

Presentation Q4 2009

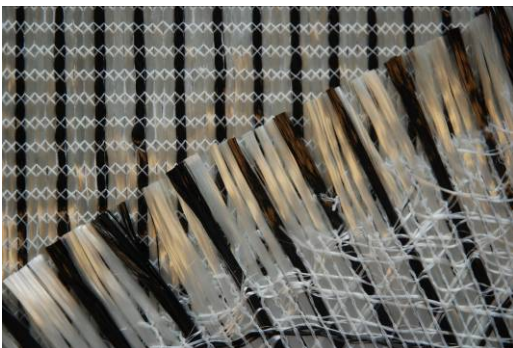
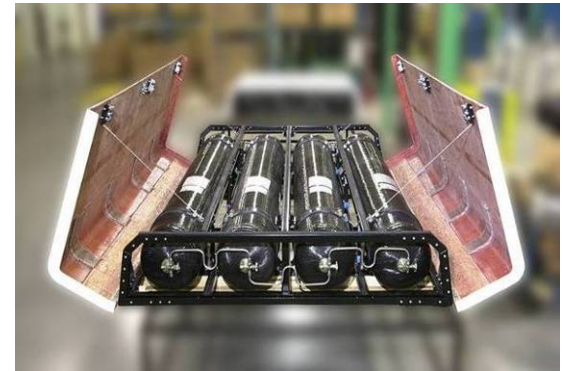
16th February 2010

Erik Espeset, Group President
Tor Olsen Husø, CFO

Agenda - 4th Quarter 2009 Results

- Brief Hexagon overview
- Key figures
- Business Units
- Group financials
- Summary
- Outlook 2010
- Q & A

Hexagon Composites ASA



Profit and Loss Account cumulative comparison

P/L Account (NOK 1 000)	2009	2008	Change
Sales Revenue	866 234	767 273	13%
EBITDA	128 529	105 633	22%
EBIT	71 863	59 624	21%
EBIT %	8,3%	7,8%	
Profit before tax	86 353	-9 769	984%

Pension effect in 2008 +19 MNOK

Key figures Q4 comparison

Key figures (NOK 1 000)	Q4 2009	Q4 2008	Change
Sales Revenue	183 067	210 672	-13%
EBITDA	15 534	37 827	-59%
EBIT	854	22 878	-96%
EBIT %	0,5 %	10,9 %	
Profit before tax	770	-24 397	103%

Pension effect in 2008 +19 MNOK



Q4 2009 - Business Units

Key points

- Investment at year end, increased production capacity successfully implemented.
- 2009: Records for cylinder production and turnover
- 2009: Record EBIT & Profit before tax
- Little "financial crisis" effect in 2009
- Strong order book for 2010





Q4 Financials – Composite containers

RAGASCO			
	Q4 2009	Q4 2008	Change
Total Sales	99 763	103 843	-4 080
EBITDA	18 929	26 667	-7 738
EBIT	10 176	17 582	-7 406
EBIT %	10,20 %	16,93 %	



Q4 Financials – Last 2 quarters

RAGASCO			
	Q4 2009	Q3 2009	Change
Total Sales	99 763	122 005	-22 242
EBITDA	18 929	33 092	-14 163
EBIT	10 176	24 795	-14 619
EBIT %	10,20 %	20,32 %	



Cumulative year to year financial comparison

RAGASCO			
	2009	2008	Change
Total Sales	451 688	326 048	125 640
EBITDA	117 531	76 451	41 080
EBIT	80 948	47 040	33 908
EBIT %	17,92 %	14,43 %	

Key points & outlook

- CNG Buses - TUFFSHELL®
 - Completion of new TUFFSHELL® facility “Bay B”
 - “Old” TUFFSHELL® facility will be closed in Q1 2010
 - Production capacity increased
 - Stable and strong US market in 2009
 - Improved European market in 2009

- TITAN™
 - Testing and certification completed
 - Country specific approvals in process
 - Yearly production capacity approx. 50 modules

- Hydrogen
 - Continued strong interest
 - Funded development projects
 - Supply to new stations in Berlin, Oslo & Drammen



Q4 Financials - High Pressure Containers

Lincoln Composites / Raufoss Fuel Systems			
	Q4 2008	Q4 2008	Change
Total Sales	50 889	36 960	13 929
EBITDA	1 160	1 775	-615
EBIT	-2 387	-1 678	-709
EBIT %	-4,69 %	-4,54 %	

Q4 Financials – Last 2 quarters

Lincoln Composites / Raufoss Fuel Systems

	Q4 2009	Q3 2009	Change
Total Sales	50 889	68 353	-17 464
EBITDA	1 160	6 101	-4 941
EBIT	-2 387	2 822	-5 209
EBIT %	-4,69 %	4,13 %	

