



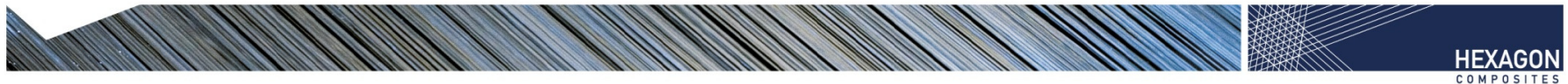
FIRST QUARTER 2012 RESULTS

Erik Espeset, Group President | Tor Olsen Husø, CFO

Oslo, 11 May 2012

AGENDA FIRST QUARTER REPORT 2012

- ▶ Hexagon Composites overview
- ▶ Key figures
- ▶ Business units
- ▶ Group financials
- ▶ Summary & outlook
- ▶ Q & A



THIS IS HEXAGON COMPOSITES



HEXAGON COMPOSITES ASA

COMPOSITE CONTAINERS
FOR PROPANE, NATURAL GAS AND BIOGAS



HIGH-PRESSURE CONTAINERS
NATURAL GAS, BIOGAS AND HYDROGEN

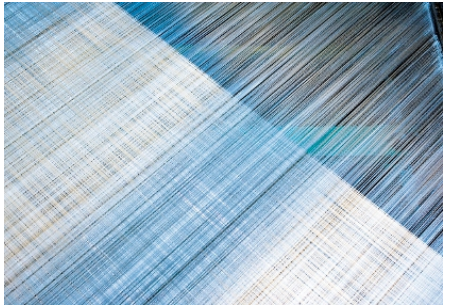


COMPOSITE REINFORCEMENTS
FOR LIGHTWEIGHT CONSTRUCTIONS

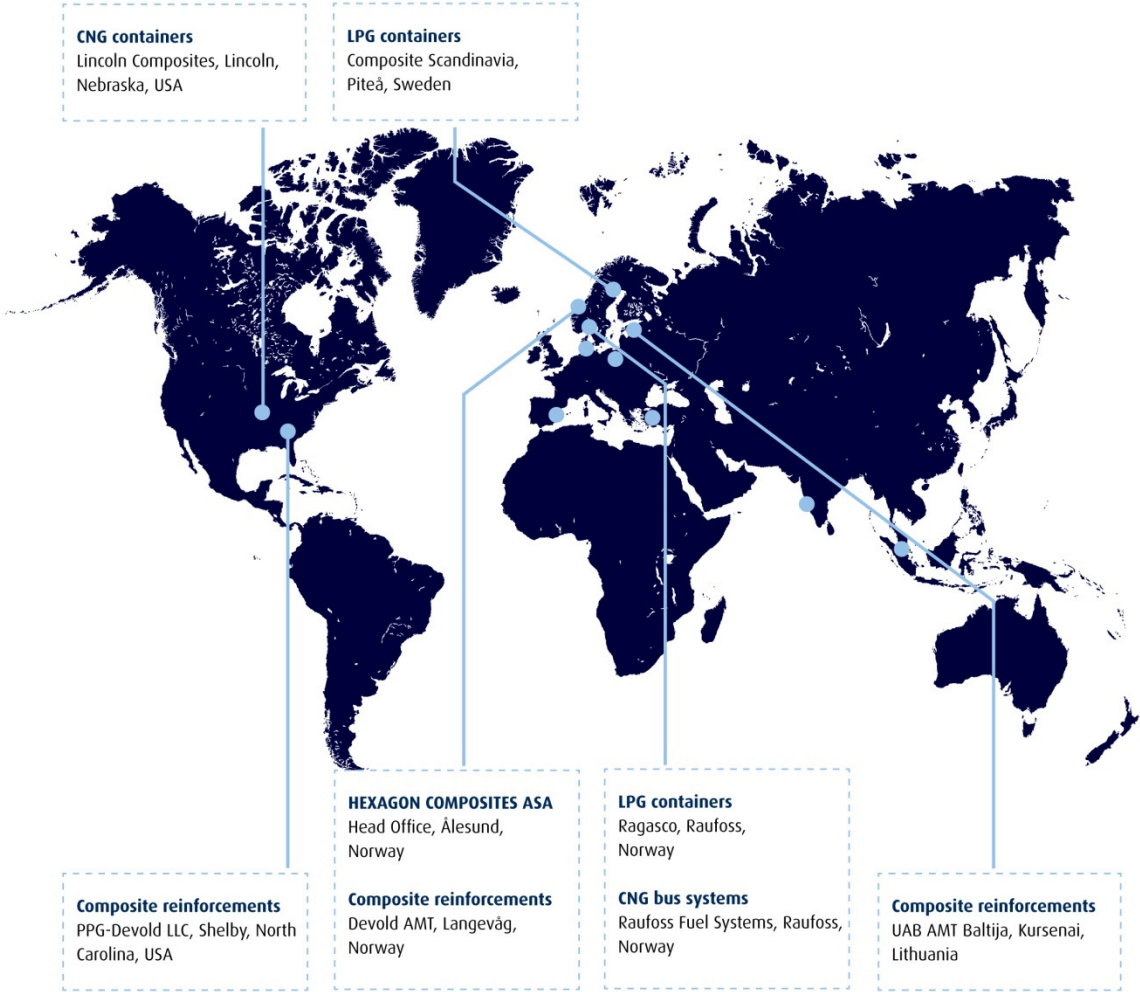


UAB AMT BALTIFA

PPG-DEVOLD LLC
(50/50)



GLOBAL PRESENCE



HIGHLIGHTS Q1 2012

- ▶ Hexagon Composites receives special permit from the U.S. DOT
- ▶ Decision to discontinue the production of LPG containers in Composite Scandinavia
- ▶ The Annual General Meeting approved to not pay dividends.
- ▶ Hexagon Composites entered a Joint-venture agreement with the Russian company Autocomponent



