2ND QUARTER 2015

HALF YEAR INTERIM REPORT 2015

Oslo, 13th August 2015

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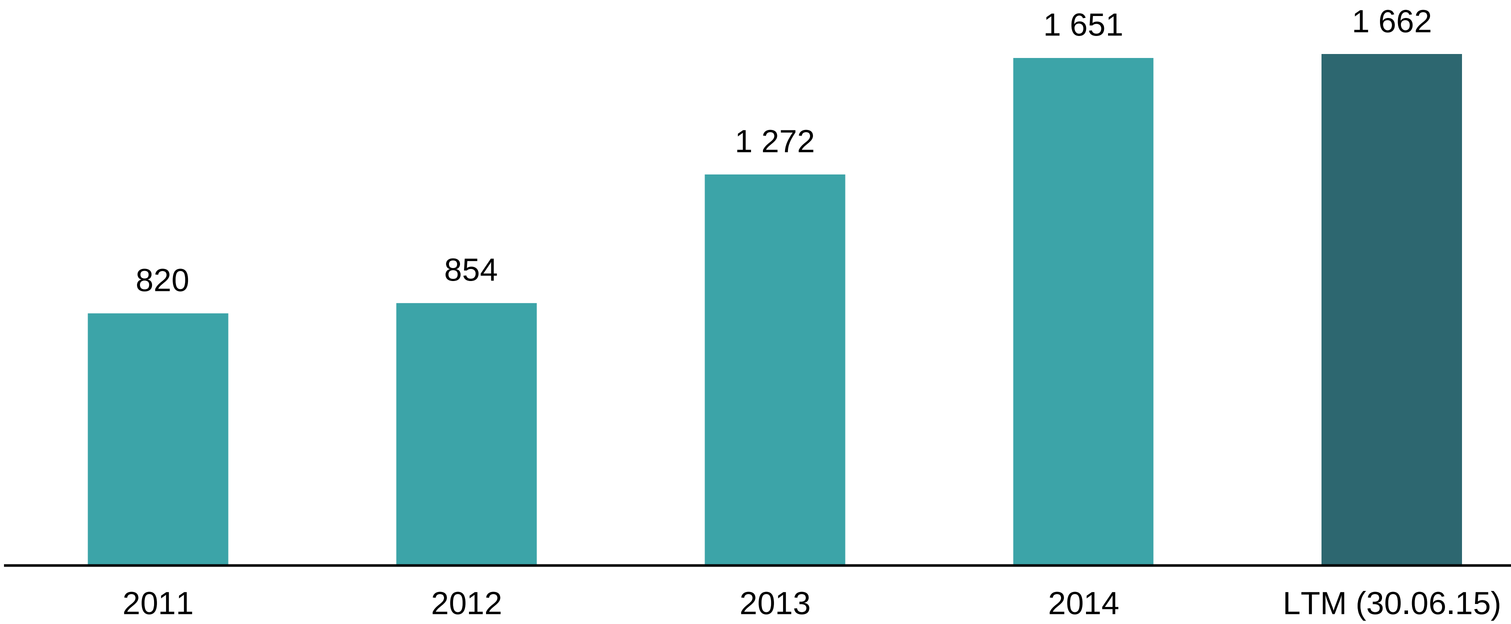
AGENDA

- Group highlights
- Group financials & segment overview
- Outlook
- Q & A

FACING HEADWINDS

OPERATING REVENUES
NOK Million

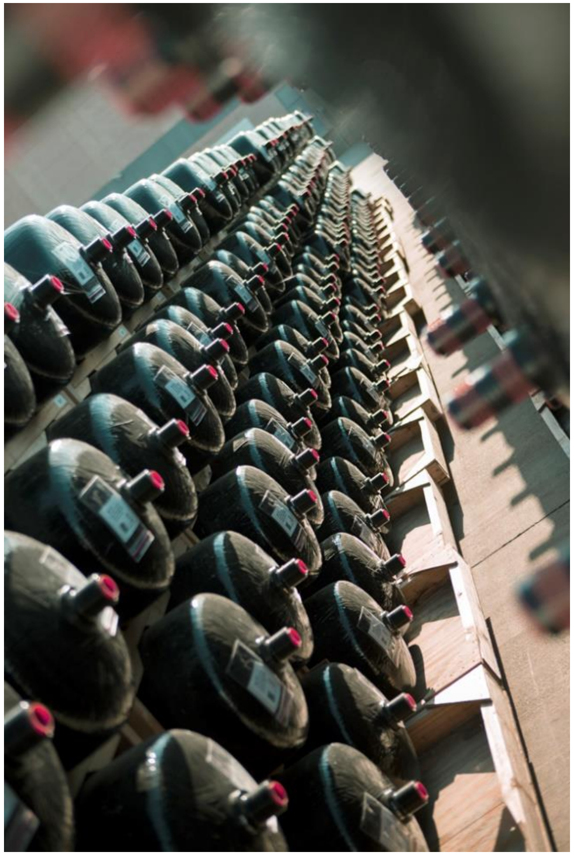


NO. 1 GLOBAL POSITION

HIGHLIGHTS Q2 2015

HEXAGON COMPOSITES

- Weak Mobile Pipeline™ sales
- Record volume in Heavy-Duty segment, but margins under pressure
- Continued losses in Light-Duty Vehicles
- Good capacity utilization in the Low-Pressure Cylinders segment, but slightly down from Q2 2014



