxes	-550	-401	-37.2	-2025	-1554	-30.3
Profit/loss for the period from continuing operations	1840	622	195.8	5945	4036	47.3
Discon- tinued operations						
Profit/loss for the period from disconti- nuing operations	351	-755	146.5	661	-6992	109.5

Profit/loss for the period	2191	-133	1747.4	6606	-2956	323.5
Other comprehen- sive income:						
Exchange differences on translating foreign operations	672	-1481	-145.4	2293	-1513	251.6
Income tax relating to components of other comprehen- sive income	0	0	0	0	0	0
Other comprehen- sive income, net of tax	672	-1481	-145.4	2293	-1513	251.6
Total comprehen- sive income	2864	-1614	277.4	8900	-4469	299.1
Profit/loss attributa- ble to:						
Equity holders of the parent company	2191	-133	1747.4	6606	-2956	323.5
Non- controlling interest	0	0		0	0	
Comprehen- sive income attribu- table to:						
Equity holders of the parent company	2864	-1614	277.4	8900	-4469	299.1
Non- controlling interest	0	0		0	0	
Earnings per share, diluted and						

undiluted, EUR				
From continuing operations	0.15	0.05	0.50	0.34
From disconti- nued operations	0.03	-0.06	0.06	-0.59
Total	0.18	-0.01	0.56	-0.25

CONDENSED CONSOLIDATED BALANCE SHEET

EUR thousand	31.12.2009	31.12.2008	Change
ASSETS			
Non-current assets			
Goodwill	9,968	8,362	1,606
Other intangible assets	2,460	2,514	-54
Tangible assets	10,835	11,823	-988
Deferred tax assets	2,315	3,207	-892
Other non-current assets	64	68	-4
Non-current assets total	25,642	25,975	-332
Current assets			
Inventories	8,782	12,408	-3,626
Trade and other receivables	10,281	12,856	-2,575
Other liquid assets	0	0	0
Cash at bank and in hand	12,597	8,035	4,562
Current assets total	31,661	33,300	-1,639
Non-current assets held for sale	0	0	0
Total assets	57,303	59,275	-1,972
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	2,141	2,141	0
Share premium reserve	0	0	0
Other reserves	37	5	32
Invested unrestricted equity fund	8,488	8,488	0
Translation differences	-100	-2,393	2,293
Retained earnings	8,406	11,395	-2,989
Profit for the period	6,607	-2,956	9,563
Total equity attributable to equity holders of the parent company	25,580	16,680	8,899
Non-controlling interest	0	0	0
Total equity	25,580	16,680	8,900

Non-current liabilities

Interest-bearing liabilities	16,346	22,057	-5,711
Interest-free liabilities	330	348	-18
Deferred tax liabilities	248	353	-105
Current liabilities			
Interest-bearing liabilities	2,324	6,648	-4,324
Trade and other non-current liabilities	12,476	13,188	-712
Total liabilities	31,722	42,594	-10,872
Total equity and liabilities	57,303	59,275	-1,972

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR thousand	Share Capital	Share Premium Reserve	Other Reserves	Invested Unrestricted Equity Fund	Translation Differences	Retained Earnings	Non- controlling interest	Total
Balance at 1 January 2008	2,141	8,488	5	0	-880	13,780	0	23,533
Comprehensive result	0	0	0	0	-1,513	-2,956	0	-4,469
Other items Dividend	0	-8,488	0	8,488	0	-5 -2,379	0	-5 -2,379
Balance at 31 December 2008	2,141	0	5	8,488	-2,393	8,440	0	16,680
Balance at 1st January 2009	2,141	0	5	8,488	-2,393	8,440	0	16,680
Comprehensive result	0	0	0	0	2,293	6,607	0	8,900
Other items	0	0	33	0	0	-33	0	0
Dividend						0		0
Balance at 31 December 2009	2,141	0	37	8,488	-100	15,014	0	25,580

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	1.1. - 31.12. 2009	1.1. - 31.12. 2008	Change
Cash Flow from Operating Activities			
Profit for the period	6,607	-2,956	9,563
Adjustments	4,829	6,182	-1,353
Change in working capital	2,309	11,815	-9,506
Cash Flow Generated by Operations	13,745	15,041	-1,296
Interest paid	-1,015	-1,876	861
Interest received	292	259	33
Other financial items	770	-763	1,533
Income taxes paid	427	-1,572	1,999
Net Cash Flow from Operating Activities	14,219	11,089	3,130
Cash Flow from Investing Activities			
Acquisitions	0	0	0
Disposal of business	1,225	25	1,200
Capital expenditure	-1,440	-1,765	325
Proceeds from sale of fixed assets	410	90	320
Cash Flow from Investing Activities	195	-1,650	1,845
Cash Flow from Financing			
Share issue	0	0	0
Proceeds from long-term borrowings	0	10,000	-10,000
Instalments of long-term borrowings	-7,623	-8,973	1,350
Change in short-term loans	-1,823	-4,563	2,740
Instalments of finance lease liabilities	-406	-390	-16
Dividends paid	0	-2,379	2,379
Net Cash Flow from Financing	-9,852	-6,305	-3,547
Change in Liquid Funds	4,562	3,134	1,428
Liquid funds in the beginning of period	8,035	4,901	3,134
Change in liquid funds	4,562	3,134	1,428
Liquid funds at the end of period	12,597	8,035	4,562

