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QUARTER
2013

HEXAGON COMPOSITES

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Tor Olsen Husø, CFO
30 April 2013, Oslo

AGENDA

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

THIS IS HEXAGON COMPOSITES

HEXAGON COMPOSITES

HEXAGON RAGASCO

Rugasco

RUGASCO (49/51)

HEXAGON LINCOLN

HEXAGON RAUFOSS

HEXAGON DEVOLD

HEXAGON DEVOLD LITHUANIA UAB

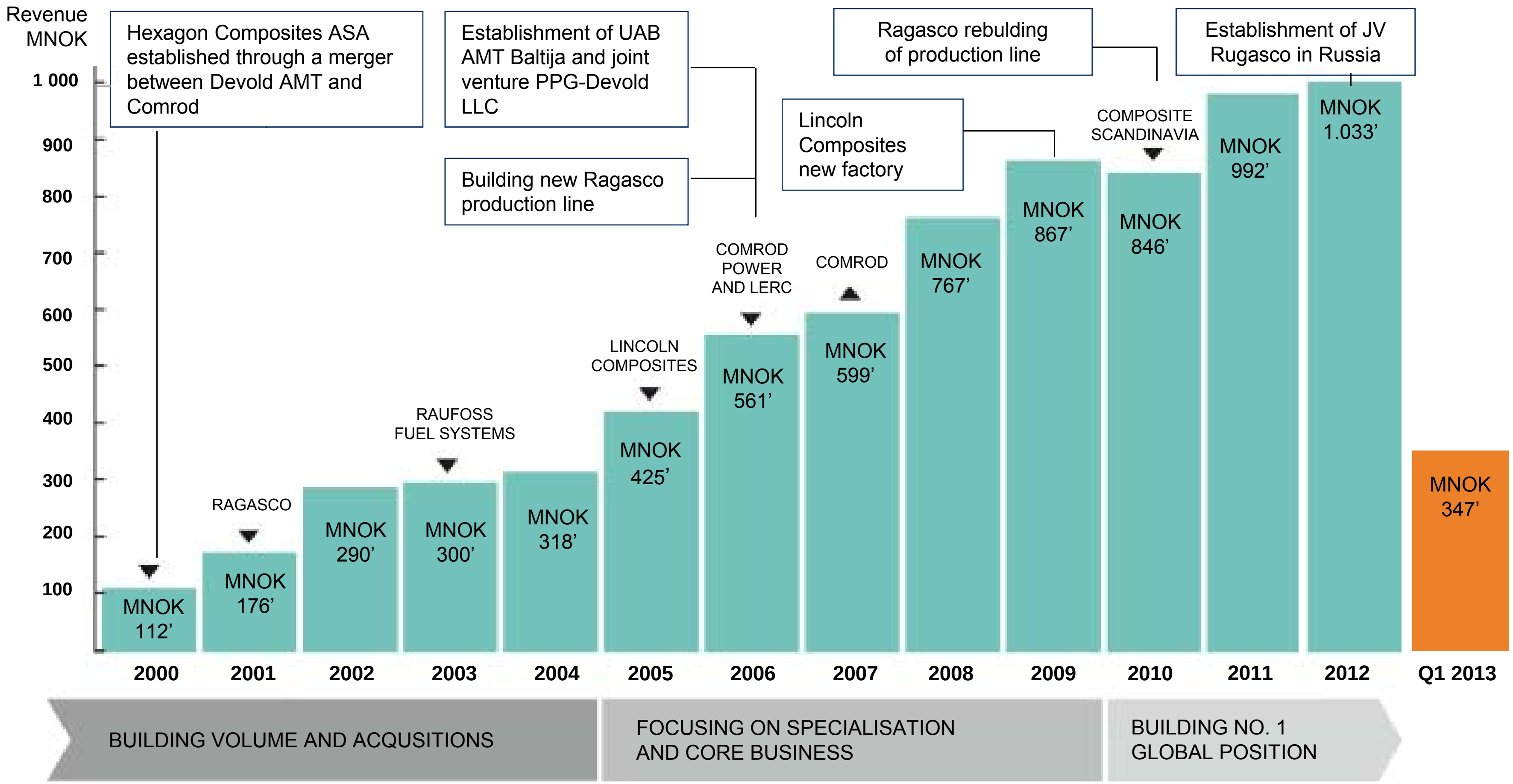
PPG-DEVOLD LLC (50/50)