2ND QUARTER 2015 FINANCIALS

HALF YEAR INTERIM RESULTS

FINANCIAL HIGHLIGHTS Q2 2015

- Overall profitability impacted by:
  - Weak volume in Mobile Pipeline™
  - Losses in Light-Duty Vehicles
  - Higher fixed cost related to future growth
- Strong underlying growth in CNG North America at lower margins
- Solid profitability in LPG business
- Extraordinary refinancing costs in Q2
  - NOK 21 million of Bond buy-back premium saving NOK 10.5 million per year
  - NOK 7 million in non-cash charges to the P&L

Group key figures	NOK million
Operating Income	414
EBITDA	37
Net loss	-8

Q2 AND HALF-YEAR 2015 GROUP INCOME STATEMENT

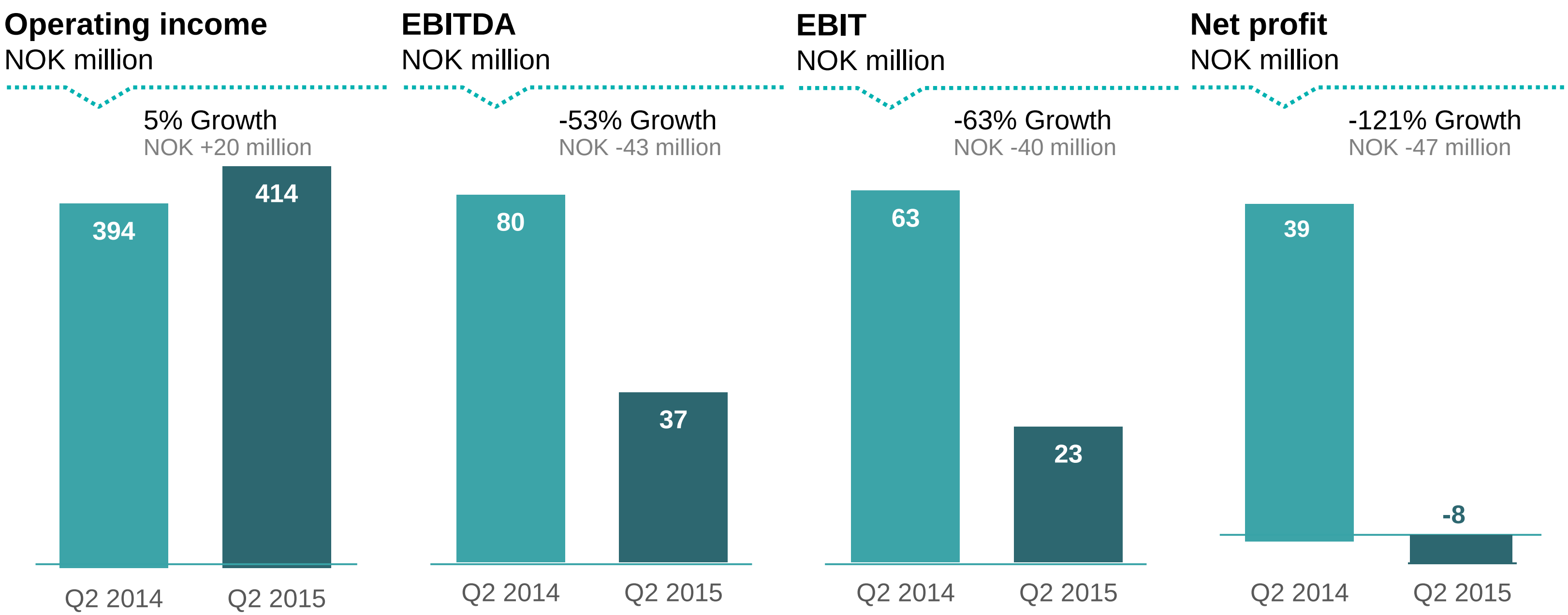
HEXAGON COMPOSITES

NOK THOUSAND-	THREE MONTHS ENDING*			SIX MONTHS ENDING*			TWELVE MONTHS ENDING*
	30.06.15	30.06.14	*Variance*	30.06.15	30.06.14	*Variance*	31.12.14
Operating Income	**413 892**	**394 167**	***19 725***	**815 528**	**804 696**	***10 832***	**1 650 829**
Operating expenses	(376 518)	(313 715)	*(62 803)*	(725 300)	(639 135)	*(86 165)*	(1 321 678)
EBITDA	**37 374**	**80 452**	***(43 078)***	**90 227**	**165 561**	***(75 334)***	**329 151**
Depreciation and impairment	(14 195)	(17 627)	*3 432*	(27 523)	(35 616)	*(8 093)*	(72 363)
EBIT	**23 179**	**62 825**	***(39 646)***	**62 704**	**129 945**	***(67 241)***	**256 788**
Share of profit/(loss) from associates	(23)	(1 036)	*1013*	(135)	(1 792)	*1 657*	(9 554)
Other financial items (net)	(34 813)	(5 040)	*(29 773)*	(20 976)	(13 932)	*(7 044)*	(9 815)
Profit/(loss) before tax from cont. operations	**(11 657)**	**56 749**	***(68 406)***	**41 594**	**114 221**	***(72 627)***	**237 419**
Tax expense	3 473	(17 866)	*21 339*	(12 170)	(36 816)	*24 646*	(77 072)
Profit/(loss) after tax from cont. operations	**(8 184)**	**38 883**	***(47 067)***	**29 424**	**77 405**	***(47 981)***	**160 347**
Profit/(loss) from companies held for sale	-	-	-	-	4 855	*(4 855)*	4 325
Profit/(loss) for the period	**(8 184)**	**38 883**	***(47 067)***	**29 424**	**82 260**	***(52 836)***	**164 672**

