

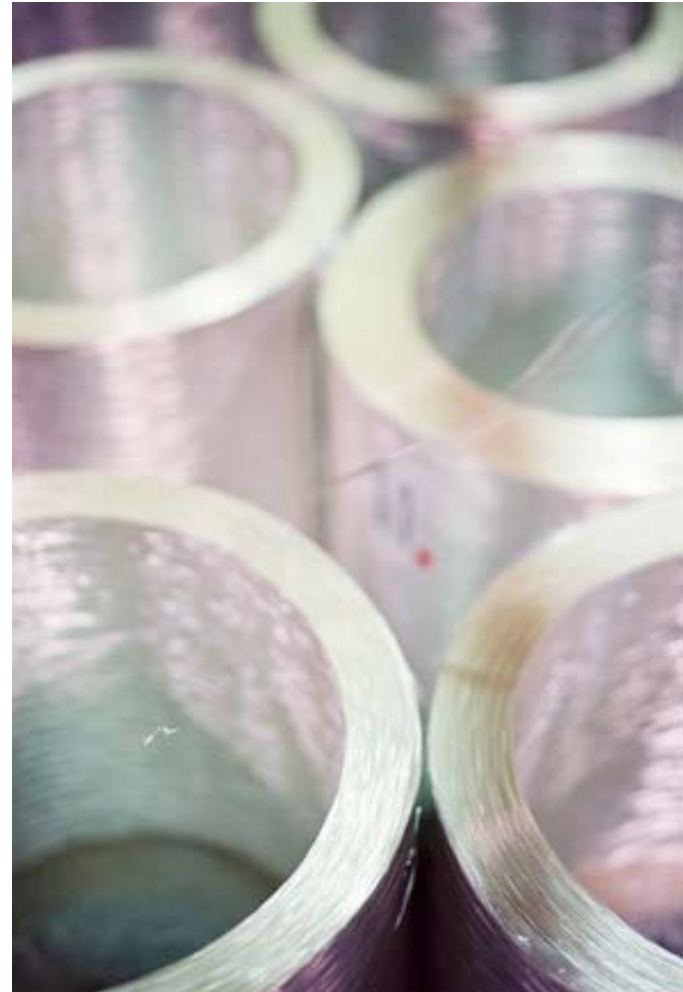
# **Presentation Q3 2009**

**29th October 2009**

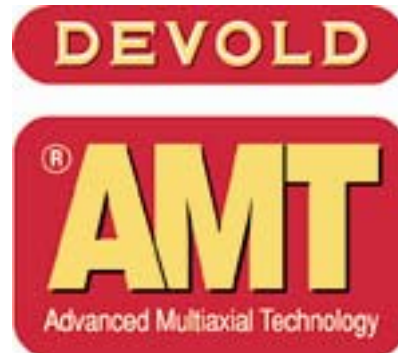
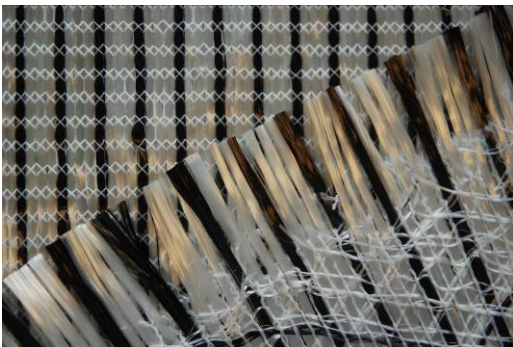
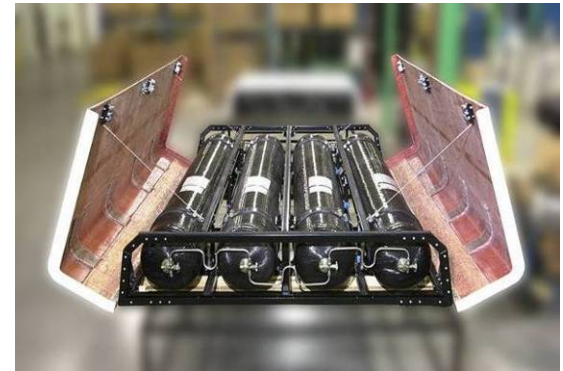
Erik Espeset, Group President  
Michael Rice, Investor Relations

