4th QUARTER 2013

Oslo, 13 February 2014

Jon Erik Engeset, Group President & CEO
David Bandele, CFO

HEXAGON COMPOSITES

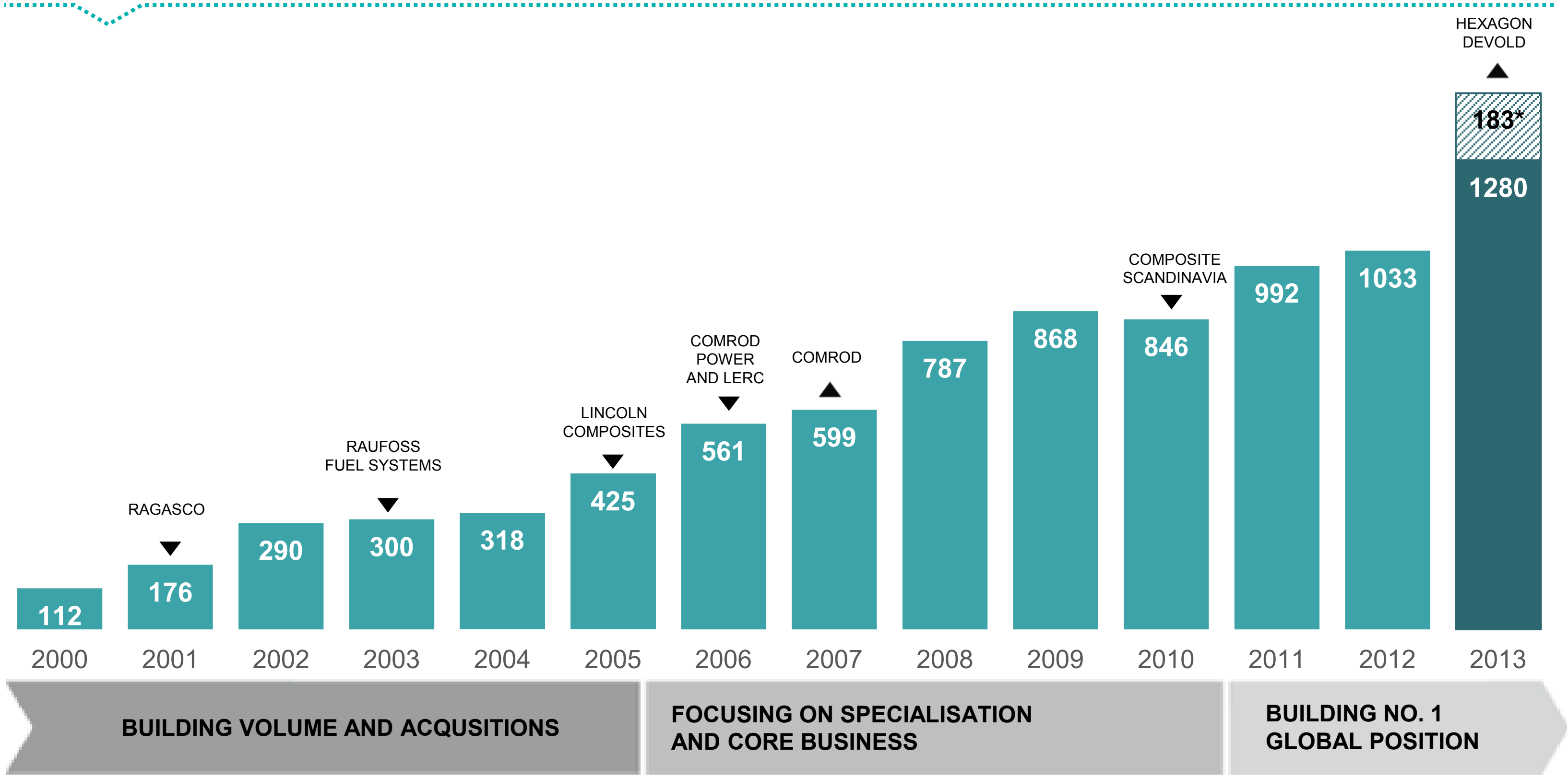
AGENDA

- Highlights
- Group financials
- Segment review
- Summary and outlook
- Q & A

SOLID EXPERIENCE IN A GROWING INDUSTRY

HEXAGON COMPOSITES

OPERATING REVENUES
NOK Million



▼ Acquisitions ▲ Divestments

* Marked area in 2013 represents revenue in Composite Reinforcements, which was divested in January 2014