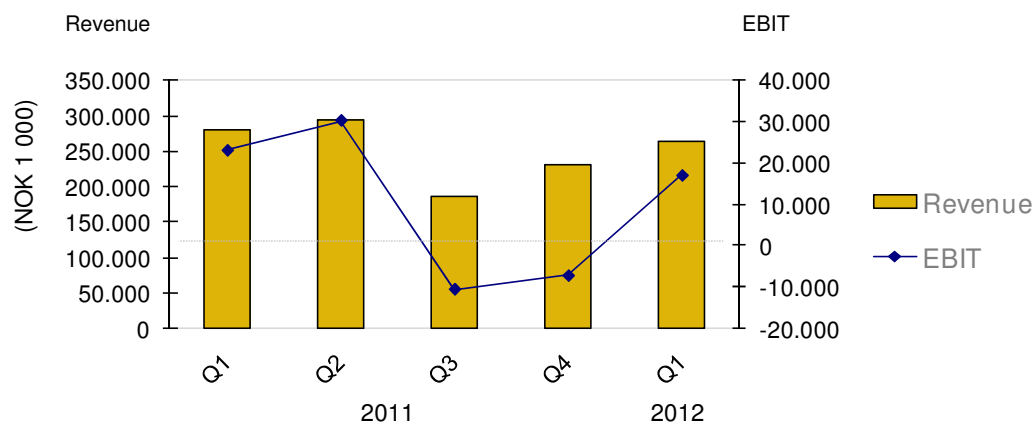
GROUP KEY FIGURES

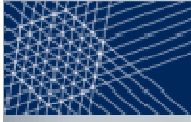
	Q1 2011	Q4 2011	Q1 2012
Total Sales	280 520	231 819	263 598
EBITDA	42 858	11 853	34 872
EBIT	23 005	-7 278	16 952
EBIT %	8,20 %	-3,14 %	6,43 %

Q1 operating results

- Weaker turnover compared to Q1 2011 - improved compared to Q4 2011
- Improved operating margin compared to previous quarter
- Implemented Group cost reduction measures start to yield results
- Strong growth in the High-pressure business unit

Total Sales and EBIT last quarters





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Q1 2012 - BUSINESS UNITS



COMPOSITE CONTAINERS



- ▶ Reduced turnover compared to Q1 2011 however growth compared to Q4 2011.
- ▶ Ragasco focus on the product area for LPG containers.
- ▶ Decision to discontinue the production of LPG containers in Composite Scandinavia.
- ▶ Signed joint-venture agreement with the Russian company Autocomponent.
- ▶ Continued strong focus on sales activities.



