

EXEL COMPOSITES PLC'S FINANCIAL STATEMENTS RELEASE 2013

OCTOBER - DECEMBER 2013 HIGHLIGHTS

- Net sales in the fourth quarter of 2013 were EUR 17.8 (18.6) million, down by 4.6 per cent on the previous year
- Operating profit before non-recurring items in the fourth quarter of 2013 improved by 115.3 per cent to EUR 1.9 (0.9) million or 10.6 (5.0) per cent of net sales
- Operating profit after non-recurring items was EUR 1.5 (-1.6) million or 8.4 (-8.6) per cent of net sales
- Net operative cash flow was positive at EUR +2.9 (+4.4) million
- Fully diluted earnings per share were EUR 0.07 (-0.12)
- During the period under review an additional capital repayment of EUR 0.50 per share amounting to EUR 5.9 million was paid in accordance with the resolution of the Extraordinary General Meeting

JANUARY - DECEMBER 2013 HIGHLIGHTS

- Net sales for the financial year decreased to EUR 69.3 (76.0) million, down by 8.8 per cent on the previous year
- Operating profit before non-recurring items for the financial year 2013 was EUR 5.5 (5.9) million or 8.0 (7.8) per cent of net sales
- Operating profit after non-recurring items improved by 42.5 per cent and was EUR 4.8 (3.4) or 7.0 (4.5) per cent of net sales
- Net operative cash flow was positive at EUR +7.8 (+8.2) million
- Fully diluted earnings per share for the full year were EUR 0.26 (0.17)
- In 2013 a dividend of EUR 0.30 per share and an additional capital repayment of EUR 0.50 per share were paid
- The Board of Directors proposes that no dividend be paid for the financial year 2013

OUTLOOK FOR 2014

The Company has reinforced the organization to work on sales development as well as on operational efficiency and productivity improvement. The market has stabilized but remains challenging. The Company will monitor the general market development and react with additional measures if needed. Uncertainties relating to general growth prospects in the economy continue, however some positive signs can be seen especially in laminate and demanding carbon tubes market. The Company is well-positioned to grow profitably when the markets recover.

COMMENTS BY THE CEO

"In 2013 Vesa Korpimies was the Company's President and CEO. I assumed my duties as President and CEO of Exel Composites on 2 January 2014. I am very excited about this opportunity and looking forward to building the company further to the next level.

Exel Composites' results started to improve during the second half of 2013 despite the challenging market situation in Central Europe, the Group's main market area. Net sales for the financial year 2013 were EUR 69.3 (76.0) million. On the other hand, the operating profit started to develop positively in the second half of the year thanks to efficiency improvement and more efficient cost control. The Group's operating profit before non-recurring items in the financial year 2013 was EUR 5.5 (5.9) million or 8.0 (7.8) per cent of net sales. The Group's operating profit after non-recurring items for the financial year 2013 improved by 42.5 per cent and was EUR 4.8 (3.4) million.

Net sales in the fourth quarter of 2013 were EUR 17.8 (18.6) million. Demand improved in the telecommunication, energy and electrical market segments compared to the corresponding period in 2012. Market demand decreased in the building, construction and infrastructure market segment, transportation industry and machine industry market segments compared to the corresponding period in 2012. Operating profit before non-recurring items in the fourth quarter of 2013 improved by 115.3 per cent to EUR 1.9 (0.9) million or 10.6 (5.0) per cent of net sales.

Net cash flow from operating activities was positive at EUR +7.8 (+8.2) million due to good working capital management. Exel Composites' balance sheet remains strong even after additional capital repayment of EUR 5.9 million paid in December 2013. Net gearing was 15.0 (-3.4) per cent and equity ratio 47.2 (61.0) per cent.

Corrective actions had a positive impact especially in the UK business unit the financial performance of which improved significantly. In 2013 turnaround measures including change in the operating model and transfer of Brisbane unit to Melbourne in Australia were largely completed to improve efficiency. The measures taken are expected to improve the Australian unit's profitability. The focus is now on profitable growth.

A decision to invest in a new laminate production line at Mäntyharju factory was made during the third quarter of 2013. The investment enables us to extend our product range in advanced high specification laminates and to grow in several market segments.