EBITDA %	**9.0%**	**20.4%**		**11.0%**	**20.6%**		**19.9%**
EBIT %	**5.6%**	**15.9%**		**7.6%**	**16.2%**		**15.6%**
NET PROFIT%	**(2.0)%**	**9.9%**		**3.6%**	**10.2%**		**10.0%**

Q2 ’15 V ’14 INCOME STATEMENT HIGHLIGHTS

HEXAGON COMPOSITES



Operating income

- High-Pressure growth NOK 22 million (8%)
  - Includes positive USD FX impacts of c. NOK 67 million
- Low-Pressure decline NOK 2 million (-2%)

EBITDA

- High-Pressure at 3.6% margin
- Low-Pressure at 20.3% margin

EBIT

- Prior years’ asset base well depreciated in Low Pressure whilst asset base increases in High Pressure
  - Low Pressure effect NOK +6 million
  - High Pressure effect NOK -3 million

Net profit

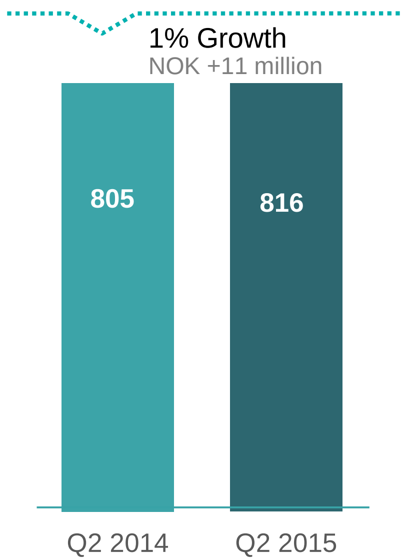
- Financial items effect of NOK -30 million (Bond buy-back and refinancing -28; FX -4; Interest +2)
- Effect from Rugasco JV NOK +1 million
- Tax effect of NOK +22 million

Profitability impacted negatively by lower Mobile Pipeline™ and Light-Duty Vehicle volumes together with higher cost base

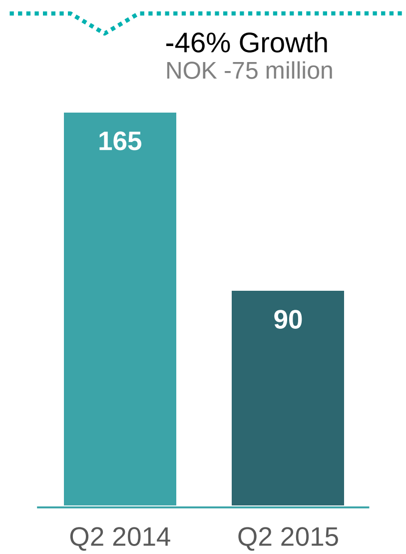
H1 ’15 V ’14 INCOME STATEMENT HIGHLIGHTS

HEXAGON
COMPOSITES

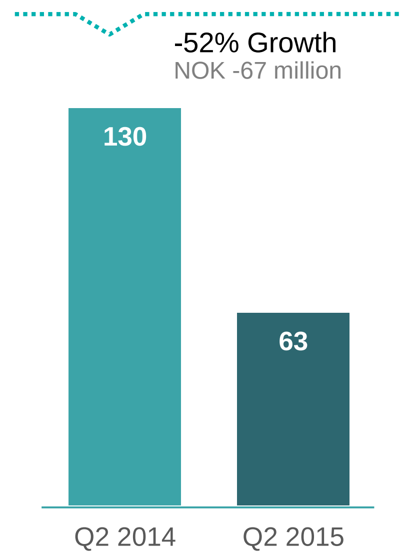
Operating Income
NOK million



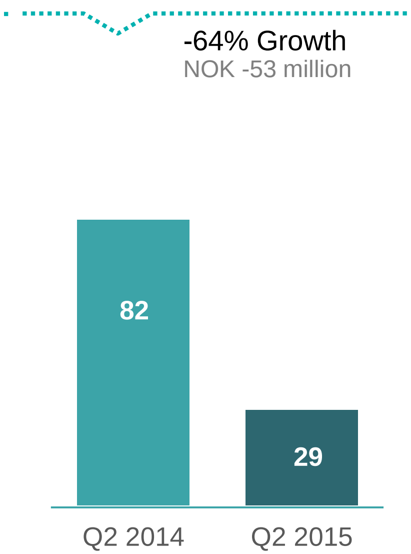
EBITDA
NOK million



EBIT
NOK million



Net profit
NOK million



- High-Pressure growth NOK 55 million (10%)
  - Includes positive USD FX impacts of c. NOK 133 million
- Low-Pressure decline NOK 44 million (-16%)