COMPOSITE CYLINDERS
LPG cylinders for households, catering kitchens, leisure activities and forklift trucks

HIGH-PRESSURE CYLINDERS
High-pressure CNG cylinders for vehicles and bulk transport

COMPOSITE REINFORCEMENTS
For lightweight constructions

SOLID EXPERIENCE IN A GROWING INDUSTRY



RESTRUCTURING YIELDS RESULTS

- Solid foundation providing a basis for stronger performance in 2013:
  - Increasing capacity utilization
  - Production efficiency
  - Product quality focus in all production units
  - Sales and marketing focus

- Strategically positioned to maintain and strengthen our established market positions in the years ahead

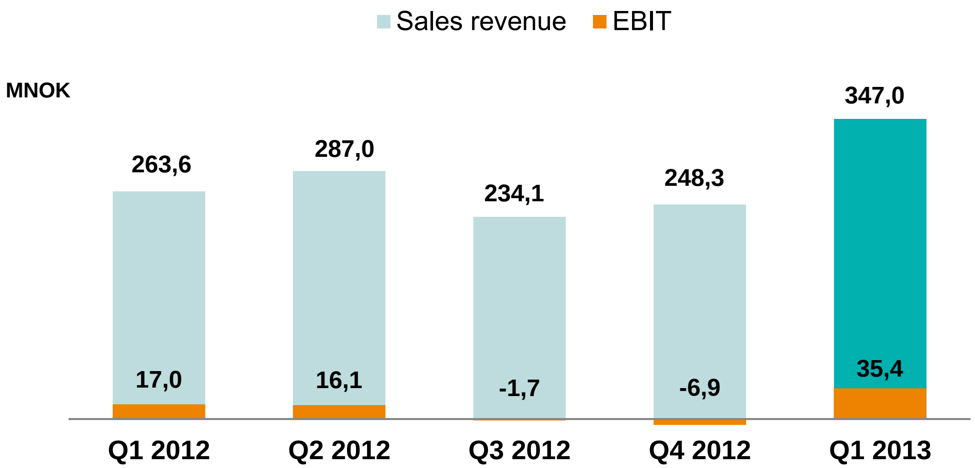
HIGHLIGHTS Q1 2013

- Overall revenue growth and positive results inn all business units
- Strong cash flow
- Continued good order book for TITAN™ transport modules worldwide
- Continued strong NGV interest in the US
- Commenced assembling of the LPG production line at Rugasco in Russia
- Continued challenging European markets

GROUP KEY FIGURES

	Q1 2012	Q4 2012	Q1 2013
Sales revenue	263 598	248 317	347 017
EBITDA	34 872	9 792	51 852
EBIT	16 952	-6 851	35 441
EBIT %	6,4 %	-2,8 %	10,2 %

Sales revenue and EBIT last quarters



Q1 Operating results

- Overall revenue growth and positive operating results for all business units
- Overall increased sales compared to Q4 2012 (+40%) and Q1 2012 (+32 %)
- Improved EBIT due to:
  - Improved operations and increased sales in Hexagon Ragasco
  - Strong growth in the High-pressure area
  - Positive EBIT for Hexagon Devold