COMPOSITE CONTAINERS

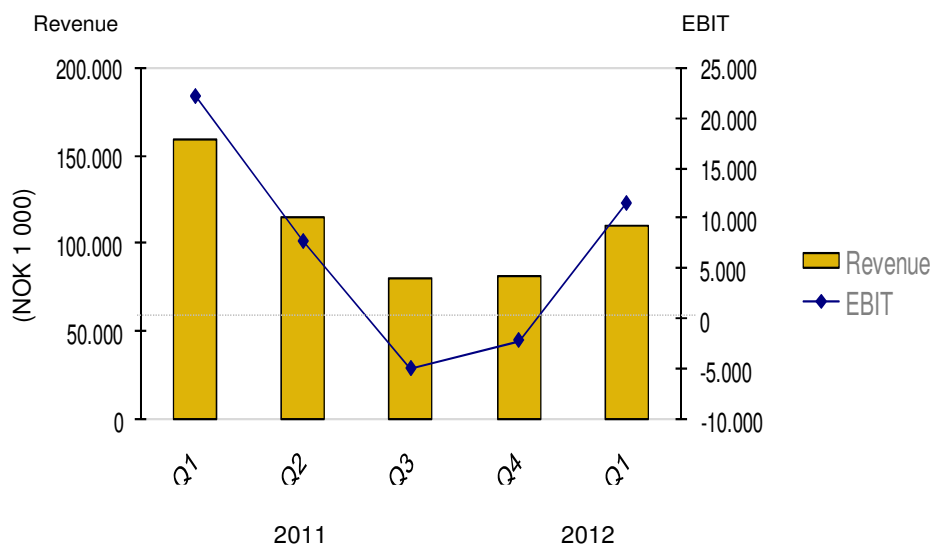


	Q1 2011	Q4 2011	Q1 2012
Total Sales	159 438	81 162	109 811
EBITDA	36 431	10 740	22 912
EBIT	22 273	-2 189	11 542
EBIT %	13,97 %	-2,70 %	10,51 %

Q1 operating results

- Reduced turnover compared to Q1 2011, growth compared to Q4 2011.
- Improved operating margin, mainly due to increased capacity utilisation and improved product mix
- CS restructuring costs of NOK 2 million.
- Satisfactory order book for 1st half of 2012 – 2nd half is still not clarified

Total Sales and EBIT last quarters



HIGH PRESSURE CONTAINERS



- ▶ Improved turnover compared to Q1 2011, stable compared to Q4 2011
- ▶ Focusing on maintaining its leading position in a rapidly growing CNG market.
- ▶ Continued strong growth in the North American CNG vehicle market
- ▶ Growth in the European bus market in Q1
- ▶ U.S. DOT special permit for TITAN™
- ▶ Weak TITAN™ sales



HIGH PRESSURE CONTAINERS

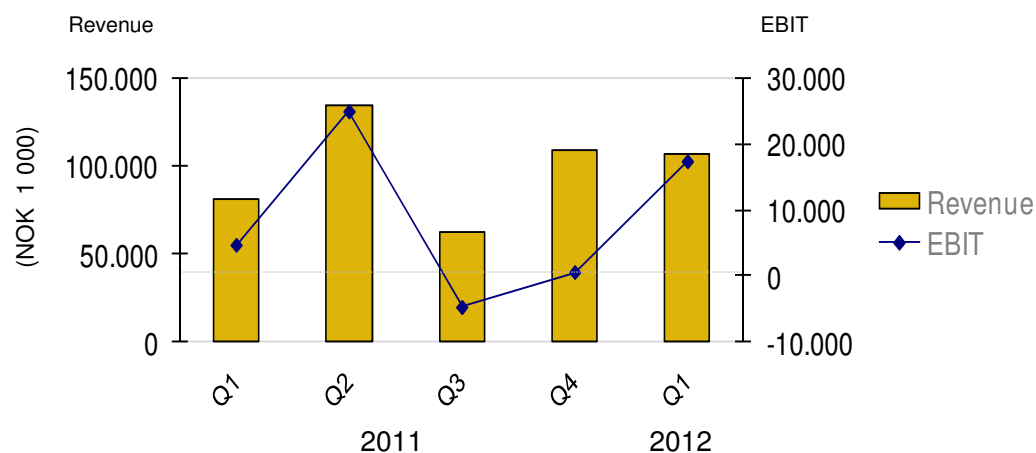


	Q1 2011	Q4 2011	Q1 2012
Total Sales	80 824	109 031	107 077
EBITDA	8 338	4 394	21 650
EBIT	4 681	570	17 310
EBIT %	5,79 %	0,52 %	16,17 %

Q1 operating results

- Improved turnover compared to Q1 2011, stable compared to Q4 2011
- Improved EBIT, mainly due to increased turnover and slightly reduced fixed costs.
- Good order situation for 2012

Total Sales and EBIT last quarters



COMPOSITE REINFORCEMENTS



- ▶ Improved turnover compared to Q1 2011 and Q4 2011
- ▶ Remaining production of reinforcements in Langevåg will be moved to Lithuania during the summer
- ▶ Continued positive sales development



