



PRESENTATION Q3 2010

Oslo, 29 October 2010

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AGENDA Q3 2010 RESULTS

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



HEXAGON COMPOSITES GROUP



▶ Composite Containers

For storage and transport of propane gas

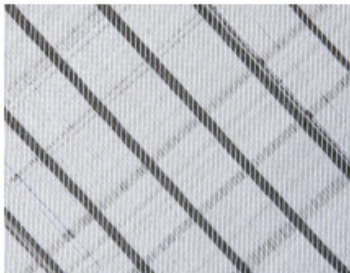
- LPG cylinders
- CNG containers for passenger cars



▶ High-pressure containers

In composite for biogas, natural gas and hydrogen

- CNG tanks for heavy-duty vehicles
- Containers and modules for transportation and storage of gas
- High-pressure containers for compressed hydrogen



▶ Composite reinforcements

For light weight constructions

- Unidirectional, multiaxial fibre reinforcements
- Mainly used in wind turbines and boats



KEY FIGURES Q3 COMPARISON

Key figures	(NOK 1000)	Q3 2010	Q3 2009	Change
Sales Revenue		237.683	225.655	5%
EBITDA		42.281	39.468	7%
EBIT		20.722	25.898	-20%
EBIT %		8,7 %	11,5 %	
Profit before tax		15.530	34.874	-55%



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Q3 2010 - BUSINESS UNITS



KEY POINTS



- ▶ Production level equivalent to annual production of 2 million cylinders
- ▶ Completed delivery of 300 000 tanks to PDVSA Gas Communal in Venezuela
- ▶ New agreement with Daimler AG of CNG tanks to the next generation Mercedes-Benz B-class
- ▶ Good order book for Q4
- ▶ Composite Scandinavia integration in process



Q3 FINANCIALS COMPOSITE CONTAINERS



	Q3 2010	Q3 2009	Change
Total Sales	133.683	122.005	11.678
EBITDA	35.310	33.092	2.218
EBIT	19.774	24.795	-5.021
EBIT %	14,79 %	20,32 %	

Q3 FINANCIALS – LAST 2 QUARTERS



	Q3 2010	Q2 2010	Change
Total Sales	133.683	118.827	14.856
EBITDA	35.310	37.060	-1.750
EBIT	19.774	23.821	-4.047
EBIT %	14,79 %	20,05 %	

KEY POINTS

CNG Buses - TUFFSHELL®

- ▶ Positive market development in North America and Europe, and especially North Europe
- ▶ Strong order book for Q4 2010



TITAN™

- ▶ Order book more than doubled since Q3 2009
- ▶ Ramp-up of production in positive progress



Q3 FINANCIALS HIGH PRESSURE CONTAINERS



	Q3 2010	Q3 2009	Change
Total Sales	67.964	68.353	-389
EBITDA	8.935	6.101	2.834
EBIT	5.236	2.822	2.414
EBIT %	7,70 %	4,13 %	



Q3 FINANCIALS LAST TWO QUARTERS

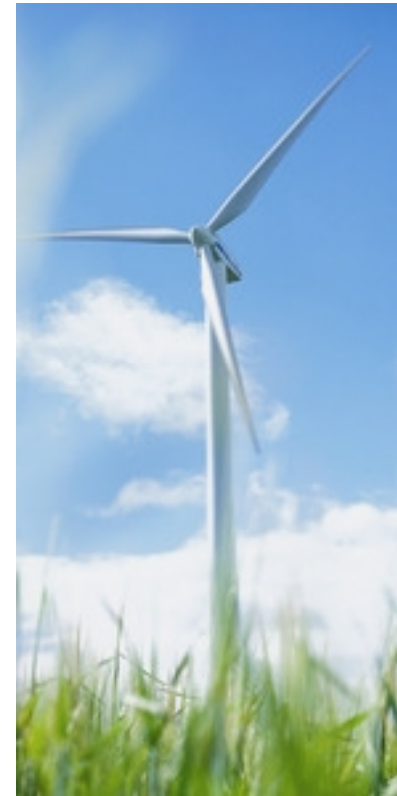


	Q3 2010	Q2 2010	Change
Total Sales	67.964	82.002	-14.038
EBITDA	8.935	9.565	-630
EBIT	5.236	5.845	-609
EBIT %	7,70 %	7,13 %	