# Agenda

- Brief Hexagon overview
- Key figures
- Business Units
- Group financials
- Summary
- Q & A



# Hexagon Composites ASA



# Summary Q3 2009

- Best ever EBITDA and EBIT
- Quarterly turnover over 225 MNOK  
third quarter running
- Balance sheet reduced by a further  
40 MNOK
- Sale of Comrod shares completed

# Key figures Q3 comparison

<b>Key figures</b> (NOK 1 000)	<b>Q3 2009</b>	<b>Q3 2008</b>	<b>Change</b>
Sales Revenue	<b>225 655</b>	194 017	16%
EBITDA	<b>39 468</b>	24 849	59%
EBIT	<b>25 898</b>	13 539	91%
EBIT %	<b>11.5 %</b>	7.0 %	
Profit before tax	<b>34 874</b>	6 980	400%

## Profit and Loss Account cumulative comparison

<b>P/L Account</b> (NOK 1 000)	<b>30.09.2009</b>	30.09.2008	Change
Sales Revenue	<b>683 167</b>	556 601	23%
EBITDA	<b>112 995</b>	67 807	67%
EBIT	<b>71 009</b>	36 747	93%
EBIT %	<b>10.4%</b>	6.6%	
Profit before tax	<b>85 583</b>	14 629	485%



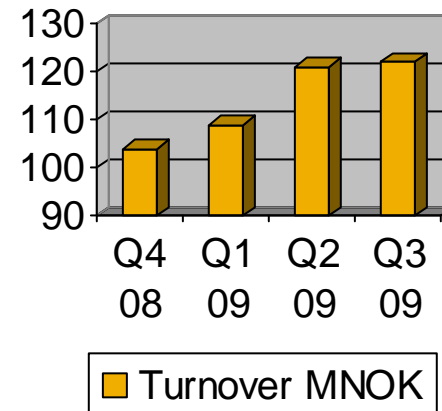
# Q3 2009 - Business Units



# Key points & outlook



- New quarterly record for LPG cylinder production and turnover fourth quarter running
- All LPG capacity available for the remainder of 2009 expected to be sold
- The scope of the capacity increase investment program for year end increased by a further 10 MNOK
- Passenger car CNG container production moderate production levels in Q1/Q2/Q3 - negative contribution similar picture for Q4 increasing production levels in 2010







## Financial comparison Q3

<b>RAGASCO</b>			
	<b>Q3 2009</b>	<b>Q3 2008</b>	<b>Change</b>
<b>Total Sales</b>	<b>122 005</b>	<b>75 415</b>	<b>62%</b>
<b>EBITDA</b>	<b>33 092</b>	<b>16 102</b>	<b>106%</b>
<b>EBIT</b>	<b>24 795</b>	<b>8 192</b>	<b>203%</b>
<b>EBIT %</b>	<b>20.3%</b>	<b>10.9%</b>	