HIGHLIGHTS Q4 2013

HEXAGON COMPOSITES

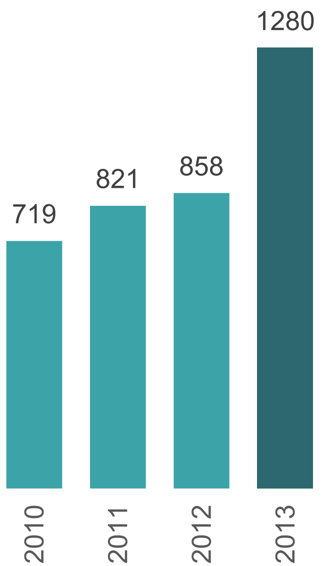
- Sale of Hexagon Devold to Saertex GmbH & Co. KG
- Strong growth in demand for Heavy-Duty Vehicle fuel tanks
- Substantial sales of TITAN™ modules in North and South America
- Introduction of the Euro 6 standard with effect from 1 January 2014, which makes natural gas-powered buses more competitive in comparison with diesel buses
- Several orders for LPG cylinders from outside Europe
- Formal Russian approval of Rugasco's LPG cylinder

KEY FIGURES*:

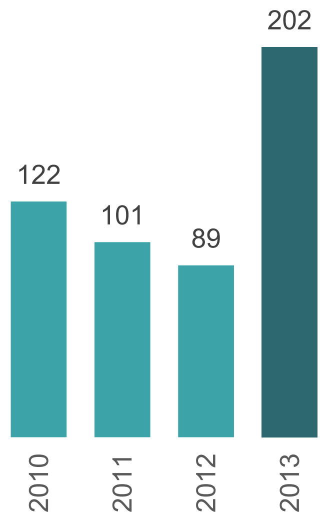
GROUP FINANCIALS – CONTINUING OPERATIONS

HEXAGON COMPOSITES

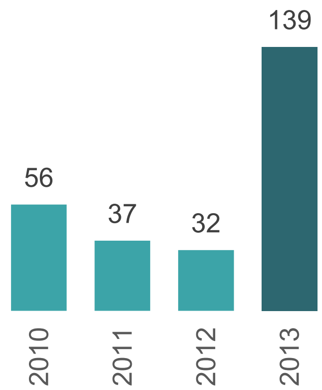
OPERATING INCOME
NOK Million



EBITDA
NOK Million



EBIT
NOK Million

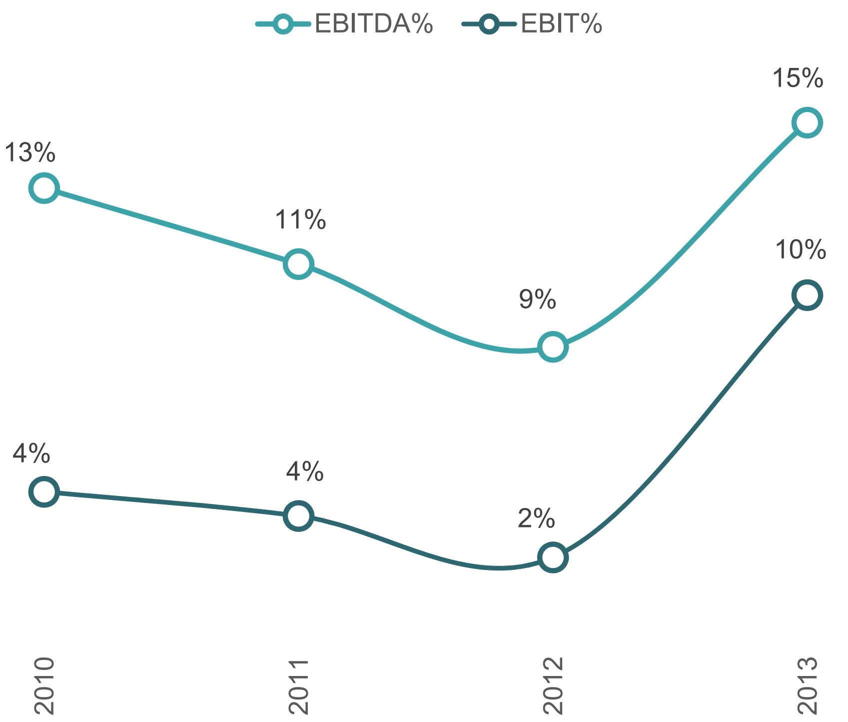


*Figures have been restated to exclude Composite Reinforcements, which was divested in January 2014 and is accounted for as profit/(loss) from companies held for sale