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SEGMENT RESULTS

COMPOSITE CYLINDERS Q1

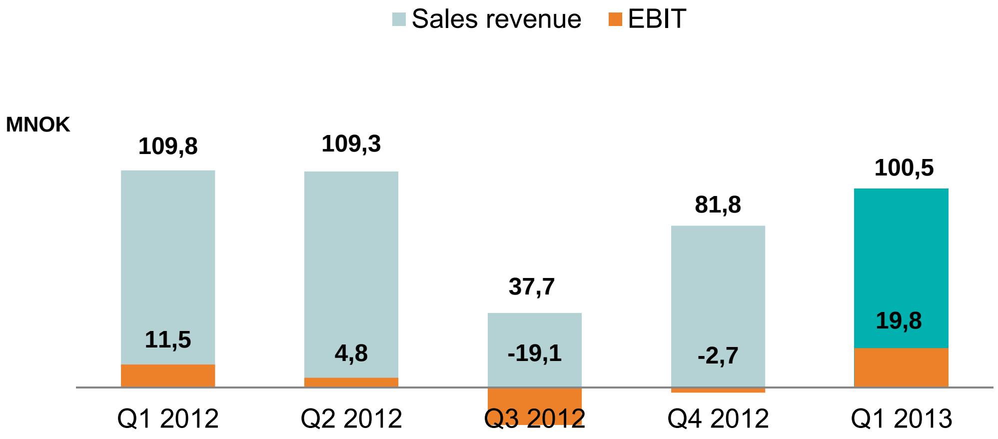
- Back on track
- Higher sales volume than Q4 2012 driven by seasonality in the European market
- Sales revenue according to expectations
- Commenced assembling the LPG production line at Rugasco in Russia – production expected to start end of Q2 2013

COMPOSITE CYLINDERS Q1

HEXAGON RAGASCO

	Q1 2012	Q4 2012	Q1 2013
Sales revenue	109 811	81 788	100 502
EBITDA	22 912	1 654	27 001
EBIT	11 542	-2 705	19 764
EBIT %	10,5 %	-3,3 %	19,7 %

Sales revenue and EBIT last quarters



Q1 Operating results

- Improved operations and increased sales at Hexagon Ragasco
- Overall increased sales compared to Q4 2012 (+23%), slightly down from Q1 2012 (-8.5 %)
- EBIT improved due to:
  - Good seasonal sales
  - Satisfactory production
  - Demerger of CNG passenger cars
  - Closure of Composite Scandinavia

MARKET SITUATION & OUTLOOK

- Consolidations and market changes in Europe during 2012 is likely to strengthen our market position

- The ongoing consolidations will result in fewer and more professional players

- Sales and operating profit in Q2 2013 is expected to be slightly higher than in Q1 if orders are delivered as planned.

- Expected lower sales in 2nd half of 2013 compared to the 1st half due to:
  - Seasonal variations in Europe
  - Sales to markets outside Europe will not compensate for this

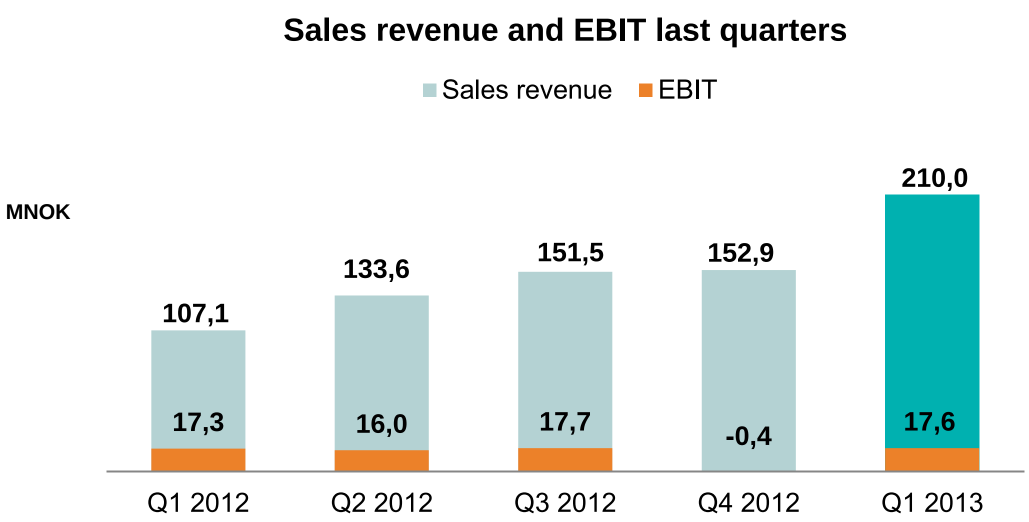
- Increased sales revenue depends on new contracts outside Europe