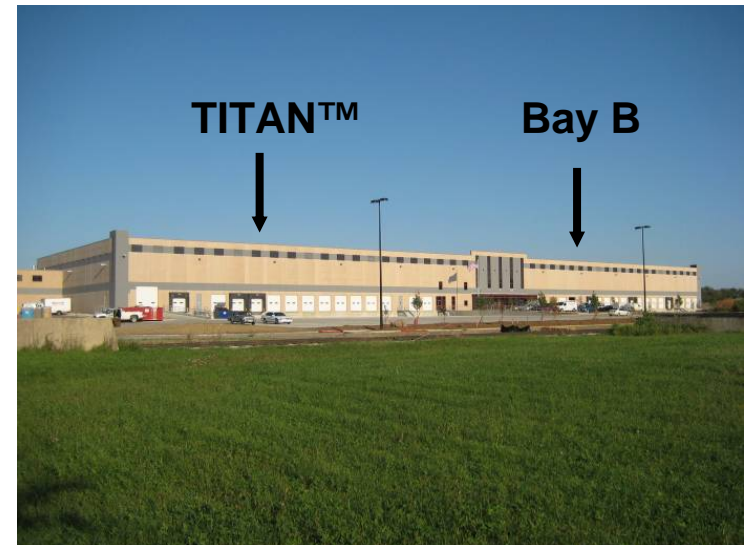


## Financial comparison - cumulative to Q3

<b>RAGASCO</b>			
	<b>30.09.2009</b>	<b>30.09.2008</b>	<b>Change</b>
<b>Total Sales</b>	<b>351 925</b>	<b>222 205</b>	<b>58%</b>
<b>EBITDA</b>	<b>98 602</b>	<b>49 784</b>	<b>98%</b>
<b>EBIT</b>	<b>70 772</b>	<b>29 458</b>	<b>140%</b>
<b>EBIT %</b>	<b>20.1%</b>	<b>13.3%</b>	

## Key points & outlook

- **TITAN™**
  - Testing & approval specification expected completion in early Q4 – slight delay with final test
  - Ground work for country specific approvals well in process
  - Market potential high
- **TUFFSHELL®** production facility (Bay B) relocation on schedule, production begun, full closedown at "old" facility by end Q4
- **CNG bus activity Q4 expectations**
  - Stable USA sales
  - Weaker European sales due to motor regulations
- Continuing strong activity/interest re Hydrogen



## Financial comparison Q3

<b>Lincoln Composites / Raufoss Fuel Systems</b>			
	<b>Q3 2009</b>	<b>Q3 2008</b>	<b>Change</b>
<b>Total Sales</b>	<b>68 353</b>	<b>56 151</b>	<b>22%</b>
<b>EBITDA</b>	<b>6 101</b>	<b>3 118</b>	<b>96%</b>
<b>EBIT</b>	<b>2 822</b>	<b>1 675</b>	<b>68%</b>
<b>EBIT %</b>	<b>4.1%</b>	<b>3.0%</b>	

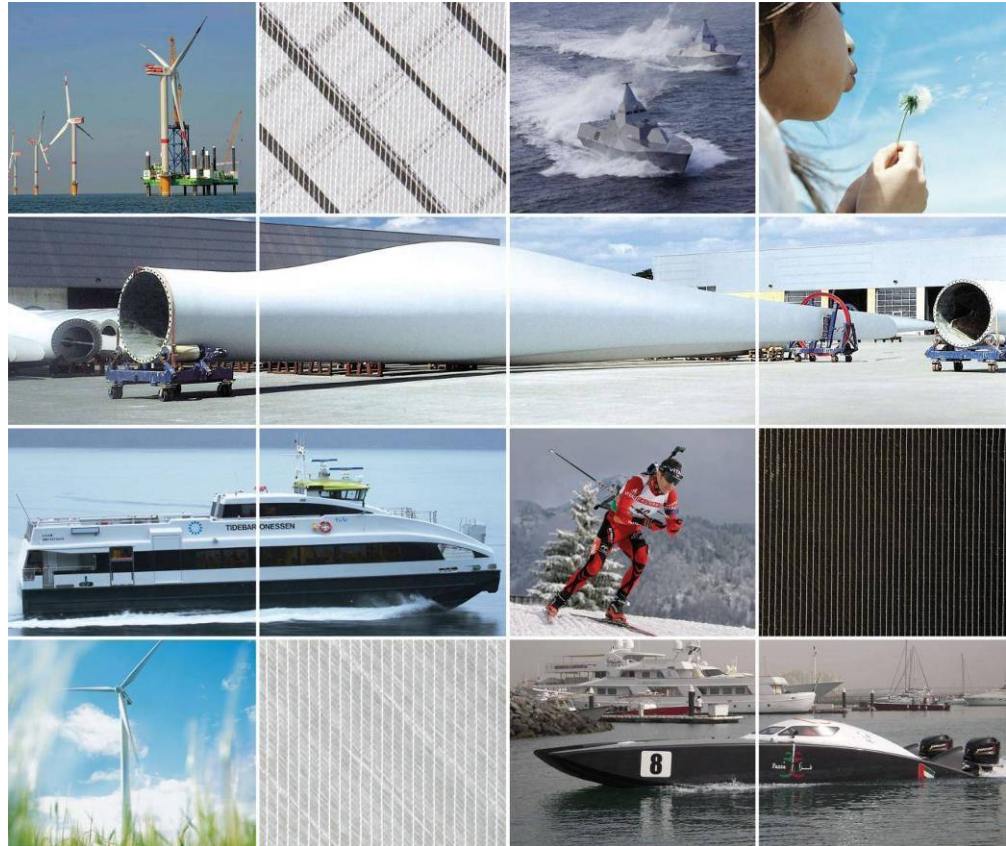
## Financial comparison – cumulative to Q3