KEY POINTS



- ▶ Kåre Dybvik appointed as Managing Director of Devold AMT effective from 1 November
- ▶ Improved turnover in Q3 compared with Q2 and same period last year
- ▶ The European Commission implemented anti-dumping duties on Chinese glass fiber to EU countries
- ▶ New major customers secured for 2011



Q3 FINANCIALS

COMPOSITE REINFORCEMENTS

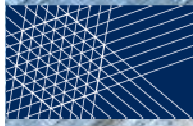


	Q3 2010	Q3 2009	Change
Total Sales	37.326	35.571	1.755
EBITDA	-82	958	-1.040
EBIT	-2.406	-1.034	-1.372
EBIT %	-6,45 %	-2,91 %	

Q3 FINANCIALS LAST 2 QUARTERS



	Q3 2010	Q2 2010	Change
Total Sales	37.326	31.797	5.529
EBITDA	-82	-484	402
EBIT	-2.406	-2.575	169
EBIT %	-6,45 %	-8,10 %	



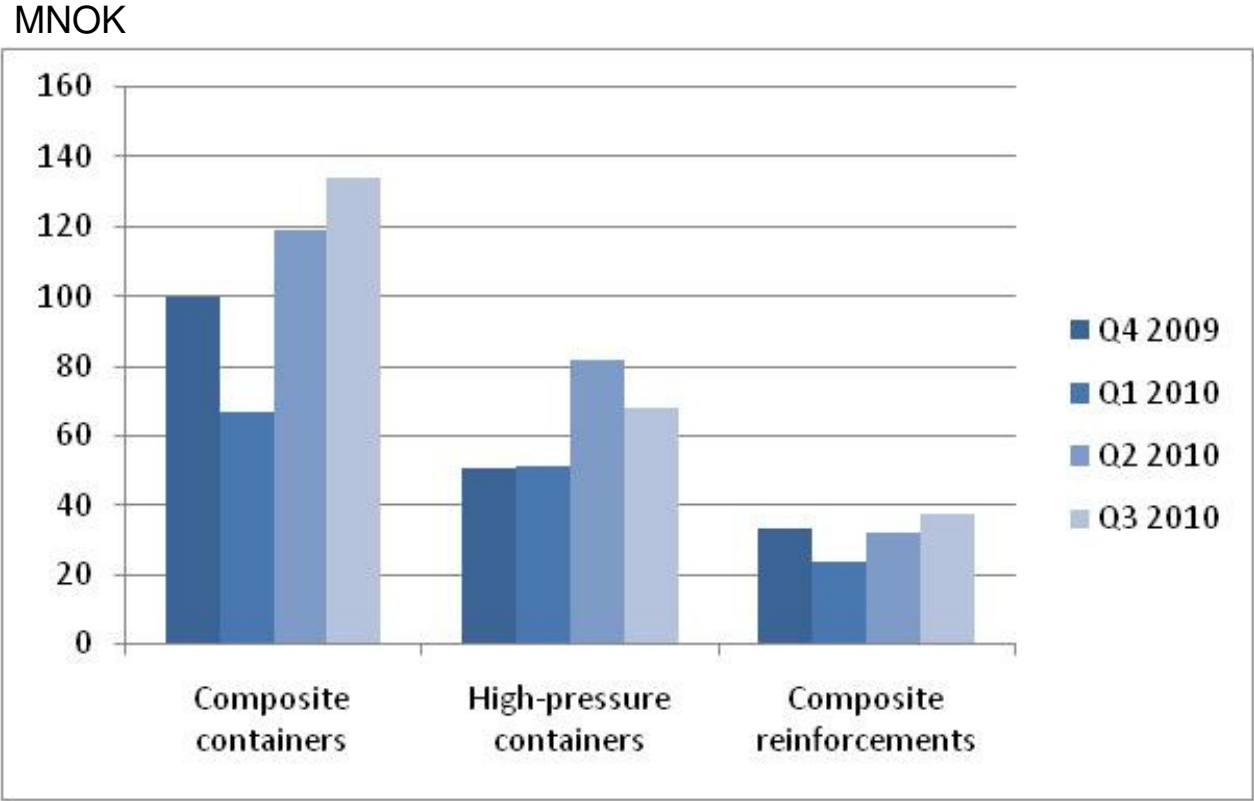
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Q3 2010 – GROUP FINANCIALS

PROFIT AND LOSS ACCOUNT Q3 2010

Key figures	(NOK 1000)	Q3 2010	Q3 2009	Change
Sales Revenue		237.683	225.655	5%
EBITDA		42.281	39.468	7%
EBIT		20.722	25.898	-20%
EBIT %		8,7 %	11,5 %	
Profit before tax		15.530	34.874	-55%