COMPOSITE REINFORCEMENTS

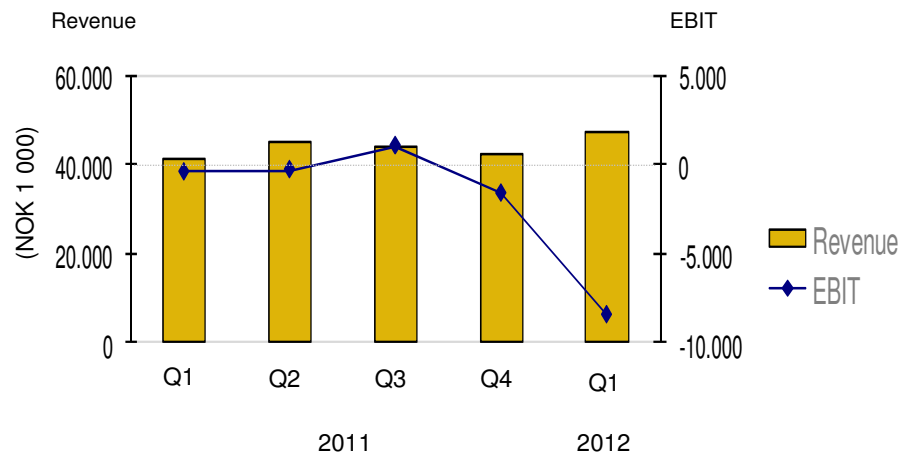


	Q1 2011	Q4 2011	Q1 2012
Total Sales	40 994	42 342	47 131
EBITDA	1 474	603	-6 406
EBIT	-439	-1 640	-8 487
EBIT %	-1,07 %	-3,87 %	-18,01 %

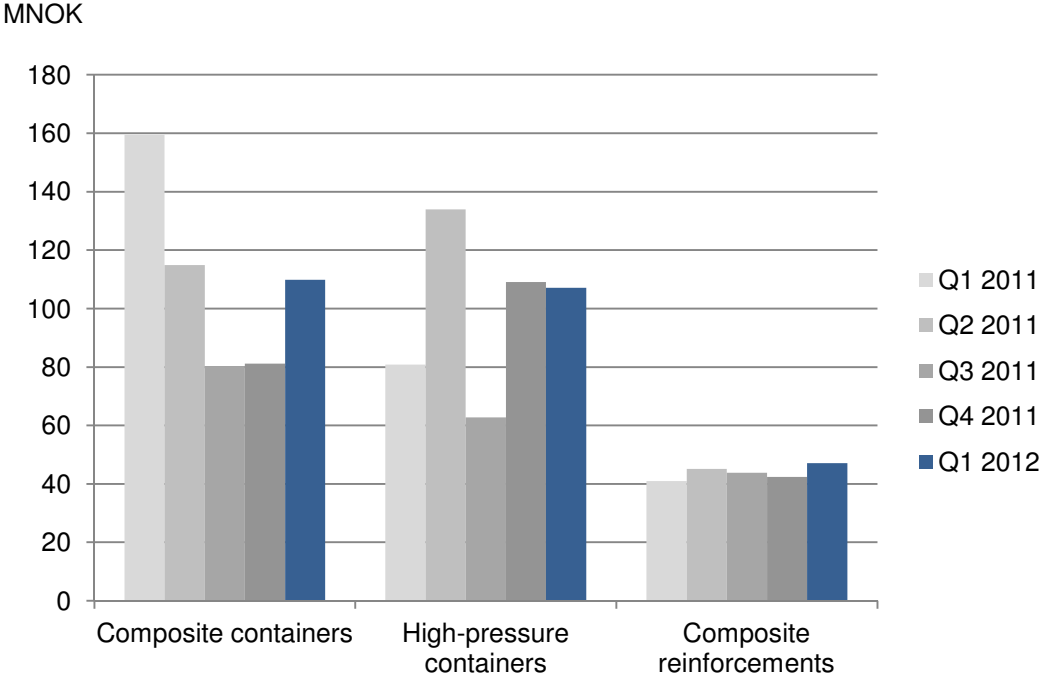
Q1 operating results

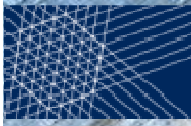
- Improved turnover compared to Q1 2011 and Q4 2011
- Reduced EBIT, mainly due to restructuring costs of NOK 6 million related to the relocation
- By assembling all production facilities in Lithuania the company will yield lower costs and increasing margins.