<b>Lincoln Composites / Raufoss Fuel Systems</b>			
	<b>30.09.2009</b>	<b>30.09.2008</b>	<b>Change</b>
<b>Total Sales</b>	<b>200 232</b>	<b>141 322</b>	<b>42%</b>
<b>EBITDA</b>	<b>20 913</b>	<b>7 697</b>	<b>172%</b>
<b>EBIT</b>	<b>12 981</b>	<b>3 514</b>	<b>269%</b>
<b>EBIT %</b>	<b>6.5%</b>	<b>2.5%</b>	



## Key Points & outlook

- Small operating profit in the USA and Lithuania, negative result in Norway
- Cost reduction measures implemented having positive effect
- Reasonable carbon activity but very weak activity for the wind sector
- Wind power
  - Approx. 90% of sales
  - Low utilisation of available capacity
  - All of 2009 expected to be effected
  - Medium/long term return to growth expected





## Financial comparison Q3

<b>Devold AMT</b>			
	<b>Q3 2009</b>	<b>Q3 2008</b>	<b>Change</b>
<b>Total Sales</b>	<b>35 571</b>	<b>62 704</b>	<b>-43%</b>
<b>EBITDA</b>	<b>958</b>	<b>7 560</b>	<b>-87%</b>
<b>EBIT</b>	<b>-1 034</b>	<b>5 603</b>	<b>-118%</b>
<b>EBIT %</b>	<b>-2.9%</b>	<b>8.9%</b>	





## Financial comparison – cumulative to Q3

<b>Devold AMT</b>			
	<b>30.09.2009</b>	<b>30.09.2008</b>	<b>Change</b>
<b>Total Sales</b>	<b>132 205</b>	<b>195 142</b>	<b>-32%</b>
<b>EBITDA</b>	<b>230</b>	<b>16 937</b>	<b>-99%</b>
<b>EBIT</b>	<b>-5 994</b>	<b>10 385</b>	<b>-158%</b>
<b>EBIT %</b>	<b>-4.5%</b>	<b>5.3%</b>	

**DEVOLD**



## Q3 Financials - Last two quarters

<b>Devold AMT</b>			
	<b>Q3 2009</b>	<b>Q2 2009</b>	<b>Change</b>
<b>Total Sales</b>	<b>35 571</b>	<b>36 295</b>	<b>-2%</b>
<b>EBITDA</b>	<b>958</b>	<b>-5 687</b>	<b>117%</b>
<b>EBIT</b>	<b>-1 034</b>	<b>-7 960</b>	<b>87%</b>
<b>EBIT %</b>	<b>-2.9%</b>	<b>-21.9%</b>	