Exel Composites continued to invest in the development of the organization. Especially the sales organization was reinforced.

The harmonization of the Group's operations was continued under the ExelWay-program. ExelWay aims at harmonizing processes between the units and improving co-operation between units in order to enhance productivity and synergies. The project's target is to implement best practices, new global functions and efficient business processes throughout the Group. New processes and practices are implemented in stages. Group-wide practices are supported by global ERP- and CRM-systems, which are widely in use. The harmonization improves efficiency and co-operation between units and it will be continued in 2014.

Overall it can be said that the market has stabilized but remains challenging. We will monitor the general market development closely and react with additional measures if needed. Uncertainties relating to general growth prospects in the economy continue, however, some positive signs can be seen especially in laminate and demanding carbon tubes market. In 2014 the focus will be on increasing the sales from existing and new customers. We will continue to develop the operations in terms of production efficiency and yield improvements. Exel Composites is well-positioned to grow profitably when the markets recover.

I wish to express my sincere thanks to Vesa Korpimies for great contributions to Exel Composites over several years and also for securing a smooth handover and continuity in key business initiatives. My thanks go also to our employees for their excellent work in 2013. I also wish to express my gratitude to our customers, partners and shareholders for their support."

CONSOLIDATED KEY FIGURES, EUR million

	1.10. – 31.12. 2013	1.10.– 31.12. 2012	Change, %	1.1. – 31.12. 2013	1.1. – 31.12. 2012	Change, %
Net sales	17.8	18.6	-4.6	69.3	76.0	-8.8
Operating profit	1.5	-1.6	192.5	4.8	3.4	42.5
% of net sales	8.4	-8.6		7.0	4.5	

Profit for the period	0.8	-1.5	153.7	3.1	2.0	51.6
Shareholders' equity	22.8	31.4	-27.3	22.8	31.4	-27.3
Net interest-bearing liabilities	3.4	-1.1	421.5	3.4	-1.1	421.5
Capital employed	35.7	39.6	-9.9	35.7	39.6	-9.9
Return on equity, %	12.3	-18.2		11.3	6.1	
Return on capital employed, %	16.9	-15.4		13.0	8.4	
Equity ratio, %	47.2	61.0		47.2	61.0	
Net gearing, %	15.0	-3.4		15.0	-3.4	
Earnings per share, EUR	0.07	-0.12		0.26	0.17	
Earnings per share, diluted, EUR	0.07	-0.12		0.26	0.17	
Equity per share, EUR	1.92	2.64		1.92	2.64	

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 2012 financial statements. The Group has adopted the mandatory IFRS standards that entered into force on 1 January 2013, but they have not had an impact on the Group's financial situation.

OCTOBER - DECEMBER 2013

FINANCIAL PERFORMANCE

The market situation in Central Europe continued to be challenging.

Net sales in the fourth quarter of 2013 were EUR 17.8 (18.6) million. Demand improved in the telecommunication, energy and electrical market segments compared to the corresponding period in 2012. Market demand decreased in the building, construction and infrastructure market segment, transportation industry and machine industry market segments compared to the corresponding period in 2012.

Exel Composites has carried out annual group and cash generating unit level goodwill impairment tests according to IAS 36 in relation with the closing of the accounts. The tests showed no need for impairment.

The Group's operating profit before non-recurring items in the fourth quarter of 2013 improved by 115.3 per cent to EUR 1.9 (0.9) million or 10.6 (5.0) per cent of net sales. Non-recurring items amounting to EUR 0.4 million relating to the transfer of the Brisbane unit to Melbourne and to rental costs of unused facilities in Melbourne for future rental period were recorded in the Australian business unit. The growth was mainly due to efficiency improvement and more efficient cost control. Operating profit after non-recurring items was EUR 1.5 (-1.6) million or 8.4 (-8.6) per cent of net sales.

FINANCIAL YEAR 2013

FINANCIAL PERFORMANCE

Net sales for the financial year 2013 were EUR 69.3 (76.0) million.