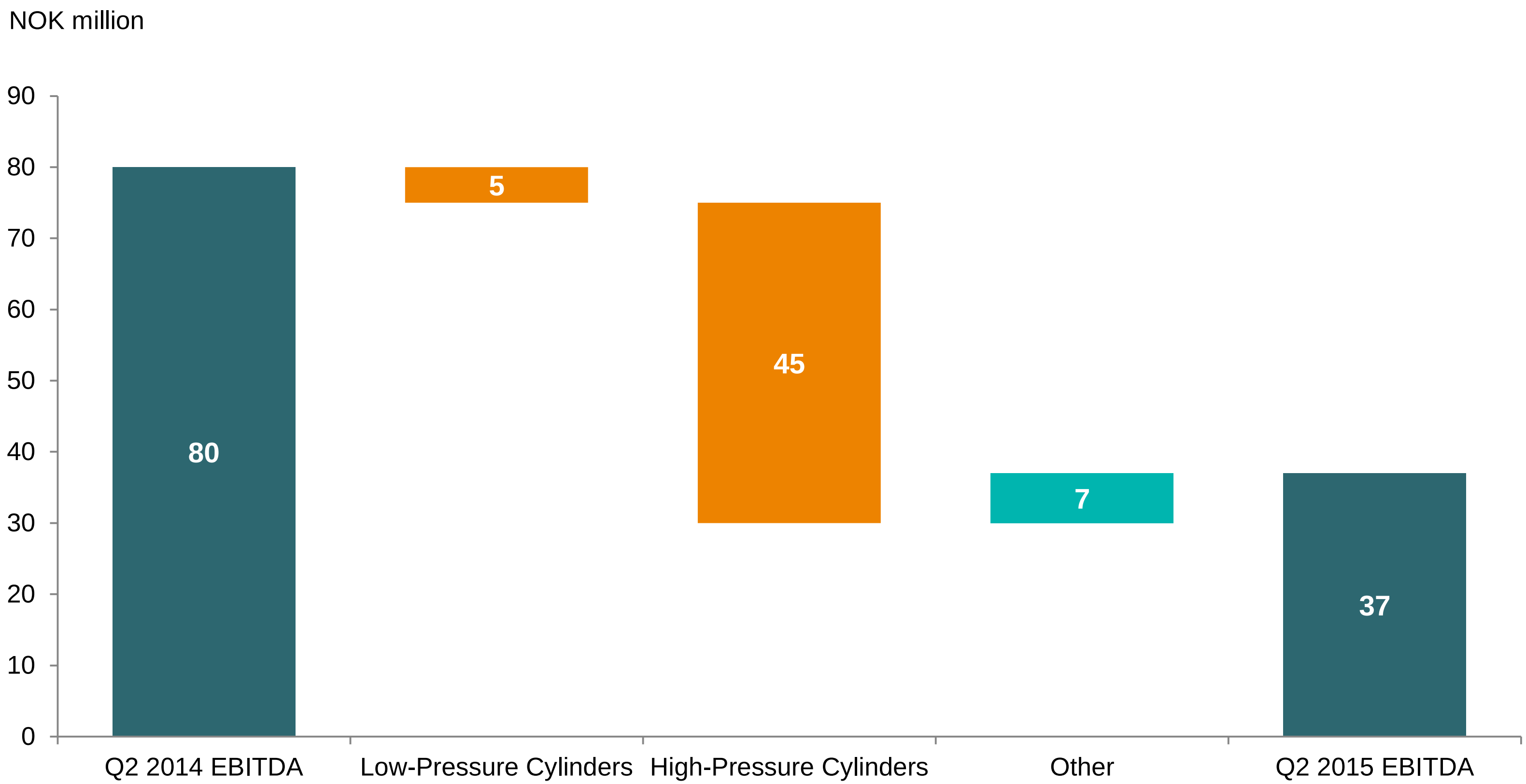
- High-Pressure at 7.6% margin
- Low-Pressure at 20.0% margin

- Prior years’ asset base well depreciated in Low pressure whilst asset base increases in High-Pressure
  - Low-Pressure effect NOK +14 million
  - High-Pressure effect NOK -6 million

- Financial items effect of NOK -7 million
- Effect from Rugasco JV NOK +2 million
- Tax effect of NOK +24 million
- Divestments in 2014 NOK -5 million