TURNOVER PER BUSINESS UNIT



BALANCE SHEET AS PER 30.09.2010

ASSETS

Balance Sheet - Assets	30.09.2010	30.06.2010	Change
Intangible assets	135.601	140.455	-4.854
Tangible fixed assets	304.719	327.423	-22.704
Investments in associates	5.669	5.746	-77
Other financial fixed assets	1.046	1.005	41
Inventories	154.152	114.419	39.733
Receivables	244.741	214.391	30.350
Bank deposits, cash and similar	9.195	9.298	-103
Total Assets	855.124	812.736	42.388

(NOK 1000)

BALANCE SHEET AS PER 30.09.2010

LIABILITIES AND EQUITY

Balance Sheet - Liabilities and Equity	30.09.2010	30.06.2010	Change
Paid-in capital	103.054	177.888	-74.834
Other equity	152.243	69.249	82.994
Provisions	24.937	26.254	-1.317
Interest-bearing long-term liabilities	316.911	315.324	1.587
Interest-bearing current liabilities	53.920	45.387	8.533
Other current liabilities	204.058	178.634	25.424
Total Liabilities and Equity	855.124	812.736	42.388

(NOK 1000)

BALANCE SHEET AS PER 30.09.2010

ASSETS

Balance Sheet - Assets (NOK 1 000)	30.09.2010	30.09.2009	Change
Intangible assets	135.601	118.546	17.055
Tangible fixed assets	304.719	259.045	45.674
Investments in associates	5.669	52.561	-46.892
Other financial fixed assets	1.046	2.588	-1.542
Inventories	154.152	112.452	41.700
Receivables	244.741	184.075	60.666
Bank deposits, cash and similar	9.195	6.405	2.790
Total Assets	855.124	735.672	119.452

BALANCE SHEET AS PER 30.09.2010

LIABILITIES AND EQUITY

Balance Sheet - Liabilities and Equity	30.09.2010	30.09.2009	Change
Paid-in capital	103.054	177.106	-74.052
Other equity	152.243	76.002	76.241
Provisions	24.937	23.440	1.497
Interest-bearing long-term liabilities	316.911	310.163	6.748
Interest-bearing current liabilities	53.920	32.946	20.974
Other current liabilities	204.058	116.014	88.044
Total Liabilities and Equity	855.124	735.672	119.452

(NOK 1000)

CASH FLOW STATEMENT AS AT 30.09.2010

Cash Flow Statement (NOK 1 000)	30.09.2010
Profit before tax	32.838
Depreciation and write-downs	53.433
Change in net working capital	-23.220
Net cash flow from operations	63.051
Net cash flow from investment activities	-67.040
Net cash flow from financing activities	-33.379
Net change in cash and cash equivalents	-37.368
Cash and cash equivalents at start of period	46.563
Cash and cash equivalents at end of period	9.195
Available unused credit facility	74.384