CONTINUING OPERATIONS*

STRONG MARGIN IMPROVEMENT

MARGIN DEVELOPMENT



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Q4 2013

HEXAGON
COMPOSITES

- Turnover NOK 306 million (211)
  - Hexagon Devold excluded
- EBITDA NOK 31,3 million (7,4)
- EBITDA NOK 31,3 million (7,4)
- EBIT NOK 12,8 million (-7,5)
- Net Profit NOK 7,1 (-6,3)
- Non recurring costs of NOK 21 million
- Goodwill write down Hexagon Raufoss NOK 3,9 million
- EBIT charged with NOK -1,9 million from Rugasco JV (RU)

FULL YEAR 2013

- Turnover NOK 1,28 billion (0,857)
  +49%
  Hexagon Devold excluded
- EBITDA NOK 202 million (87)
  + 132%
- EBIT NOK 139 million (32)
- Net Profit NOK 89,8 (5,4)

TWO WARRANTY ISSUES

- Hexagon Ragasco (LPG)
  - Permeation higher than standard prescribes
    - No hazardous risk

- Hexagon Lincoln
  - Recall of limited number of cylinders due to performance deviations

- Warranty provisions increased by NOK 10 million

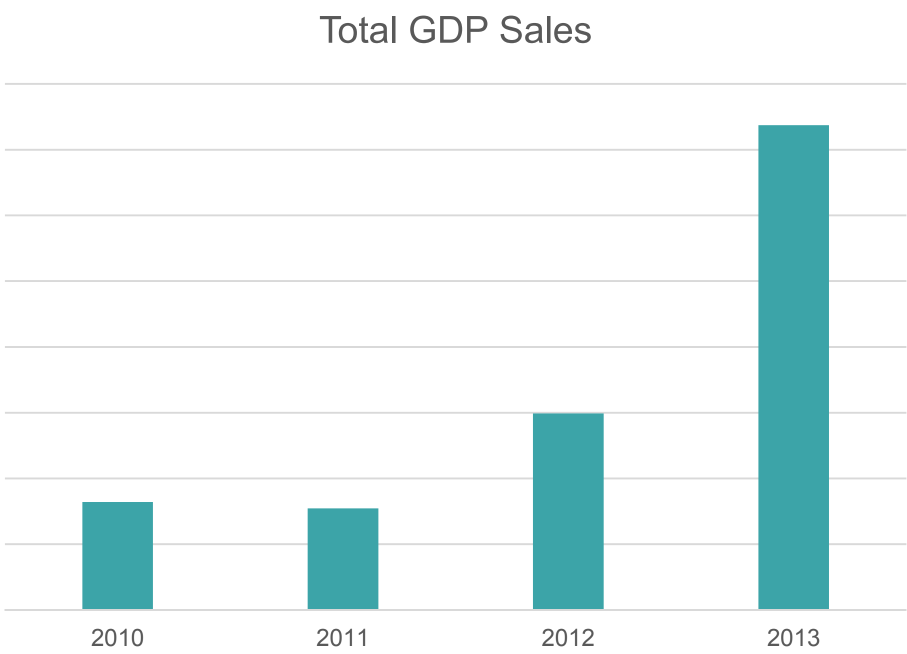
STRONG UNDERLYING PERFORMANCE IN HIGH PRESSURE SEGMENT

HEXAGON COMPOSITES

- Very strong quarter for Heavy-Duty Vehicles driven by launch of Cummins Westport ISX 11,9 ltrs
- Continued strong growth for bus and refuse truck applications
- Another weak quarter for Light-Duty Vehicles segment
- Strong demand for Gas Distribution Products (GDP)
  - TITAN™ and SMARTSTORE ™
  - Mainly North and South America
  - First deliveries to Russia
- Hexagon Lincoln capacity fully utilized in Q4
  - Short term delays and extended delivery times
  - Expansion Program Phase 1 on revised schedule for completion within Q1 2014
  - Expansion Program Phase 2 on schedule for completion within Q1 2015

GAS DISTRIBUTION PRODUCTS (GDP) GROWTH

TITAN™ AND TUFFSHELL™



Q4 IS THE LOW SEASON FOR LPG

- Underlying operating income growth of 17% in Q4 2013 versus Q4 2012
  - After adjusting for one-offs of NOK 28,3 million in 2012
- Several introductory orders taken in new markets outside Europe
  - South East Asia, Caribbean, Middle East, Africa