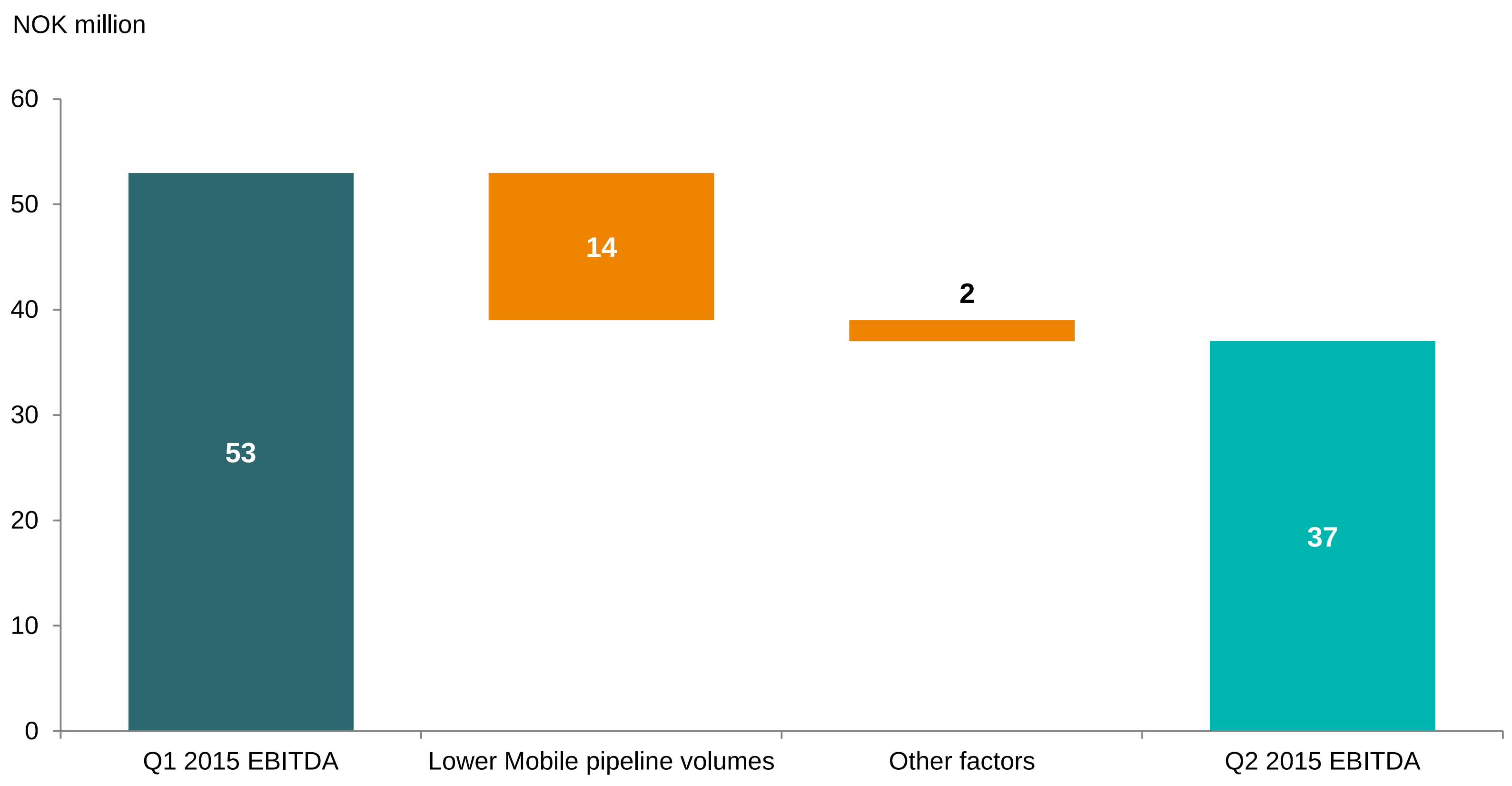
Headwinds from effects of lower oil and diesel prices impacting markets in the Americas

GROUP EBITDA Q2 '15 V Q2 '14



Impacts to Group profitability mainly contained in High-Pressure Cylinders segment

GROUP EBITDA Q2 ‘15 V Q1 ’15



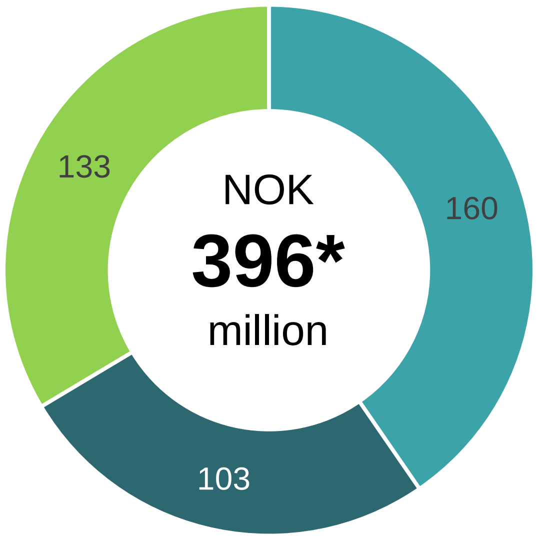
Q2 2015 v Q1 2015 EBITDA impacted negatively primarily by Lower Mobile Pipeline™ volumes

SEGMENT SHARES Q2 2015

BEFORE GROUP ELIMINATIONS*

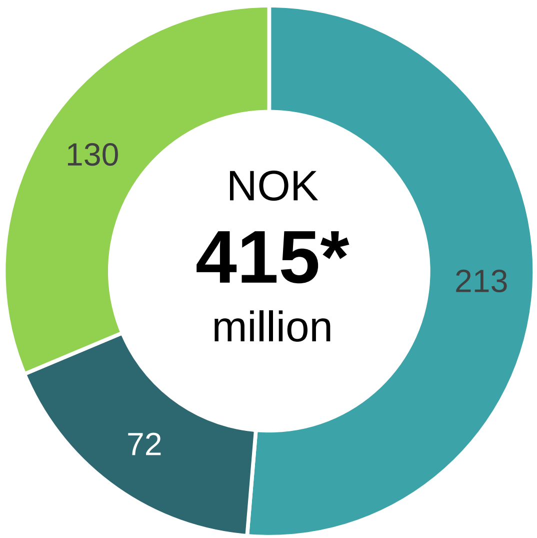
SHARE OF OPERATING INCOME

Q2 2014



- High-Pressure: CNG Automotive (Global)
- High-Pressure: Mobile Pipeline™
- Low-Pressure: LPG (Propane)