QUARTERLY KEY FIGURES

EUR thousand	IV/ 2009	III/ 2009	II/ 2009	I/ 2009	IV/ 2008	III/ 2008	II/ 2008	I/ 2008
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Continuing

operations								
Net sales	16248	15942	19285	18530	20454	21111	22449	20907
Materials and services	-6393	-6702	-7988	-7347	-8822	-9008	-8559	-8186
Employee benefit expenses	-4071	-4332	-4763	-4827	-4282	-5252	-5393	-5723
Depreciation and impairment	-712	-748	-748	-820	-819	-884	-1362	-901
Operating expenses	-3080	-3101	-3843	-3836	-4591	-4193	-5220	-3413
Other operating income	367	180	448	300	229	11	32	10
Operating profit	2360	1239	2390	2001	2168	1785	1947	2694
Net financial items	30	-288	185	53	-1145	-1328	606	-1137
Profit before taxes	2390	951	2575	2054	1023	456	2553	1558
Income taxes	-550	-252	-693	-530	-401	-88	-655	-410
Profit/loss for the period from continuing operations	1840	699	1882	1524	622	368	1898	1148
Profit/loss for the period from discontinuing activities	351	97	80	133	-755	482	-5478	-1241
Profit/loss for the period	2191	796	1962	1658	-133	850	-3580	-92
Earnings per share, EUR	0.18	0.07	0.16	0.14	-0.01	0.07	-0.30	-0.01
Earnings per share, EUR, diluted	0.18	0.07	0.16	0.14	-0.01	0.07	-0.30	-0.01
Average number of shares, undiluted, 1,000 shares	11897	11897	11897	11897	11897	11897	11897	11897
Average number of shares, diluted, 1,000 shares	11897	11897	11897	11897	11897	11897	11897	11897
Average number of personnel	414	425	452	461	480	499	556	570

COMMITMENTS AND CONTINGENCIES

EUR thousand	31.12.2009	31.12.2008
On own behalf		
Mortgages	2,783	2,783
Corporate mortgages	12,500	12,500
Lease liabilities		
- in next 12 months	516	492
- in next 1-5 years	1,328	1,756
Other commitments	235	92

DERIVATIVE FINANCIAL INSTRUMENTS

Nominal values	31.12.2009	31.12.2008
EUR thousand		
Foreign exchange derivatives		
Forward contracts	341	1,770
Interest rate derivatives		
Interest rate swaps	10,000	9,810
Purchased interest rate options	0	3,500

CONSOLIDATED KEY FIGURES

EUR thousand	1.1. - 31.12. 2009	1.1. - 31.12. 2008	Change %
Continuing operations			
Net sales	70,005	84,921	-17.6
Operating profit	7,990	8,593	-7.0
% of net sales	11.4	10.1	
Profit before tax	7,970	5,590	42.6
% of net sales	11.4	6.6	
Profit for the period	5,945	4,036	47.3
% of net sales	8.5	4.8	
Shareholders' equity	25,580	16,680	53.4
Interest-bearing liabilities	18,669	28,706	-35.0
Cash and cash equivalents	12,597	8,035	56.8
Net interest-bearing liabilities	6,072	20,671	-70.6
Capital employed	44,094	45,386	-2.8
Return on equity, %	31.3	-14.7	
Return on capital employed, %	20.9	0.0	
Equity ratio, %	44.6	28.2	
Net gearing, %	23.7	123.9	
Capital expenditure	1,440	1,765	-18.4
% of sales	2.1	2.1	

Research and development costs	1,407	1,361	3.4
% of net sales	2.0	1.6	
Order stock	8,827	11,650	-24.2
Earnings per share, EUR	0.56	-0.25	322.1
Earnings per share, EUR, diluted	0.56	-0.25	322.1
Equity per share, EUR	2.15	1.40	53.6
Average number of shares			
- cumulative	11,897	11,897	0.0
- cumulative, diluted	11,897	11,897	0.0
Average number of employees	436	527	-17.3

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

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Wednesday 31 March 2010 beginning at 10.30 am at Kansallissali, Aleksanterinkatu 44, Helsinki, Finland.

FINANCIAL REPORTING IN 2010

The 2009 Annual Report will be published on the Company's website during week 10 at www.exelcomposites.com.

The Group will issue quarterly interim reports on 7 May, 23 July and 29 October 2010.

PRESS CONFERENCE

Exel will hold a press conference for the media and analysts regarding the financial statements today Friday 19 February 2010 at 12.30 pm in the Pavilion Cabinet of the Scandic Hotel Simonkenttä at Simonkatu 9, Helsinki, Finland.

Vantaa, 19 February 2010

EXEL COMPOSITES PLC
Board of Directors

Vesa Korpimies
President and CEO

FURTHER INFORMATION:

Vesa Korpimies, President and CEO, tel. +358 50 590 6754, or email vesa.korpimies@exelcomposites.com

Ilkka Silvanto, CFO and Administrative Director, tel. +358 50 598 9553, or email ilkka.silvanto@exelcomposites.com

DISTRIBUTION

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Main news media
www.exelcomposites.com

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.