Total Sales and EBIT last quarters



TURNOVER PER BUSINESS UNIT





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Q1 2012 – GROUP FINANCIALS

PROFIT AND LOSS ACCOUNT Q1 2012

Key figures	(NOK 1 000)	Q1 2012	Q1 2011	Change
Sales Revenue		263 598	280 520	-6%
EBITDA		34 872	42 858	-19%
Depreciation		17 920	19 854	-10%
EBIT		16 952	23 005	-26%
Income from investments in associates		-229	-108	112%
Other financial items (net)		-4 168	-3 826	9%
Profit before tax		12 556	19 071	-34%
EBITDA %		13,2 %	15,3 %	-13%
EBIT %		6,4 %	8,2 %	-22%

BALANCE SHEET AS PER 31.03.2012

ASSETS

Balance Sheet - Assets	31.03.2012	31.12.2011	Change
(NOK 1 000)			
Intangible assets	114 963	120 244	-5 281
Tangible fixed assets	250 280	264 502	-14 222
Investments in associates	2 184	2 413	-229
Other financial fixed assets	2 542	2 495	47
Inventories	204 733	196 779	7 954
Receivables	217 646	193 970	23 676
Bank deposits, cash and similar	19 840	16 204	3 636
Total Assets	812 188	796 606	15 582

BALANCE SHEET AS PER 31.03.2012

LIABILITIES AND EQUITY

Balance Sheet - Liabilities and Equity	31.03.2012	31.12.2011	Change
(NOK 1 000)			
Paid-in capital	103 678	103 616	62
Other equity	165 276	161 283	3 993
Provisions	14 116	14 322	-206
Interest-bearing long-term liabilities	305 914	307 021	-1 107
Interest-bearing current liabilities	32 179	44 199	-12 020
Other current liabilities	191 026	166 166	24 860
Total Liabilities and Equity	812 188	796 606	15 582

BALANCE SHEET AS PER 31.03.2012

ASSETS

Balance Sheet - Assets	31.03.2012	31.03.2011	Change
(NOK 1 000)			
Intangible assets	114 963	130 875	-15 912
Tangible fixed assets	250 280	276 391	-26 111
Investments in associates	2 184	5 392	-3 208
Other financial fixed assets	2 542	2 373	169
Inventories	204 733	190 934	13 799
Receivables	217 646	253 260	-35 614
Bank deposits, cash and similar	19 840	8 312	11 528
Total Assets	812 188	867 536	-55 348

BALANCE SHEET AS PER 31.03.2012

LIABILITIES AND EQUITY

Balance Sheet - Liabilities and Equity	31.03.2012	31.03.2011	Change
(NOK 1 000)			
Paid-in capital	103 678	103 309	369
Other equity	165 276	161 197	4 079
Provisions	14 116	19 276	-5 160
Interest-bearing long-term liabilities	305 914	306 860	-946
Interest-bearing current liabilities	32 179	82 891	-50 712
Other current liabilities	191 026	194 004	-2 978
Total Liabilities and Equity	812 188	867 536	-55 348

CASH FLOW STATEMENT AS AT 31.03.2012

Cash Flow Statement	31.03.2012	31.03.2011
(NOK 1 000)		
Profit before tax	12 556	19 071
Depreciation and write-downs	17 920	19 854
Change in net working capital	-5 780	-14 964
Net cash flow from operations	24 695	23 961
Net cash flow from investment activities	-4 123	-4 384
Net cash flow from financing activities	-16 937	-20 292
Net change in cash and cash equivalents	3 636	-716
Cash and cash equivalents at start of period	16 204	9 028
Cash and cash equivalents at end of period	19 840	8 312
Available unused credit facility	102 981	67 522

KEY FIGURES AS AT 31.03.2012

KEY FIGURES	31.03.2012	31.03.2011	31.12.2011
Equity ratio	33,1%	30,5 %	33,3%
Equity/Capital employed	44,3%	40,4 %	43,0%
Return on equity (annualised)	12,1%	21,0 %	7,4%
Total return (annualised)	8,1%	11,1 %	5,5%
Liquidity ratio I	1,98	1,63	1,93
Earnings per share	0,06	0,10	0,14
Diluted earnings per share	0,06	0,10	0,14
Cash flow from operations per share	0,19	0,18	0,88
Equity per share	2,02	1,98	1,99
Interest-bearing liabilities	338.092	389.751	351.220