The Group's operating profit started to develop positively in the second half of the year thanks to efficiency improvement and more efficient cost control. The Group's operating profit before non-recurring items for the financial year 2013 was EUR 5.5 (5.9) million or 8.0 (7.8) per cent of net sales. The Group's operating profit after non-recurring items was EUR 4.8 (3.4) in the financial year 2013. The operating profit for 2012 included an impairment of EUR 2.5 million and the operating profit for 2013 includes EUR 0.7 million of non-recurring items related to the CEO change and the reorganization of the Australian business unit.

In the local statutory level the parent company recognized a non-cash write-down of Australian subsidiary share holding value totaling EUR 5.5 million. Therefore, the parent company's loss for the financial period was EUR 2.2 million.

A decision to invest in a new laminate production line at Mäntyharju factory was made during the third quarter of 2013. The investment enables us to extend our product range in high specification laminates and to grow in several market segments.

Exel Composites has continued to develop several new customer specific applications in 2013, especially in the building and construction, machine industry, and transportation industry market segments.

The Group's order stock was EUR 10.5 (10.7) million at the end of 2013.

The Group's net financial expenses in 2013 were EUR 0.3 (0.4) million. The Group's profit before taxes was EUR 4.6 (3.0) million and profit after taxes EUR 3.1 (2.0) million.

Fully diluted total earnings per share were EUR 0.26 (0.17). Return on capital employed in 2013 was 13.0 (8.4) per cent. Return on equity was 11.3 (6.1) per cent.

BALANCE SHEET AND FINANCIAL POSITION

Net cash flow from operating activities was positive at EUR +7.8 (+8.2) million due to good working capital management. Cash flow before financing, but after capital expenditure, amounted to EUR 5.0 (5.4) 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 9.4 (9.2) million.

The Group's consolidated total assets at the end of the financial year were EUR 48.5 (51.5) million.

Interest-bearing liabilities amounted to EUR 12.9 (8.2) million. Net interest-bearing liabilities were EUR 3.4 (-1.1) million.

Equity at the end of the financial year was EUR 22.8 (31.4) million and equity ratio 47.2 (61.0) per cent. The net gearing ratio was 15.0 (-3.4) per cent.

The Company paid total dividends during the financial year of EUR 3.6 (5.9) million. Dividend per share was EUR 0.30 (0.50). In addition, a capital repayment of EUR 0.50 per share amounting to EUR 5.9 million was paid from the reserve for invested unrestricted equity in December 2013.

CAPITAL EXPENDITURE AND DEPRECIATION

The capital expenditure on fixed assets amounted to EUR 2.8 (2.8) million.

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

PERSONNEL

The number of employees on 31 December 2013 was 408 (427), of whom 198 (201) worked in Finland and 210 (226) in other countries. The average number of personnel during the financial year was 427 (431).

Temporary lay-offs and permanent personnel reductions took place in several units in 2013. The Group continued to invest in the development of the organization. Especially the sales organization was reinforced.

Corrective actions had a positive impact especially in the UK business unit and improved the financial performance. In 2013 turnaround measures including change in the operating model and transfer of Brisbane unit to Melbourne in Australia were largely completed. The measures taken are expected to improve the Australian unit's profitability. The focus is now on profitable growth.

The harmonization of the Group's operations was continued under the ExelWay-program. ExelWay aims at harmonizing processes between the units and improving co-operation between units in order to enhance productivity and synergies. The project's target is to implement best practices and new global functions and efficient business processes throughout the Group. New processes and practices are implemented in stages. Group-wide practices are supported by our global ERP- and CRM-programs, which are widely in use. The harmonization improves efficiency and co-operation between units and it will be continued in 2014.

RESEARCH AND DEVELOPMENT

Product and technology development costs totaled EUR 1.5 (1.6) million, representing 2.2 (2.1) 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 financial year.

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 6.70 (8.79) and the lowest EUR 5.10 (5.55). At the end of the year, the share price was EUR 5.75 (5.90). The average share price during the financial year was EUR 6.18 (7.05).

Total shareholder return (TSR) in 2013 was 11 (-16) per cent.

A total of 2,022,018 (944,978) shares were traded during the year, which represents 17.0 (7.9) per cent of the average number of shares. On 31 December 2013, Exel Composites' market capitalization was EUR 68.4 (70.2) million.