Cumulative year to year financial comparison

Lincoln Composites / Raufoss Fuel Systems			
	2009	2008	Change
Total Sales	251 120	178 282	72 838
EBITDA	22 073	9 471	12 602
EBIT	10 594	1 836	8 758
EBIT %	4,22 %	1,03 %	

DEVOLD



Key Points & outlook

- Supply to the wind energy industry dominates turnover from the business
- Restructuring 2009/2010
 - machine relocation
 - personnel downsizing
- 2010: Stronger market for carbon reinforcement in the marine sector
- Continued weak wind energy developement for Devold AMT in 1H 2010



DEVOLD



Q4 Financials - Composite Reinforcements

Devold AMT			
	Q4 2009	Q4 2008	Change
Total Sales	32 989	71 361	-38 372
EBITDA	-1 611	10 326	-11 937
EBIT	-3 967	7 915	-11 882
EBIT %	-12,03 %	11,09 %	

DEVOLD



Q4 Financials - Last 2 quarters

Devold AMT			
	Q4 2009	Q3 2009	Change
Total Sales	32 989	35 571	-2 582
EBITDA	-1 611	958	-2 569
EBIT	-3 967	-1 034	-2 933
EBIT %	-12,03 %	-2,91 %	



Cumulative year to year financial comparison

Devold AMT			
	2009	2008	Change
Total Sales	165 193	266 504	-101 311
EBITDA	-1 382	27 263	-28 645
EBIT	-9 960	18 300	-28 260
EBIT %	-6,03 %	6,87 %	

Q4 2009 - Group Financials

Profit and Loss Account 2009

P/L Account (NOK 1 000)	2009	2008	Change
Sales Revenue	866 234	767 273	13%
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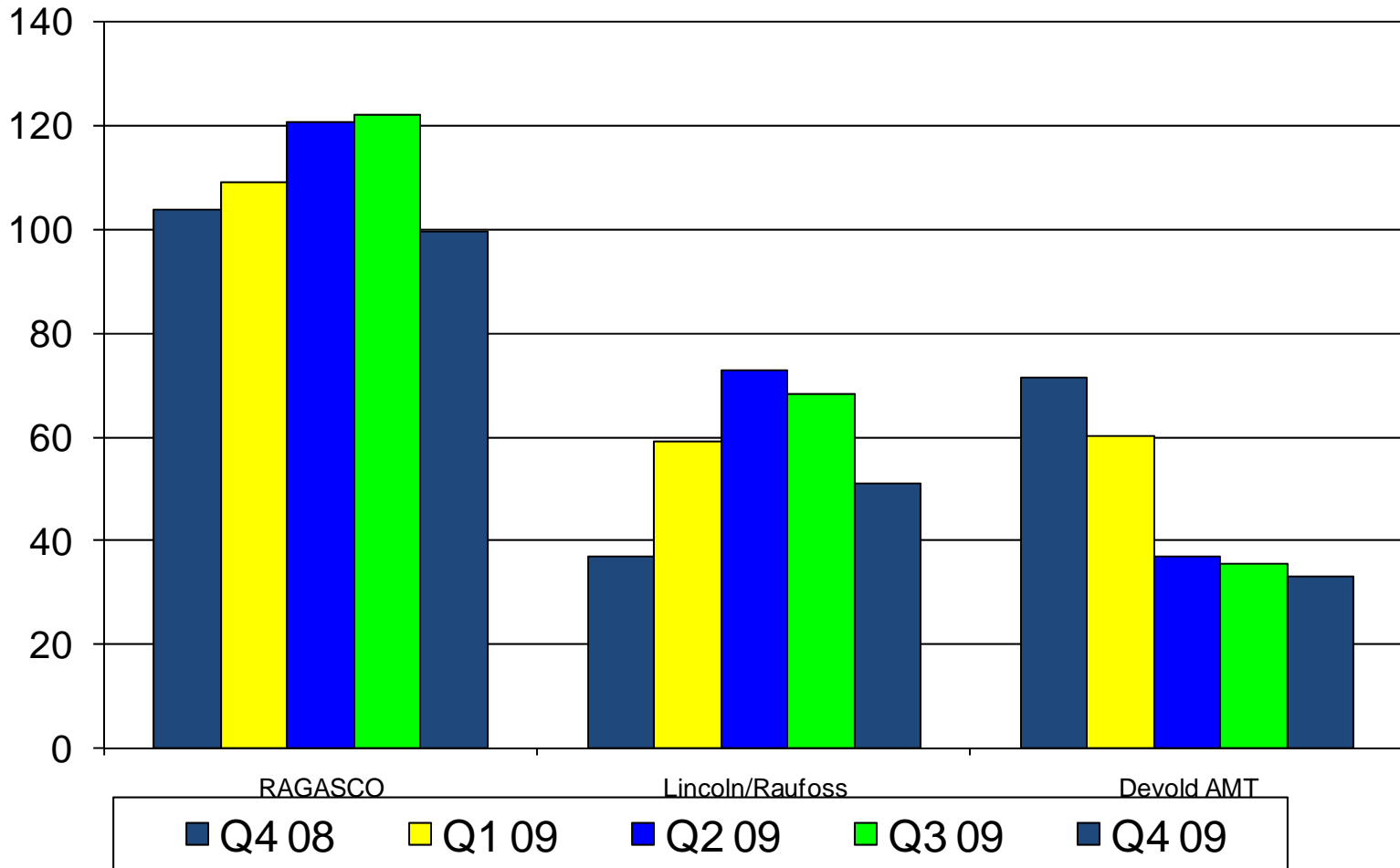
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Profit and Loss Account Q4 2009