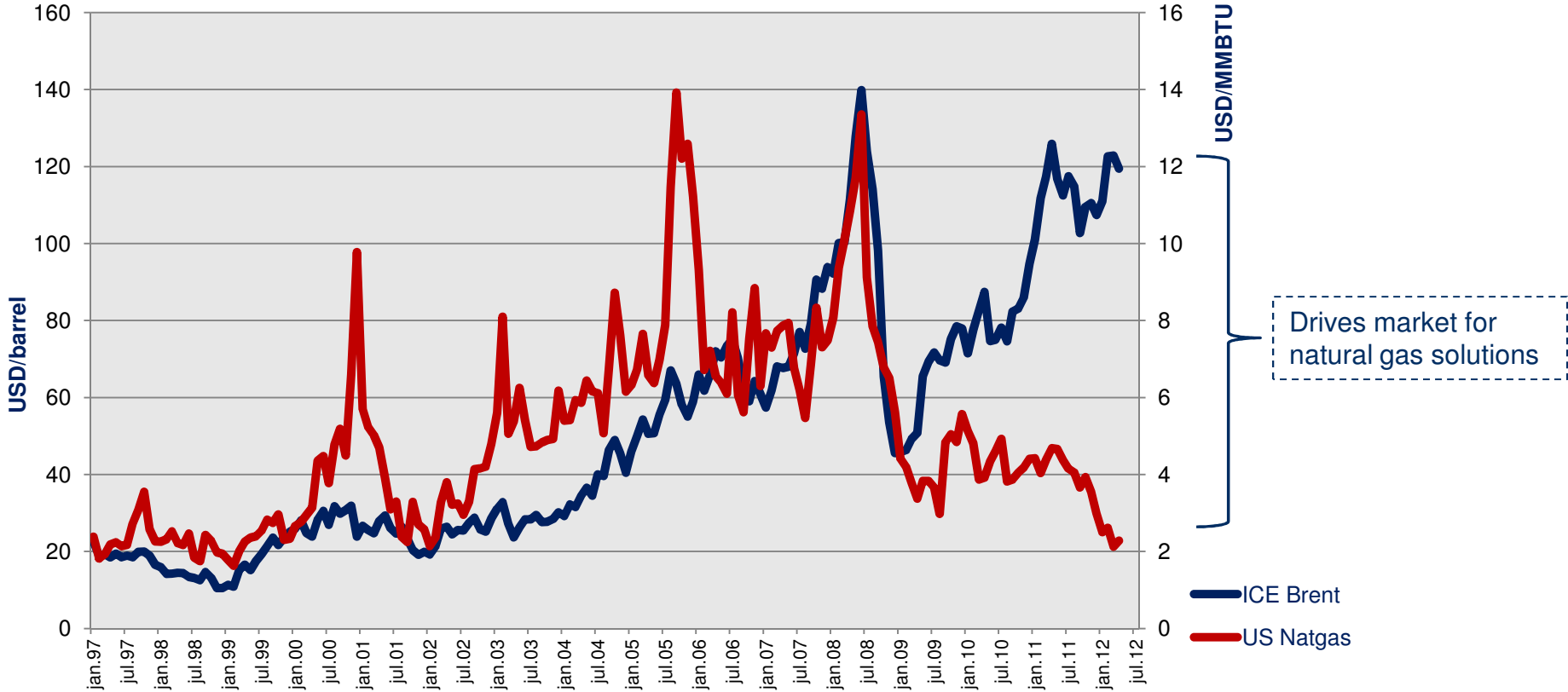
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SUMMARY & OUTLOOK