HEXAGON COMPOSITES

4th

QUARTER 2013
GROUP FINANCIALS

PROFIT AND LOSS ACCOUNT*

NOK THOUSAND	THREE MONTHS ENDING			TWELVE MONTHS ENDING		
	31.12.13	31.12.12	*Variance*	31.12.13	31.12.12	*Variance*
Operating Income	**306 473**	**211 525**	***94 948***	**1 280 106**	**857 439**	***422 667***
Operating expenses	(275 196)	(204 154)	*(71 042)*	(1 078 188)	(770 424)	*(307 764)*
EBITDA	**31 277**	**7 371**	***23 906***	**201 918**	**87 015**	***114 903***
Depreciation and impairment	(18 437)	(14 837)	*(3 600)*	(62 775)	(55 073)	*(7 702)*
EBIT	**12 840**	**(7 466)**	***20 306***	**139 143**	**31 942**	***107 201***
Share of profit/(loss) from associates	-	(411)	*411*	(1 247)	(826)	*(421)*
Other financial items (net)	(5 015)	(3 815)	*(1 200)*	(9 737)	(11 963)	*2 226*
Profit before tax from cont. operations	**7 825**	**(11 692)**	***19 517***	**128 159**	**19 153**	***109 006***
Tax expense	(1 300)	6 059	*(7 359)*	(41 347)	(5 383)	*(35 964)*
Profit after tax from cont. operations	**6 525**	**(5 633)**	***12 158***	**86 812**	**13 770**	***73 042***
Profit/(loss) from companies held for sale	617	(631)	*1 248*	2 941	(8 323)	*11 264*
Profit/(loss) for the year	**7 142**	**(6 264)**	***13 406***	**89 753**	**5 447**	***84 306***

EBITDA %	**10.2%**	**3.5%**		**15.8%**	**10.1%**	
EBIT %	**4.2%**	**(3.5%)**		**10.9%**	**3.7%**	

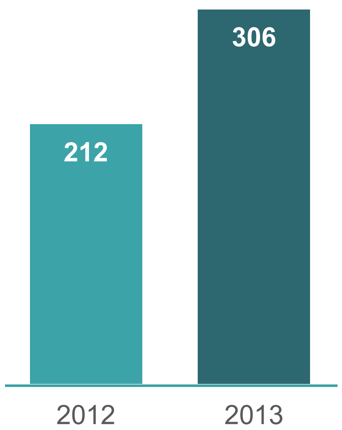
*Figures have been restated to exclude Composite Reinforcements, which was divested in January 2014 and is accounted for as profit/(loss) from companies held for sale

Q4 2013 V 2012 PROFIT & LOSS HIGHLIGHTS*

HEXAGON COMPOSITES

Revenues
NOK million (restated)

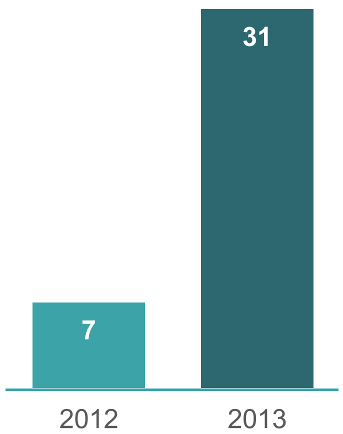
45% Growth



- High-pressure drives increase of NOK 94 million

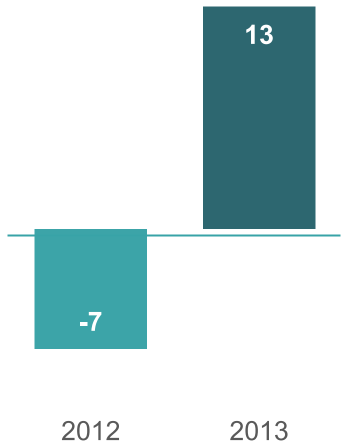
EBITDA
NOK million (restated)

324% Growth



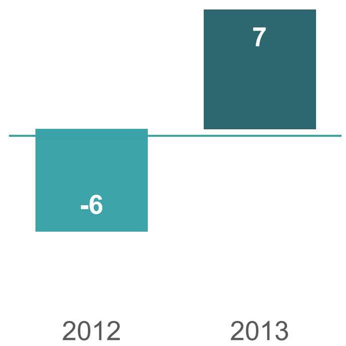
- Underlying growth of NOK 26 million, mainly in High-pressure
  - NOK 2 million negative impact of one-offs (-15 vs -13)