# **Q3 2009 - Group Financials**

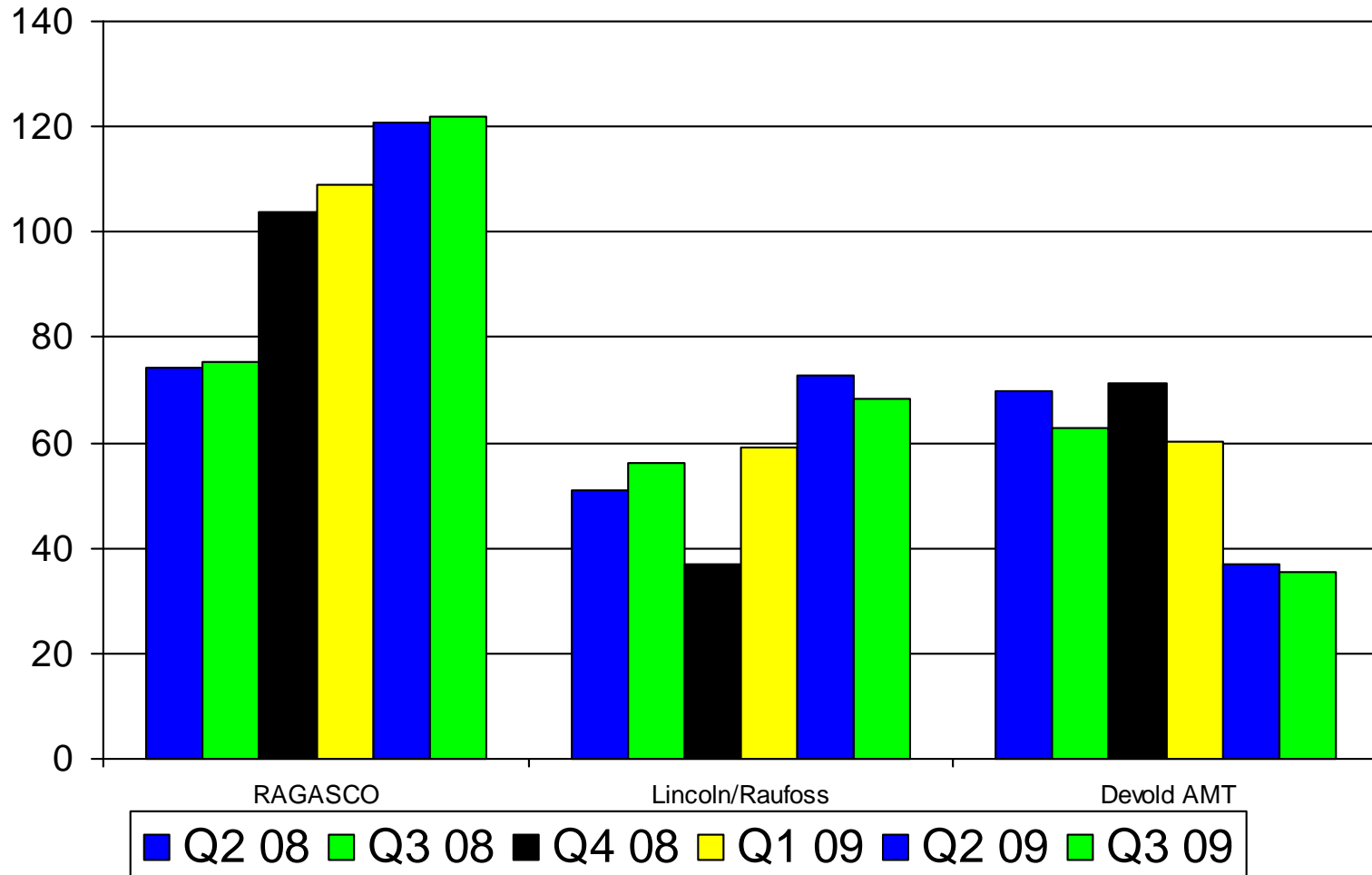
# Profit and Loss Account Q3 comparison

<b>Key figures</b> (NOK 1 000)	<b>Q3 2009</b>	<b>Q3 2008</b>	<b>Change</b>
Sales Revenue	<b>225 655</b>	194 017	16%
EBITDA	<b>39 468</b>	24 849	59%
EBIT	<b>25 898</b>	13 539	91%
EBIT %	<b>11.5%</b>	7.0%	
Profit before tax	<b>34 874</b>	6 980	400%

## Profit and Loss Account cumulative comparison

<b>P/L Account</b> (NOK 1 000)	<b>30.09.2009</b>	<b>30.09.2008</b>	<b>Change</b>
Sales Revenue	<b>683 167</b>	556 601	23%
EBITDA	<b>112 995</b>	67 807	67%
EBIT	<b>71 009</b>	36 747	93%
EBIT %	<b>10.4%</b>	6.6%	
Profit before tax	<b>85 583</b>	14 629	485%