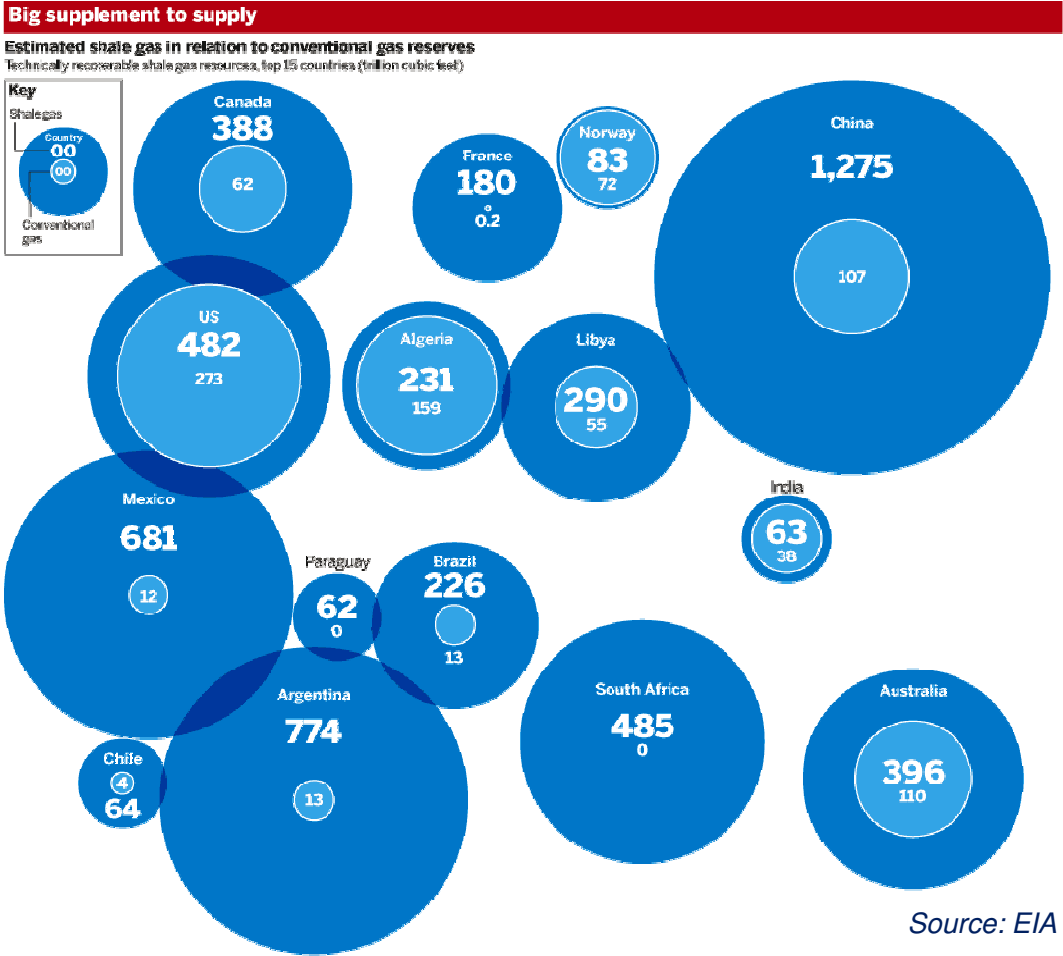
OIL AND NATURAL GAS

ICE Brent og US Natgas - Historical



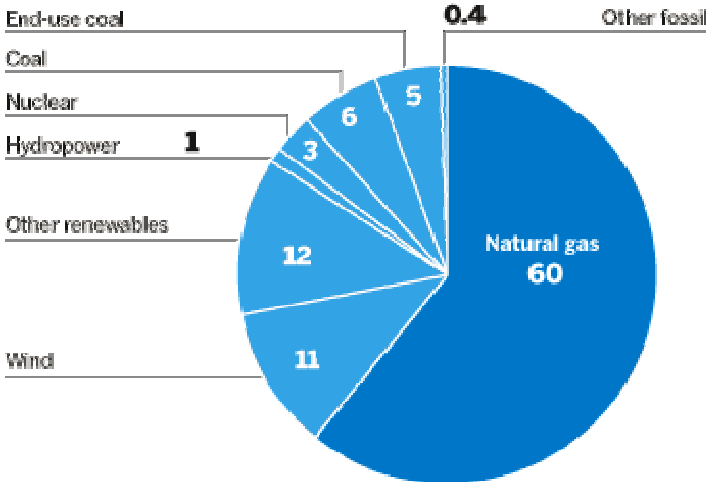
NEW GLOBAL MEGATREND?

World gas reserves



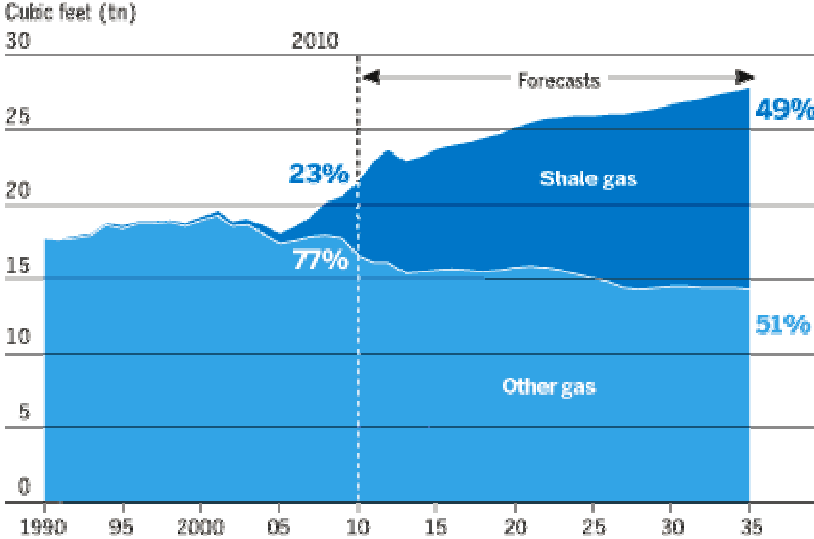
US ELECTRICITY CAPACITY AND PRODUCTION

Estimated US electricity capacity additions by fuel
2009-2035 (%)