SHAREHOLDERS AND DISCLOSURES

On 31 December 2013, 1.0 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 was the Swedish investment company Nordstjernen AB, which owned 22.3 per cent of shares at the end of 2013. Other major shareholders included SEB Asset Management S.A. (9.7 per cent), Ilmarinen Mutual Pension Insurance Company (5.8 per cent), OP-Suomi Small Cap Investment Fund

(5.0 per cent) and Ulkomarkkinat Oy (4.0 per cent). At the end of the year, the Company had a total of 2,752 (2,746) shareholders.

Exel Composites received two flagging announcements during the financial year.

On 25 November 2013 Exel Composites received a flagging announcement according to which the holding of Nordstjernan AB had fallen under 25 per cent of the voting rights and share capital in Exel Composites Plc. Through share transactions concluded on 22 November 2013, the holding of Nordstjernan AB decreased from 3,496,506 shares (29.4 per cent) to 2,656,506 shares, representing 22.3 per cent of the shares and voting rights of the Company.

On 25 November 2013 Exel Composites received a flagging announcement according to which the holding of SEB Asset Management S.A. had exceeded 5 per cent of the voting rights and share capital in Exel Composites Plc. Through share transactions concluded on 22 November 2013, the holding of SEB Asset Management rose to 1,000,000 shares, representing 8.4 per cent of the shares and voting rights of the Company.

CORPORATE GOVERNANCE

Exel Composites issues a Corporate Governance Statement for the financial year 2013. 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 2013

The Annual General Meeting of Exel Composites Plc held on 27 March 2013 approved the Board's proposal to distribute a dividend of EUR 0.30 per share for the financial year 2012 amounting to a total of EUR 3.6 (5.9) 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 30 June 2014.

The Annual General Meeting authorised the Board of Directors to decide on the issuance of a maximum of 2,400,000 new shares and/or conveyance of a maximum of 600,000 Company's own shares. The authorisations are valid until 30 June 2016.

DECISIONS OF THE EGM 2013

The Extraordinary General Meeting of Exel Composites Plc held on 10 December 2013 resolved to pay an additional capital repayment of EUR 0.50 per share to shareholders in addition to already paid dividend of EUR 0.30 per share decided by the Annual General Meeting on 27 March 2013. The additional capital repayment amounting to EUR 5.9 million was paid from the reserve for invested unrestricted equity.

BOARD OF DIRECTORS AND AUDITORS

On 27 March 2013, the Annual General Meeting appointed Heikki Hiltunen, Peter Hofvenstam, Göran Jönsson, Reima Kerttula and Heikki Mairinoja to continue on 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 13 times in 2013 and the average attendance rate at these meetings was 98.5 per cent. The fees paid to the Board of Directors totaled EUR 163 (178) thousand in 2013.

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 Senior 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 2013. In 2013 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, acting as an expert member. The Nomination Board met twice in 2013.

Ernst & Young, Authorized Public Accountants, with Juha Hilmola, APA, as principal auditor, were elected to serve as company auditor in the AGM in 2013.

The fees paid to the auditors for audit services totaled EUR 177 (174) thousand and for non-audit services EUR 71 (78) thousand in 2013.

MANAGEMENT

Mr. Kari Loukola was appointed VP Sales and Marketing and member of the Group Management Team as of 1 August 2013.

A new incentive program for the Company executives was approved by the Board of Directors in May 2013. The aim of the new program is to combine the objectives of the shareholders and the executives in order to increase the value of the Company, to commit the executives to the Company and to offer the executives a competitive reward program. The new program is based on a long-term monetary performance reward, and the program is targeted at approximately 20 executives for the earning period 2013 – 2015. The President and CEO and the members of the Group Management Team are included in the target group of the new incentive program.

The incentive program includes one earning period, the calendar years 2013 – 2015. The potential long-term monetary performance reward from the program for the earning period 2013 – 2015 will be based on the Group's cumulative Economic Profit and on the Group's Total Shareholder Return (TSR).

The potential reward from the earning period 2013 – 2015 will be paid in 2016. No reward will be paid to an executive, if his or her employment or service with the Group Company ends before the reward payment.

The maximum reward to be paid on the basis of the earning period 2013 – 2015 will be one million EUR.