# Turnover per Business Unit



# Balance sheet as per 30.09.2009

## Assets

<b>Balance Sheet - Assets</b>	<b>30.09.2009</b>	<b>30.06.2009</b>	<b>Change</b>
<b>Intangible assets</b>	<b>118 546</b>	<b>122 827</b>	<b>-4 281</b>
<b>Tangible fixed assets</b>	<b>259 045</b>	<b>272 117</b>	<b>-13 072</b>
<b>Investments in associates *</b>	<b>52 561</b>	<b>57 845</b>	<b>-5 284</b>
<b>Other financial fixed assets</b>	<b>2 588</b>	<b>834</b>	<b>1 754</b>
<b>Inventories</b>	<b>112 452</b>	<b>134 122</b>	<b>-21 670</b>
<b>Receivables</b>	<b>184 075</b>	<b>181 123</b>	<b>2 952</b>
<b>Bank deposits, cash and similar</b>	<b>6 405</b>	<b>6 712</b>	<b>-307</b>
<b>Total Assets</b>	<b>735 672</b>	<b>775 579</b>	<b>-39 907</b>

(NOK 1 000)

\* 25% of Comrod Communication ASA and 28.3% holding in Carbontech Holding AS



# Balance sheet per 30.09.2009

## Liabilities and Equity

<b>Balance Sheet - Liabilities and Equity</b>	<b>30.09.2009</b>	<b>30.06.2009</b>	<b>Change</b>
<b>Paid-in capital</b>	<b>177 106</b>	<b>176 789</b>	<b>317</b>
<b>Other equity</b>	<b>76 002</b>	<b>55 553</b>	<b>20 449</b>
<b>Provisions</b>	<b>23 440</b>	<b>27 018</b>	<b>-3 578</b>
<b>Interest-bearing long-term liabilities</b>	<b>310 163</b>	<b>308 538</b>	<b>1 625</b>
<b>Interest-bearing current liabilities</b>	<b>32 946</b>	<b>52 772</b>	<b>-19 826</b>
<b>Other current liabilities</b>	<b>116 014</b>	<b>154 908</b>	<b>-38 894</b>
<b>Total Liabilities and Equity</b>	<b>735 672</b>	<b>775 579</b>	<b>-39 907</b>

(NOK 1 000)

# Cash Flow Statement as at 30.09.2009

<b>Cash Flow Statement</b> (NOK 1 000)	<b>30.09.2009</b>
<b>Profit before tax</b>	<b>85 583</b>
<b>Depreciation and write-downs</b>	<b>41 986</b>
<b>Change in net working capital</b>	<b>-37 677</b>
<b>Net cash flow from operations</b>	<b>89 892</b>
<b>Net cash flow from investment activities</b>	<b>-45 051</b>
<b>Net cash flow from financing activities</b>	<b>-48 374</b>
<b>Net change in cash and cash equivalents</b>	<b>-3 533</b>
<b>Cash and cash equivalents at start of period</b>	<b>9 938</b>
<b>Cash and cash equivalents at end of period</b>	<b>6 405</b>
<b>Available unused credit facility</b>	<b>83 941</b>



# **Q3 2009 - Summary**

# Summary Q3 2009



- Record quarterly EBIT.
- 100+ MNOK turnover for the 4th Quarter in a row.
- Moderate production and delivery for Car cylinders –small negative contribution.
- LPG production levels comfortably in line with 1.25 million annual units goal.
- Likely available production capacity for the remainder of 2009 sold.
- Investment for increased production capability necessary to match 2010 expectations, to take place at year end. Increased by 10 MNOK

# Summary Q3 2009



- CNG bus market stable in the USA and much improved in Europe.
- Weaker Q4 for European bus market.
- TITAN™ testing/approval process virtually complete.
- New “Bay B” progressing on schedule – production has started.
- Hydrogen activity/interest still good.

# Summary Q3 2009



- Composite Reinforcements market slow down continuing due to the wind energy sector.
- Financing and incentive delays and uncertainty (wind energy).
- Cost reduction measures taken – with positive effect
- Activity in the wind energy sector will be low for the whole of 2009.
- Return to underlying trend of growth for the wind energy industry 2010+

# **Q3 2009 - Q & A**