HIGH PRESSURE CYLINDERS Q1

- Continued strong growth – record sales in Q1:
  - nearly a doubling compared to Q1 2012
  - 40% increase compared to Q4 2012
- Continued good order book for TITAN™ transport modules
- Continued good order book for high-pressure cylinders to the North American market
- The US shale gas revolution has positive impact on TITAN™
- New investments in Lincoln to meet increasing demand
- The weak economic situation in Europe affects sales of new buses
- Europe is experiencing the weakest sales of new cars since the 1990’s

HIGH PRESSURE CYLINDERS Q1

	Q1 2012	Q4 2012	Q1 2013
Sales revenue	107 077	152 914	209 994
EBITDA	21 650	9 941	23 898
EBIT	17 310	-402	17 553
EBIT %	16,2 %	-0,3 %	8,4 %



Q1 Operating results

- High sales level continues
- EBIT negative impacted by:
  - lower margins in the first large TITAN™-orders for the year
  - weaker European car market
  - negative currency fluctuations in the European market

MARKET SITUATION & OUTLOOK

- Continued strong global interest for TITAN™ modules worldwide

- The development of shale gas in the US is expected to further boost growth for Hexagon Lincoln from 2014 onwards

- The economic situation in Europe is resulting in a weaker demand for new buses as well as passenger cars. Biogas as energy source for buses in the Nordic countries is a strong driver.

- Production capacity in Lincoln for natural gas vehicles (NGV) and bulk hauling is expected to double in 2nd half of 2013 (compared to 2012)

- Overall order book is very good, further growth in sales and profits is expected in 2013.

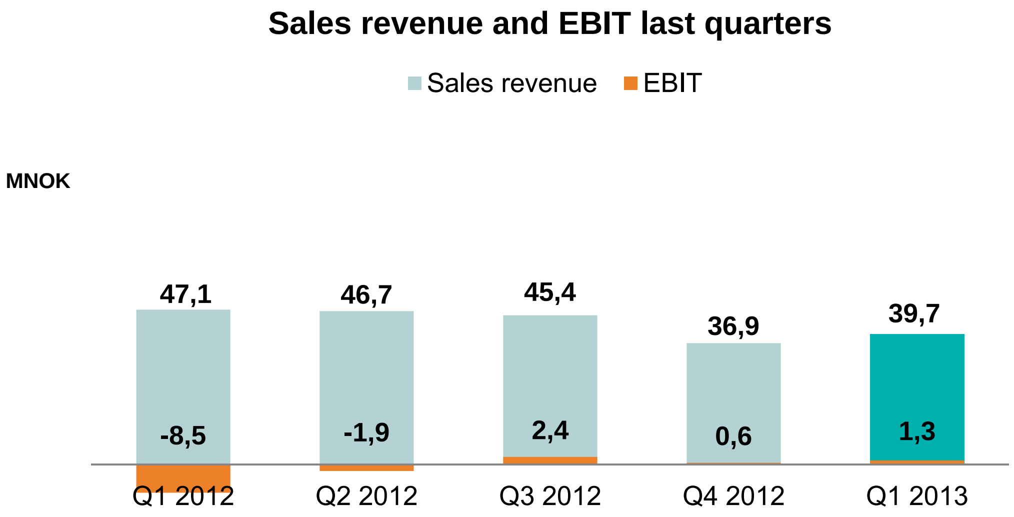
COMPOSITE REINFORCEMENTS Q1

HEXAGON DEVOLD

- New market challenges emerge
- Reduced sales due a weaker US market related to PTC
- Increased competition from Chinese manufacturers
- Achieved positive EBIT over the three last quarters
- Hexagon Devold is now well positioned, with low-cost production in Lithuania and USA