MAJOR NEAR-TERM RISKS AND UNCERTAINTIES

The most significant near-term business risks are related to the general economic development, government regulations and 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 to put pressure on profitability. 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 2013 that are applicable to Exel Composites' business operations, including all SIC- and IFRIC-interpretations thereon, have been complied with when preparing year 2013 and

comparable year 2012 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 REVIEW PERIOD

The Board of Directors of Exel Composites Plc. appointed Riku Kytömäki as new President and CEO of Exel Composites in September 2013. He assumed his duties on 2 January 2014. He succeeded Vesa Korpimies, who gave up his duties as President and CEO on 1 January 2014.

A new incentive program for the Company executives was approved by the Board of Directors on 11 February 2014. The aim of the new program is to combine the objectives of the shareholders and the executives in order to increase the value of the Company, to commit the executives of the Company and to offer the executives a competitive reward program. The new program is based on a long-term monetary performance reward, and the program is targeted at approximately 20 executives for the earning period 2014 – 2016. The President and CEO and the members of the Group Management Team are included in the target group of the new incentive program.

The new program includes one earning period, the calendar years 2014 – 2016. The potential long-term monetary performance reward from the program for the earning period 2014 – 2016 will be based on the Group's cumulative Economic Profit and on the Group's Total Shareholder Return (TSR).

The potential reward from the earning period 2014 – 2016 will be paid in 2017. No reward will be paid to an executive, if his or her employment or service with the Group Company ends before the reward payment.

The maximum reward to be paid on the basis of the earning period 2014 – 2016 will be one million EUR.

OUTLOOK FOR 2014

The Company has reinforced the organization to work on sales development as well as on operational efficiency and productivity improvement. The market has stabilized but remains challenging. The Company will monitor the general market development and react with additional measures if needed. Uncertainties relating to general growth prospects in the economy continue, however some positive signs can be seen especially in laminate and demanding carbon tubes market. The Company is well-positioned to grow profitably when the markets recover.

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 2013 Exel Composites Plc's distributable funds totaled EUR 10,769 thousand.

An additional capital repayment of EUR 0.50 per share was paid to shareholders in December 2013 in addition to already paid dividend of EUR 0.30 per share decided by the 2013 Annual General Meeting. The additional capital repayment amounting to EUR 5.9 million was paid from the reserve for invested unrestricted equity. Taking this into account, the Board of Directors of the Company does not propose any dividend distribution to the Annual General Meeting 2014 for the financial year 2013.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

EUR thousand	1.10. – 31.12. 2013	1.10. – 31.12. 2012	Change, %	1.1. – 31.12. 2013	1.1. – 31.12. 2012	Change, %
--------------	---------------------------	---------------------------	-----------	--------------------------	--------------------------	-----------

Net sales	17,770	18,634	-4.6	69,290	75,998	-8.8
Materials and services	-6,443	-7,670	16.0	-26,037	-29,986	13.2
Employee benefit expenses	-5,388	-5,095	-5.8	-21,128	-21,077	-0.2
Depreciation and impairment	-683	-3,304	79.3	-2,691	-5,387	50.0
Other operating expenses	-4,035	-4,345	7.1	-15,258	-17,057	10.5
Other operating income	267	173	54.3	667	909	-26.6
Operating profit	1,486	-1,608	192.4	4,843	3,399	42.5
Net financial items	9	-109	108.3	-286	-428	33.2
Profit before tax	1,495	-1,717	187.1	4,557	2,971	53.4
Income taxes	-705	246	386.6	-1,477	-940	-57.1
Profit/loss for the period	790	-1,471	153.7	3,080	2,031	51.6
Other comprehensive income:						
Exchange differences on translating foreign operations	-620	-504	23.0	-2,174	133	-1,734.6
Other comprehensive income, net of tax	-620	-504	23.0	-2,174	133	-1,734.6
Total comprehensive income	170	-1,976	108.6	906	2,164	-58.1
Profit/loss attributable to: Equity holders of the parent company	790	-1,471		3,080	2,031	
Comprehensive income						

attributable to: Equity holders of the parent company	170	-1,976	906	2,164
Earnings per share, diluted and undiluted, EUR	0.07	-0.12	0.26	0.17