Key figures (NOK 1 000)	Q4 2009	Q4 2008	Change
Sales Revenue	183 067	210 672	-13%
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EBIT	854	22 878	-96%
EBIT %	0,5 %	10,9 %	
Profit before tax	770	-24 397	103%

Pension effect in 2008 +19 MNOK

Turnover per Business Unit



Balance sheet as per 31.12.2009

Assets

Balance Sheet - Assets	31.12.2009	30.09.2009	Change
Intangible assets	125 379	118 546	6 833
Tangible fixed assets	286 201	259 045	27 156
Investments in associates	6 097	52 561	-46 464
Other financial fixed assets	863	2 588	-1 725
Inventories	95 627	112 452	-16 825
Receivables	198 211	184 075	14 136
Bank deposits, cash and similar	46 563	6 405	40 158
Total Assets	758 942	735 672	23 270

(NOK 1 000)

Balance sheet per 31.12.2009

Liabilities and Equity

Balance Sheet - Liabilities and Equity	31.12.2009	30.09.2009	Change
Paid-in capital	177 359	177 106	253
Other equity	80 522	76 002	4 520
Provisions	23 979	23 440	539
Interest-bearing long-term liabilities	309 929	310 163	-234
Interest-bearing current liabilities	30 698	32 946	-2 248
Other current liabilities	136 455	116 014	20 441
Total Liabilities and Equity	758 942	735 672	23 270

(NOK 1 000)

Cash Flow Statement as at 31.12.2009

Cash Flow Statement (NOK 1 000)	31.12.2009
Profit before tax	86 353
Depreciation and write-downs	56 665
Change in net working capital	-1 482
Net cash flow from operations	141 536
Net cash flow from investment activities	-46 685
Net cash flow from financing activities	-58 225
Net change in cash and cash equivalents	36 625
Cash and cash equivalents at start of period	9 938
Cash and cash equivalents at end of period	46 563
Available unused credit facility	85 633

Balance sheet as per 31.12.2009

Assets

Balance Sheet - Assets (NOK 1 000)	31.12.2009	31.12.2008	Change
Intangible assets	125 379	135 926	-10 547
Tangible fixed assets	286 201	279 625	6 576
Investments in associates	6 097	58 087	-51 990
Other financial fixed assets	863	649	214
Inventories	95 627	145 551	-49 924
Receivables	198 211	176 374	21 837
Bank deposits, cash and similar	46 563	9 938	36 625
Total Assets	758 942	806 150	-47 208

Balance sheet per 31.12.2009

Liabilities and Equity

Balance Sheet - Liabilities and Equity	31.12.2009	31.12.2008	Change
Paid-in capital	177 359	176 114	1 245
Other equity	80 522	24 755	55 767
Provisions	23 979	37 199	-13 220
Interest-bearing long-term liabilities	309 929	311 825	-1 896
Interest-bearing current liabilities	30 698	60 184	-29 486
Other current liabilities	136 455	196 073	-59 618
Total Liabilities and Equity	758 942	806 150	-47 208

(Nok 1 000)



Summary & Outlook

Summary



- Record turnover and results.
- 100+/- MNOK turnover every quarter in 2009.
- LPG production levels achieved 1.2 million annual units goal for 2009.
- Investment of 35 MNOK to further increase production capacity for 2010, successfully implemented.
 - New production capacity as per end of Q1 2010 of 1.5m
 - Ramp up towards 2m production rate by year end 2010
- Breakthroughs in the Middle East
- Reduced retest interval for Europe – now in line with steel cylinders

Summary



- CNG bus market stable in the USA and much improved in Europe
- Weaker Q4 for European bus market (new motor emission requirements)
- TITAN™ testing/approval process completed. Country specific approvals pending
- New “Bay B” on line with improved production capabilities
- ”Old” facility closes Q1 2010
- Hydrogen activity/interest still good
- Funded development work started in 2009 for Composite Risers

Summary



- Stronger activity for the marine sector (Carbon reinforcement)
- Restructuring 2009/2010
 - machine relocation
 - personnel downsizing
- Continued weak wind energy development for Devold AMT in 1H 2010

Q4 2009 - Q & A