Q2 2015



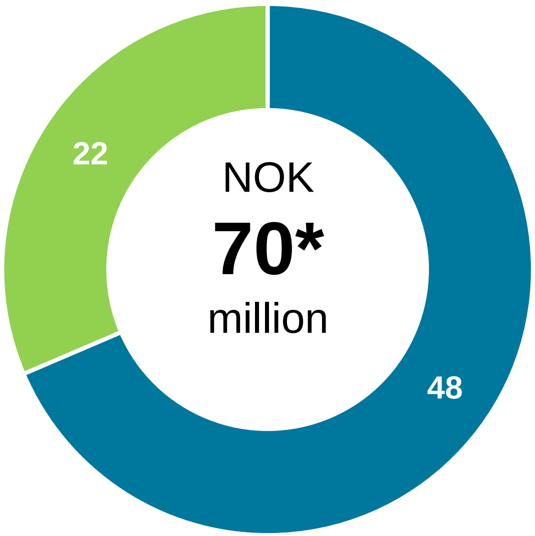
- High-Pressure: CNG Automotive (Global)
- High-Pressure: Mobile Pipeline™
- Low-Pressure: LPG (Propane)

SEGMENT SHARES Q2 2015

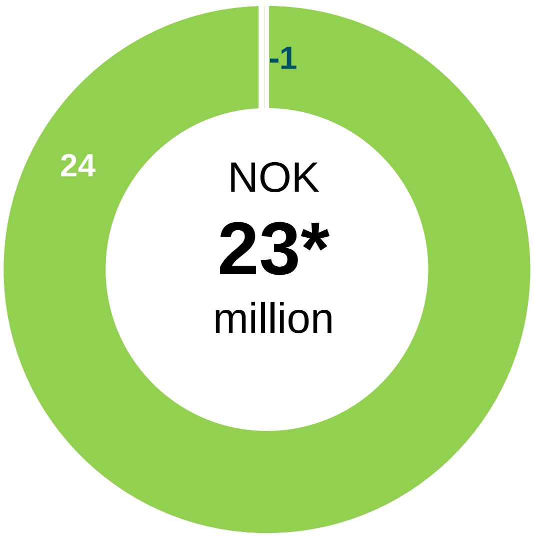
BEFORE GROUP ELIMINATIONS*

SHARE OF EBIT

Q2 2014



Q2 2015



- High-Pressure: CNG Automotive and Mobile Pipeline™
- Low-Pressure: LPG (Propane)

- High-Pressure: CNG Automotive and Mobile Pipeline™
- Low-Pressure: LPG (Propane)

Q2: HIGH-PRESSURE CYLINDERS

- Weak sales of Mobile Pipeline™ solutions
- Continued strong heavy-duty demand in North America but with lower margins; strong global transit bus market
- Weak demand in Light-Duty Vehicles; loss making
- Higher operating leverage from increased fixed cost including NOK 5 million higher corporate allocations

NOK THOUSAND	SUMMARY FINANCIALS		
	Q2 2015	Q2 2014	Variance
Operating Income	284 981	263 454	21 527
Operating expenses	(274 697)	(208 021)	(66 676)
EBITDA	**10 284**	**55 433**	**(45 149)**
Depreciation and impairment	(11 188)	(7 758)	(3 430)
EBIT	**(904)**	**47 675**	**(48 579)**

Q2: LOW-PRESSURE CYLINDERS

HEXAGON COMPOSITES

- Good sales volume mainly in Europe
- Solid production capacity utilization, only slightly lower than Q2 2014
- Satisfactory profitability despite increased fixed cost including NOK 2 million higher corporate allocations

NOK THOUSAND	SUMMARY FINANCIALS		
	Q2 2015	Q2 2014	Variance
Operating Income	130 443	132 806	(2 363)
Operating expenses	(103 959)	(101 094)	(2 865)
EBITDA	**26 484**	**31 712**	**(5 228)**
Depreciation and impairment	(2 713)	(9 274)	6 561
EBIT	**23 771**	**22 438**	**1 333**