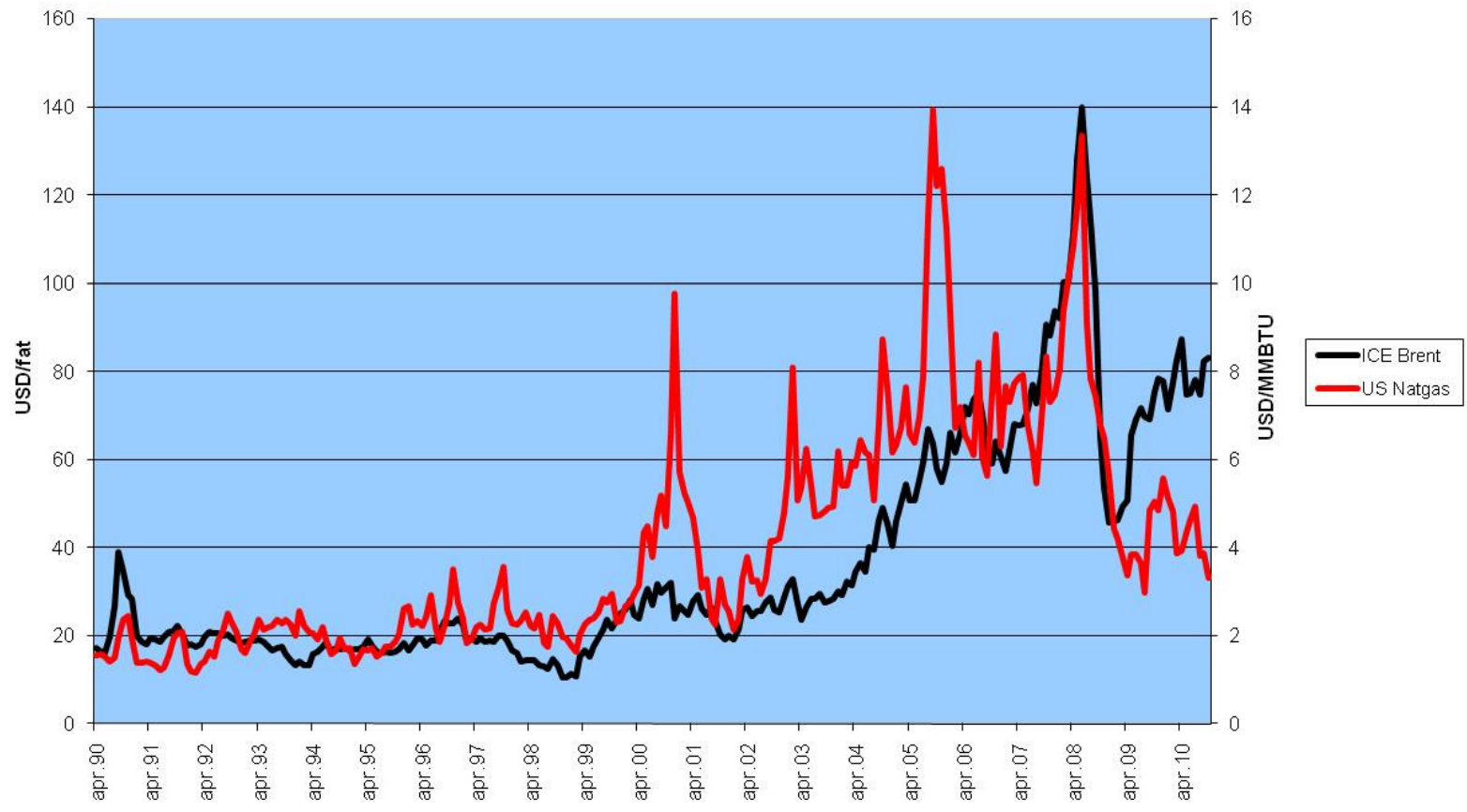
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SUMMARY & OUTLOOK



MARKET OUTLOOK

ICE Brent og US Natgas - History



MARKET DRIVERS



Composite containers

Market change from steel to composite cylinders

Increased focus on design, light-weight and safety

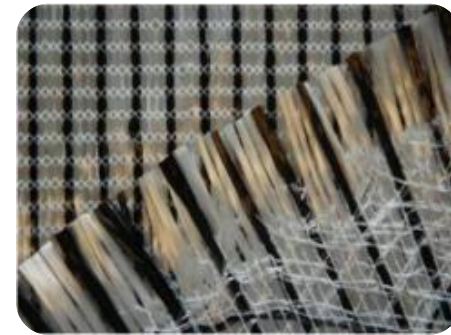


High-pressure containers

Increased oil price and stable low gas price will increase gas vehicle market

More gas vehicles require more filling stations

Conversion of power plants from oil to gas - more bulk hauling



Composite reinforcements

Continous growth with wind power as clean energy

Increasing bunker oil price drives demands for lighter vessels

SUMMARY & OUTLOOK



- ▶ Turnover record in Q3 2010
- ▶ Completed delivery of 300 000 tanks to PDVSA Gas Communal
- ▶ New agreement with Daimler AG of CNG tanks to the next generation Mercedes-Benz B-class
- ▶ Good order book for Q4 2010
- ▶ The market for LPG containers is good - increasing interest in the Middle East, Europe and South America

SUMMARY & OUTLOOK



- ▶ Strong order book
- ▶ Ramp-up of TITAN™ production in positive progress
- ▶ CNG buses: Positive market development in North America and Europe, and especially North Europe
- ▶ Strong market interest for TITAN™



SUMMARY & OUTLOOK



- ▶ Improved turnover and profitability expected for 2011
- ▶ Kåre Dybvik appointed as Managing Director of Devold AMT effective from 1 November
- ▶ New major customers secured for 2011
- ▶ Anti-dumping duties on Chinese glass fiber to EU countries





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Q & A