COMPOSITE REINFORCEMENTS Q1

	Q1 2012	Q4 2012	Q1 2013
Sales revenue	47 131	36 943	39 716
EBITDA	-6 406	2 426	3 736
EBIT	-8 487	616	1 308
EBIT %	-18,0 %	1,7 %	3,3 %



Q1 operating results

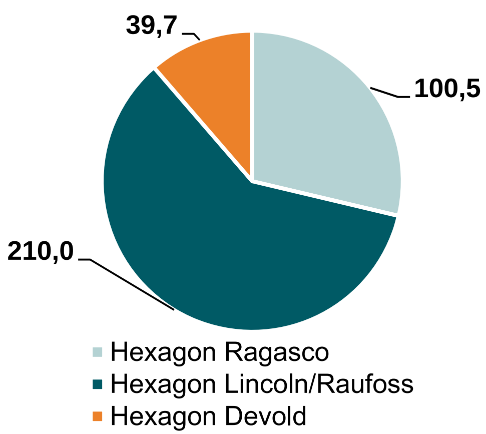
- Weaker sales compared to Q1 2012 and slightly higher than Q4 2012
- Positive EBIT
- Increased competition from China affects margins
- Depends on higher volume to maintain a positive result

MARKET SITUATION & OUTLOOK

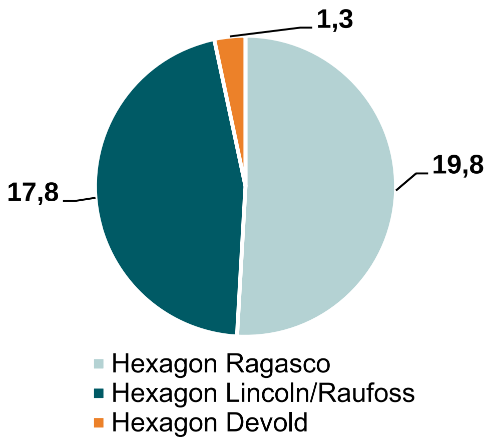
- Weak US market caused by delayed PTC (Production Tax Credit). The program will continue for another year with expected effect from 2nd half 2013
- Increased competition from Chinese manufacturers is expected to effect the margins from 2nd half of 2013
- Sales and results in Q2 is expected to be lower than in Q1

BUSINESS UNIT SHARES

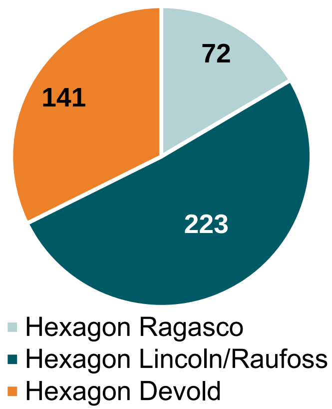
Sales revenue
MNOK



EBIT
MNOK



Employees
number



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GROUP FINANCIALS

PROFIT AND LOSS ACCOUNT Q1 2013

KEY FIGURES (NOK 1 000)	Q1 2013	Q1 2012	CHANGE
Sales Revenue	347 017	263 598	32%
EBITDA	51 582	34 872	48%
Depreciation	16 140	17 920	-10%
EBIT	35 441	16 952	109%
Income from investments in associates	-113	-229	51%
Other financial items (net)	-330	-4 168	92%
Profit before tax	34 998	12 556	179%
EBITDA %	14,9 %	13,2 %	
EBIT %	10,2 %	6,4 %	