FINANCIAL POSITION V PREVIOUS QUARTER

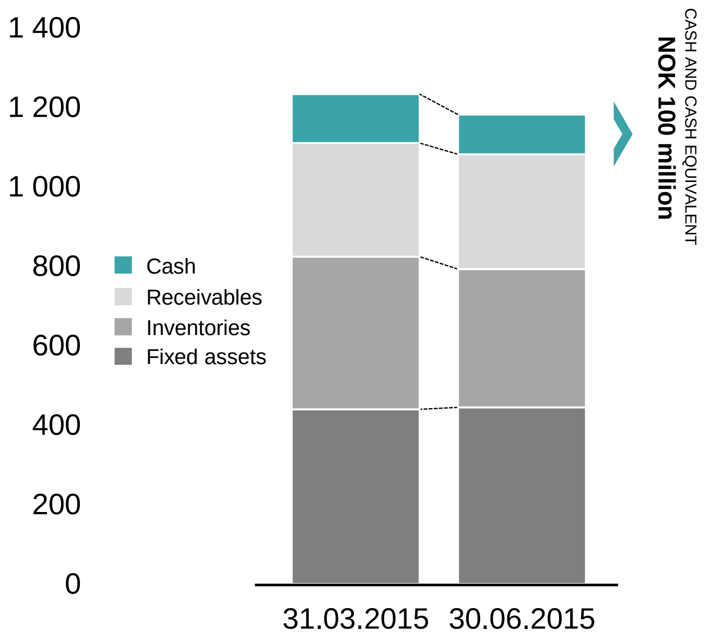
HEXAGON COMPOSITES

NOK THOUSAND	30.6.2015	31.3.2015	Change
Intangible assets	102 350	104 864	(2 514)
Tangible fixed assets	333 336	325 644	7 692
Other non-current assets	9 471	9 372	99
Total Non-current Assets	**445 157**	**439 880**	**5 277**
Inventories	347 556	384 598	(37 042)
Receivables	289 442	285 985	3 457
Bank deposits, cash and similar	100 013	122 894	(22 881)
Total Current Assets	**737 011**	**793 477**	**(56 466)**
Total Assets	**1 182 168**	**1 233 357**	**(51 189)**
Total Equity	**451 959**	**547 611**	**(95 652)**
Provisions	36 013	36 984	(971)
Long-term interest-bearing debt	382 320	297 428	84 892
Total Non-current Liabilities	**418 333**	**334 412**	**83 921**
Short-term interest-bearing debt	8 711	-	8 711
Other current liabilities	303 165	351 334	(48 169)
Total Current Liabilities	**311 876**	**351 334**	**(39 458)**
Total Liabilities	**730 209**	**685 746**	**44 463**
Total Equity and Liabilities	**1 182 168**	**1 233 357**	**(51 189)**

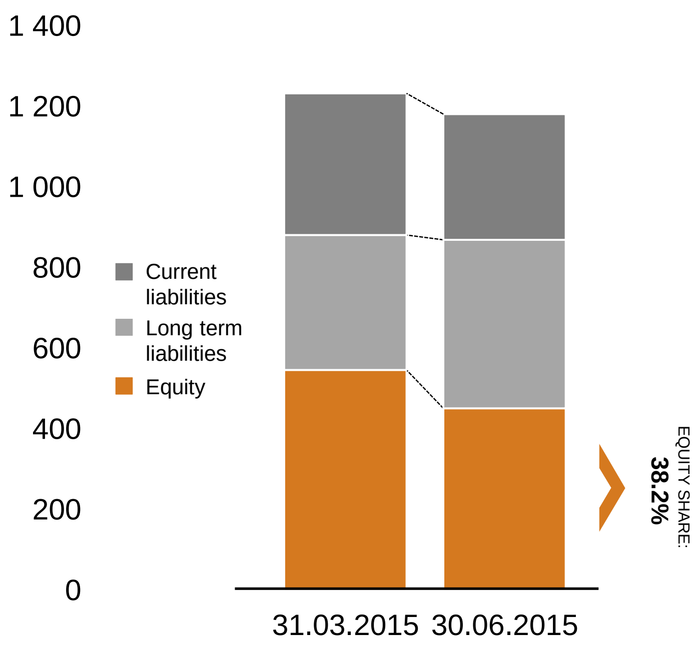
- Net Interest-bearing debt increased by NOK 116 million (Q1 2015: 175 v Q2 2015: 291)
  - Weak Mobile Pipeline™ sales drives lower operational net cash generation
  - Dividend payment of NOK 82 million
  - Capital expenditures of NOK 25 million