Source: EIA

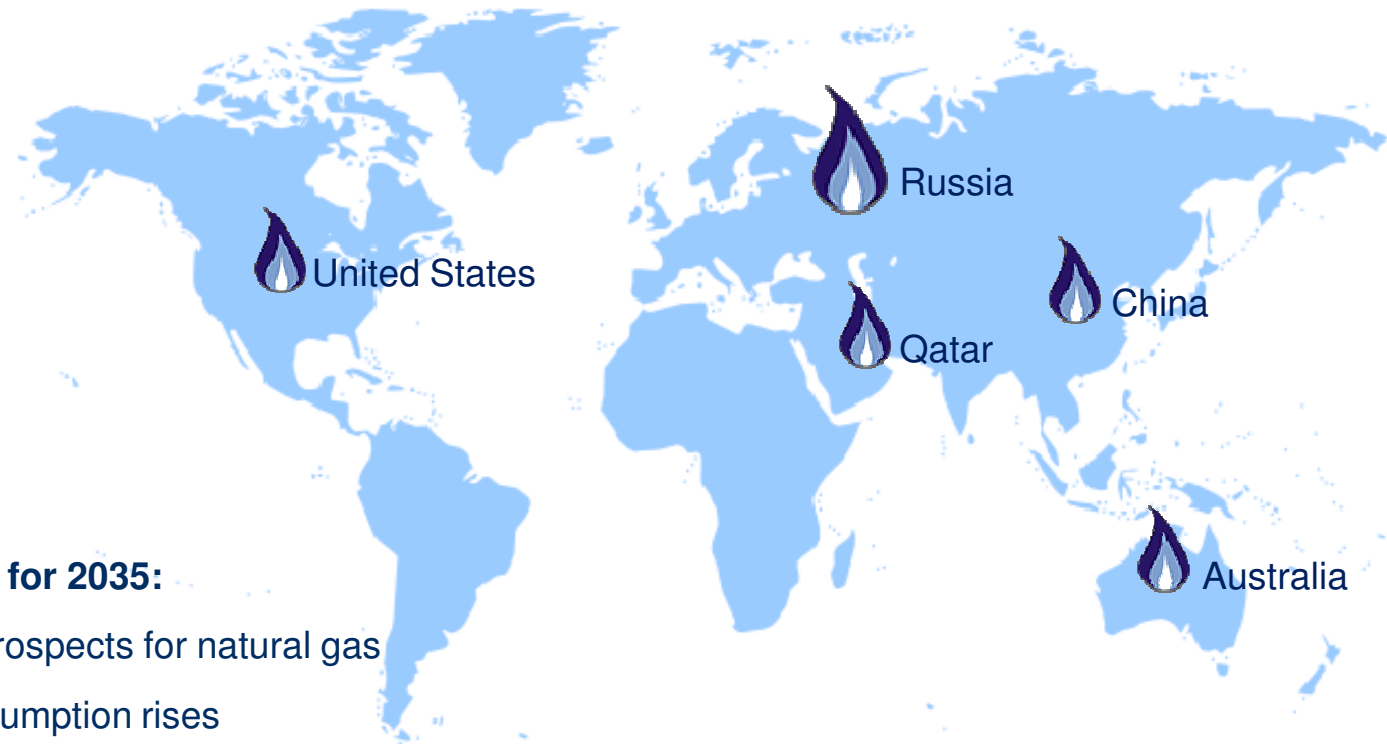
US natural gas production



Source: EIA



LARGEST GAS PRODUCERS IN 2035



IEA Outlook for 2035:

- ▶ Golden prospects for natural gas
- ▶ Gas consumption rises
- ▶ Global trade doubles and more than one-third of the increase goes to China.
- ▶ Largest gas producers in 2035:
 1. Russia – and makes the largest contribution to global supply growth
 2. China, Qatar, the United States and Australia.

Source: IEA

SUMMARY & OUTLOOK



- ▶ The order book for 1st half of 2012 is satisfactory – 2nd half is still not clarified
- ▶ It is expected a moderate demand for LPG cylinders in the short term
- ▶ Continued strong focus on sales activities and cost reductions
- ▶ Turnover and profit for Q2 is expected to be at the same level



SUMMARY & OUTLOOK



- ▶ The order book for 1st half of 2012 is satisfactory – 2nd half is still not clarified
- ▶ Further growth expected to continue in 2012



SUMMARY & OUTLOOK



- ▶ Remaining production of reinforcements in Langevåg will be moved to Lithuania during the summer this year.
- ▶ By assembling all production facilities in Lithuania the company will yield lower costs and increasing margins
- ▶ A flat trend is expected in the next quarter.





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Q&A