CONDENSED CONSOLIDATED BALANCE SHEET

EUR thousand	31.12.2013	31.12.2012	Change
ASSETS			
Non-current assets			
Goodwill	9,393	10,898	-1,505
Other intangible assets	921	1,220	-299
Tangible assets	10,796	10,681	115
Deferred tax assets	641	752	-111
Other non-current assets	70	64	6
Non-current assets total	21,821	23,615	-1,794
Current assets			
Inventories	7,936	9,129	-1,193
Trade and other receivables	9,273	9,513	-240
Cash at bank and in hand	9,438	9,245	193
Current assets total	26,648	27,887	-1,239
Total assets	48,468	51,502	-3,034
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	2,141	2,141	0
Other reserves	72	45	27
Invested unrestricted equity fund	2,539	8,488	-5,949
Translation differences	2,164	4,337	-2,173
Retained earnings	12,844	14,396	-1,552
Profit for the period	3,080	2,031	1,049
Total equity attributable to equity holders of the parent company	22,841	31,438	-8,597
Total equity	22,841	31,438	-8,597
Non-current liabilities			
Interest-bearing liabilities	1,761	8,168	-6,407
Interest-free liabilities	402	411	-9
Deferred tax liabilities	440	377	63
Current liabilities			
Interest-bearing liabilities	11,105	11	11,094
Trade and other non-current liabilities	11,920	11,098	822

Total liabilities	25,628	20,064	5,564
Total equity and liabilities	48,468	51,502	-3,034

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR thousand	Share Capital	Other Reserves	Invested Unrestricted Equity Fund	Translation Differences	Retained Earnings	Total
Balance at 1 January 2012	2,141	30	8,488	4,204	20,255	35,118
Comprehensive result	0	0	0	133	2,031	2,164
Other items	0	15	0	0	89	104
Dividend						-5,948
Balance at 31 December 2012	2,141	45	8,488	4,337	16,427	31,438
Balance at 1st January 2013	2,141	45	8,488	4,337	16,427	31,438
Comprehensive result	0	0	0	-2,174	3,080	906
Other items	0	27	0	0	-14	14
Additional capital repayment			-5,948			-5,948
Dividend					-3,569	-3,569
Balance at 31 December 2013	2,141	72	2,539	2,164	15,924	22,841

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	1.1. – 31.12. 2013	1.1. – 31.12. 2012	Change
Cash Flow from Operating Activities			
Profit for the period	3,080	2,031	1,049
Adjustments	4,088	7,170	-3,082
Change in working capital	1,658	1,223	435
Cash Flow Generated by Operations	8,826	10,424	-1,598
Interest paid	-213	-259	46
Interest received	39	80	-41

Other financial items	-196	-155	-41
Income taxes paid	-668	-1,897	1,229
Net Cash Flow from Operating Activities	7,788	8,193	-405
Cash Flow from Investing Activities			
Acquisitions	0	0	0
Disposal of business	0	0	0
Capital expenditure	-2,767	-2,846	79
Proceeds from sale of fixed assets	0	16	-16
Cash Flow from Investing Activities	-2,767	-2,830	63
Cash Flow from Financing			
Share issue	0	0	0
Proceeds from long-term borrowings	0	0	0
Instalments of long-term borrowings	-5,000	0	-5,000
Change in short-term loans	9,700	0	9,700
Instalments of finance lease liabilities	-11	-10	-1
Additional capital repayment	-5,948	0	-5,948
Dividends paid	-3,569	-5,948	2,379
Net Cash Flow from Financing	-4,828	-5,948	1,130
Change in Liquid Funds	193	-595	788
Liquid funds in the beginning of period	9,245	9,840	-595
Change in liquid funds	193	-595	788
Liquid funds at the end of period	9,438	9,245	193

QUARTERLY KEY FIGURES

EUR thousand	IV/ 2013	III/ 2013	II/ 2013	I/ 2013	IV/ 2012	III/ 2012	II/ 2012	I/ 2012
Net sales	17,770	17,075	17,548	16,897	18,634	17,054	19,791	20,519
Materials and services	-6,443	-6,709	-6,455	-6,430	-7,670	-6,706	-7,491	-8,119
Employee benefit expenses	-5,388	-4,983	-5,448	-5,309	-5,095	-4,422	-5,942	-5,618
Depreciation and impairment	-683	-650	-684	-673	-3,304	-619	-723	-742
Operating expenses	-4,035	-3,731	-3,510	-3,981	-4,345	-4,052	-4,209	-4,452
Other operating income	267	79	159	163	173	107	390	240
Operating profit	1,486	1,081	1,609	666	-1,608	1,362	1,816	1,828