CAPITAL STRUCTURE

ASSETS
NOK Million

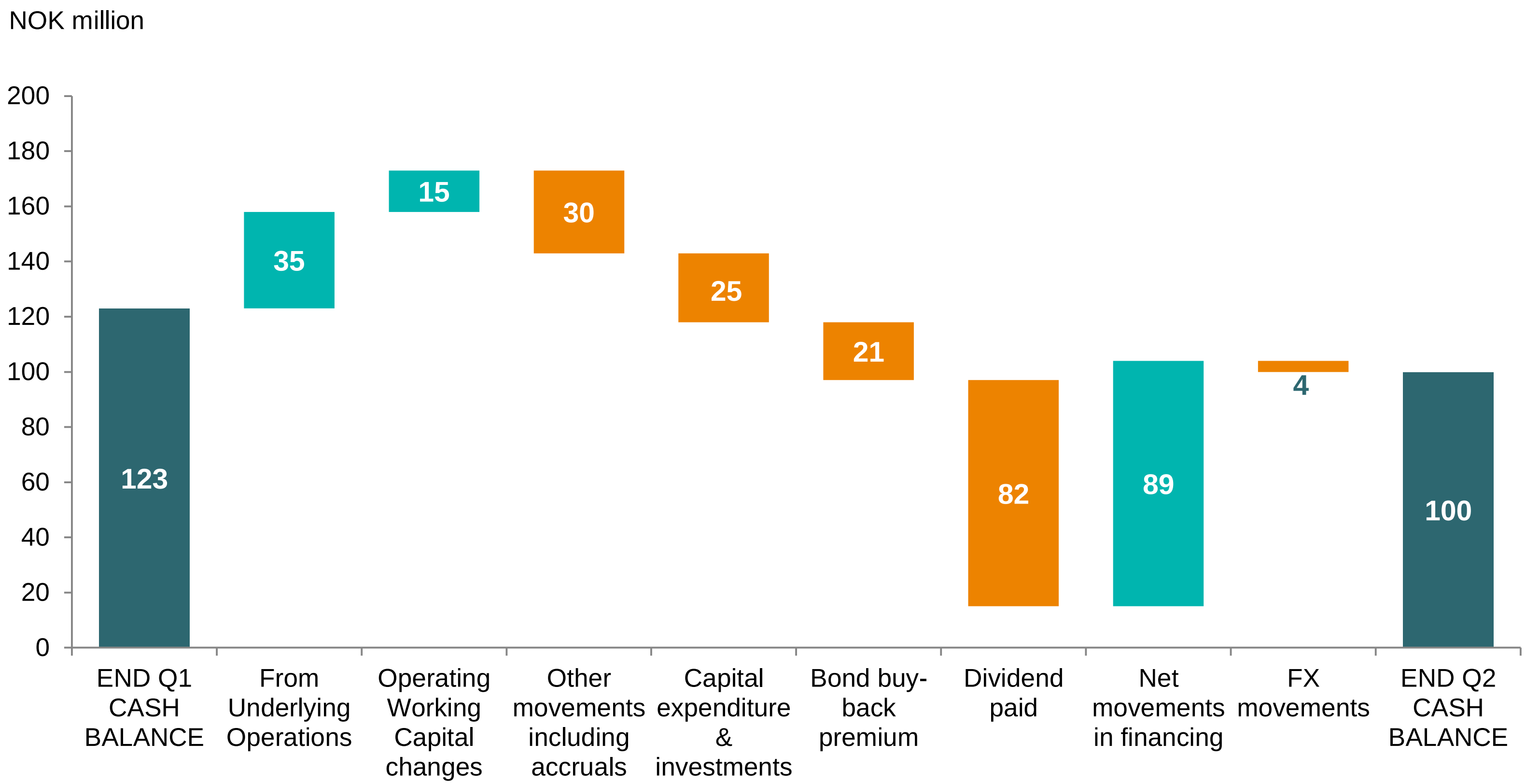


LIABILITIES AND EQUITY
NOK Million



Strong Balance Sheet

GROUP CASH MOVEMENTS Q2 2015



Balancing our cash buffer in light of dividend and refinancing outflows

2ND QUARTER 2015

OUTLOOK

HEXAGON COMPOSITES

HEAVY-DUTY VEHICLES

HEXAGON COMPOSITES

- Strong competition between North American fuel systems builders
  - Hexagon Composites committed to support Agility Fuel Systems
  - The introduction of the 27’’ tank has enabled significantly reduced systems cost
  - Reduced systems costs will entail lower CAPEX hurdle
- Transit bus market continues to grow
  - Market largely unaffected by oil price

MOBILE PIPELINE™ VERY CHALLENGING SHORT TERM

- Low oil prices create high uncertainty
  - Thin order book
- Q3 will be very weak
- Converting to natural gas continues to make sense for several customers
  - Prospect list continues to grow
- Q4 appears as a “return to normal”
  - Current volatility requires caution

Conventional pipelines come at a high price, financially and environmentally

LPG FALLS SHORT OF 2014

- We have not succeeded in securing one-off orders for the seasonally weak Q3
- Break-through in Italy; a major LPG market for cooking and heating
- Innovation investments in new designs and functionality will support medium and long term growth

ADAPTING TO NEW CONDITIONS

HEXAGON COMPOSITES

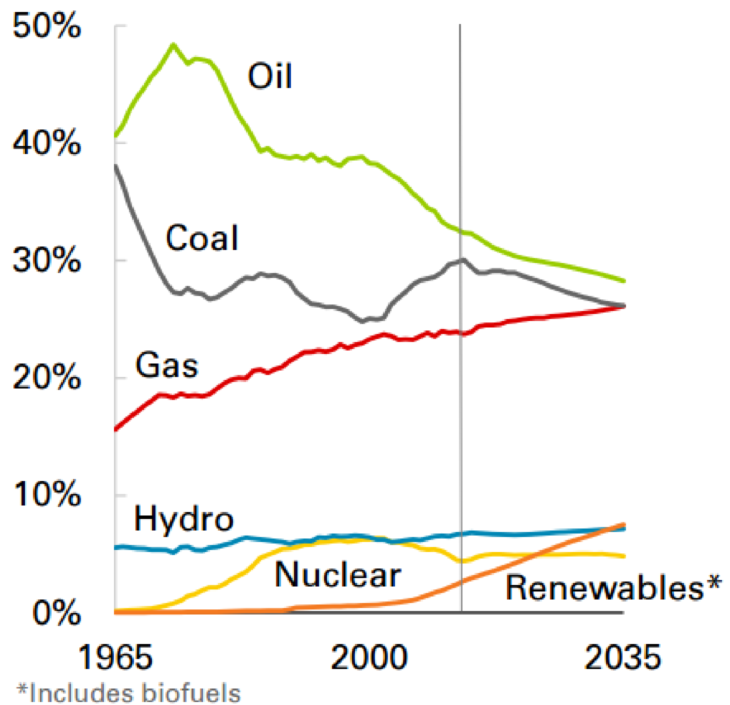
- High-Pressure expansion programs adjusted to short term market demand
- Reduced usage of contract labor and some adjustment of permanent manning levels
- Comprehensive restructuring of Hexagon Raufoss (light-duty vehicles) under preparation
- Programs to strengthen technology platform and business development will continue

OUR LONGER TERM OUTLOOK MAINTAINED - GAS WILL INCREASE SHARE

HEXAGON COMPOSITES

- High growth in natural gas usage
- Natural gas fastest growing fossil fuel (+1.9% p.a.)
- Natural gas set to overtake coal by 2035
- Renewables the fastest growing energy source
  - Biofuels and hydrogen produced from clean primary sources

Global shares of primary energy



Source: BP February 2015 Energy Outlook

OUTLOOK SUMMARY

HEXAGON COMPOSITES

- Q3 very challenging and the Group likely to generate an operational loss
- Recovery expected already in Q4
- High short term uncertainty due to low oil prices
- 2016 looks promising
  - Growing prospect lists in all segments
- Long term business potential appears very solid
  - Natural gas and renewables expected to make up a significantly increased share of a growing global energy consumption

QUESTIONS PLEASE

Jon Erik Engeset, CEO
David Bandele, CFO