BALANCE SHEET AS PER 31.03.2013

BALANCE SHEET - ASSETS	31.03.2013	31.03.2012	CHANGE
Intangible assets	112 181	114 963	-2 782
Tangible fixed assets	291 292	250 280	41 012
Investments in associates	1 474	2 184	-710
Other financial fixed assets	2 466	2 542	-76
Total non-current assets	**407 413**	**369 969**	37 444
Inventories	259 040	204 733	54 307
Receivables	245 630	217 646	27 984
Bank deposits, cash and similar	125 444	19 840	105 604
Total current assets	**630 114**	**442 219**	187 895
Total Assets	**1 037 527**	**812 188**	**225 339**

BALANCE SHEET - LIABILITIES AND EQUITY	31.03.2013	31.03.2012	CHANGE
Paid-in capital	103 781	103 678	103
Other equity	186 016	165 276	20 740
Total equity	**289 797**	**268 953**	20 844
Provisions	24 322	14 116	10 206
Interest-bearing long-term liabilities	326 362	305 914	20 448
Total non-current liabilities	**350 683**	**320 029**	30 654
Interest-bearing current liabilities	58 681	32 179	26 502
Other current liabilities	338 365	191 026	147 339
Total curren liabilities	**397 047**	**223 205**	173 842
Total liabilities	**747 730**	**543 234**	204 496
Total Liabilities and Equity	**1 037 527**	**812 188**	**225 339**

(NOK 1 000)

CASH FLOW STATEMENT AS AT 31.03.2013

CASH FLOW STATEMENT (NOK 1 000)	31.03.2013
Profit before tax	34 998
Depreciation and write-downs	16 140
Change in net working capital	-1 377
Net cash flow from operations	**49 762**
Net cash flow from investment activities	-28 684
Net cash flow from financing activities	24 045
Net change in cash and cash equivalents	**45 123**
Cash and cash equivalents at start of period	80 322
Cash and cash equivalents at end of period	**125 444**
Available unused credit facility	64 958

KEY FIGURES AS AT 31.03.2013

HEXAGON COMPOSITES

KEY FIGURES	31.03.2013	31.03.2012	31.12.2012
Equity ratio	27.9 %	33.1%	29.2%
Equity/Capital employed	42.9 %	44.3%	42.1%
Return on equity (annualised)	35.4 %	12.1%	2.1%
Total return (annualised)	16.0 %	8.1%	2.7%
Liquidity ratio I	1.6	1.98	1.7
Earnings per share	0.18	0.06	0.04
Diluted earnings per share	0.18	0.06	0.04
Cash flow from operations per share	0.37	0.19	0.87
Equity per share	2.17	2.02	1.95
Net interest-bearing liabilities	259.599	318.253	277.136

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SUMMARY & OUTLOOK

RESTRUCTURING WORK IN 2012

Hexagon Ragasco – Composites cylinders:

- Positioned to contribute with acceptable operating profit in event of moderate sale and with the capacity to increase sale substantially – still on steady course

Hexagon Lincoln / Hexagon Raufoss – High-pressure cylinders:

- Production capacity expected to be doubled from 2nd half 2013 – being done
- CNG passenger car in position to contribute positively to operating profit and with substantially spare production capacity – temporary hit by slow down in European car sales

Hexagon Devold – Composite reinforcements:

- Established as a competitive low cost producer - new challenges emerge

HEXAGON GROUP OUTLOOK

HEXAGON COMPOSITES

- The development in the US shale gas market holds substantial long term growth opportunities for the Hexagon Group
- Q2 2013 is expected to have higher turnover and operating profit than Q1 2013
- For 2nd half of 2013 it is expected a continued positive development for the High-pressure area however, with uncertainties for Hexagon Ragasco and Hexagon Devold
- The Hexagon Group is strongly committed to retain its leadership position within CNG composite cylinders and transport systems

THANK YOU