Net financial items	9	-271	-48	24	-109	-206	-30	-83
Profit before taxes	1,495	810	1,562	691	-1,717	1,156	1,786	1,745
Income taxes	-705	-237	-399	-136	246	-266	-485	-435
Profit/loss for the period	790	573	1,162	555	-1,471	890	1,302	1,310
Earnings per share, EUR	0.07	0.05	0.10	0.05	-0.12	0.07	0.11	0.11
Earnings per share, EUR, diluted	0.07	0.05	0.10	0.05	-0.12	0.07	0.11	0.11
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	417	427	427	436	431	433	435	428

COMMITMENTS AND CONTINGENCIES

EUR thousand	31.12.2013	31.12.2012
On own behalf		
Mortgages	2,783	2,783
Corporate mortgages	12,500	12,500
Lease liabilities		
- in next 12 months	810	1,061
- in next 1-5 years	994	2,404
Other commitments	6	6

DERIVATIVE FINANCIAL INSTRUMENTS

Nominal values EUR thousand	31.12.2013	31.12.2012
Interest rate derivatives		
Interest rate swaps	5,000	5,000
Purchased interest rate options	0	0

CONSOLIDATED KEY FIGURES

EUR thousand	1.1. – 31.12. 2013	1.1. – 31.12. 2012	Change, %
Continuing operations			
Net sales	69,290	75,998	-8.8
Operating profit	4,843	3,399	42.5
% of net sales	7.0	4.5	
Profit before tax	4,557	2,971	43.4
% of net sales	6.6	3.9	
Profit for the period	3,080	2,031	51.6
% of net sales	4.4	2.7	
Shareholders' equity	22,841	31,438	-27.3
Interest-bearing liabilities	12,866	8,179	57.3
Cash and cash equivalents	9,438	9,245	2.1
Net interest-bearing liabilities	3,428	-1,066	421.5
Capital employed	35,707	39,617	-9.9
Return on equity, %	11.3	6.1	
Return on capital employed, %	13.0	8.4	
Equity ratio, %	47.2	61.0	
Net gearing, %	15.0	-3.4	
Capital expenditure	2,767	2,846	-2.8
% of sales	4.0	3.7	
Research and development costs	1,511	1,606	-5.9
% of net sales	2.2	2.1	
Order stock	10,458	10,677	-2.1
Earnings per share, EUR	0.26	0.17	52.9
Earnings per share, EUR, diluted	0.26	0.17	52.9
Equity per share, EUR	1.92	2.64	-27.3
Average number of shares			
- cumulative	11,897	11,897	
- cumulative, diluted	11,897	11,897	
Average number of employees	427	431	

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 27 March 2014 beginning at 10.30 am at Kansallissali at the address of Aleksanterinkatu 44, Helsinki, Finland.

FINANCIAL REPORTING IN 2014

The 2013 Annual Report will be published on the Company's website on Thursday 6 March 2014 at www.exelcomposites.com.

The Group will issue quarterly interim reports on 7 May, 24 July and 4 November 2014.

PRESS CONFERENCE

Exel Composites will hold an analyst and press conference regarding the financial statements today Wednesday 12 February 2014 at 12.30 pm in the Neptun Cabinet of the Scandic Hotel Marski at Mannerheimintie 10, 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, 12 February 2014

EXEL COMPOSITES PLC
Board of Directors

Riku Kytömäki
President and CEO

FURTHER INFORMATION:

Riku Kytömäki, President and CEO, tel. +358 50 511 8288, or email riku.kytomaki@exelcomposites.com
Ilkka Silvanto, CFO and Administrative Director, tel. +358 50 598 9553, or email ilkka.silvanto@exelcomposites.com

DISTRIBUTION

NASDAQ OMX Helsinki Ltd.
Main news media
www.exelcomposites.com

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.