EBIT
NOK million (restated)



- Volume based depreciation in the low pressure segment accounts for +NOK 4 million of the growth

Net profit
NOK million (restated)



- Tax charge of NOK 1 million, versus tax credit of NOK 6 million in 2012

Satisfactory underlying performance, impacted negatively by one-offs

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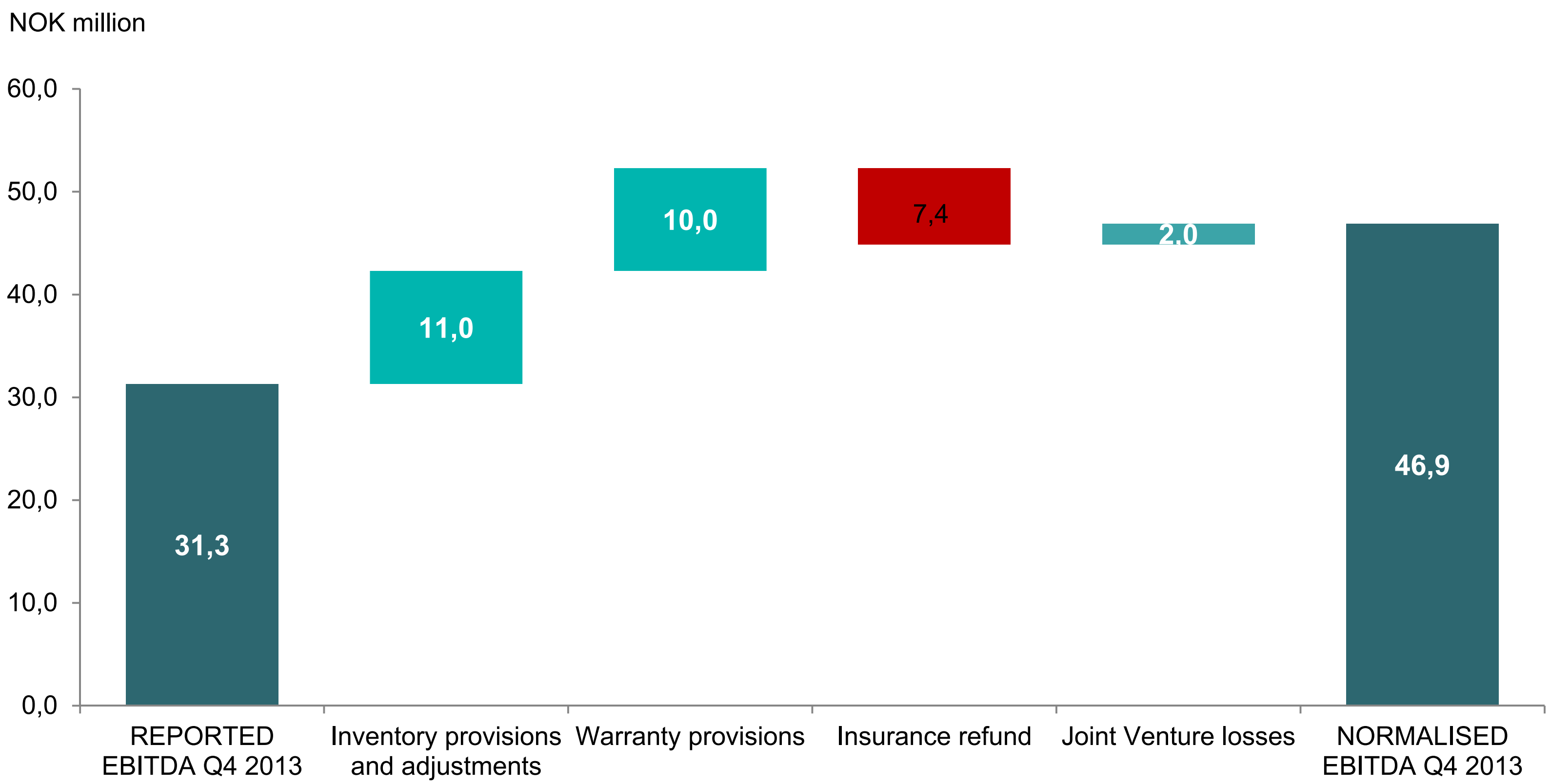
IMPACT OF ONE-OFFS ON EBITDA Q4 2013*



Normalised Q4 EBITDA of NOK 47 million

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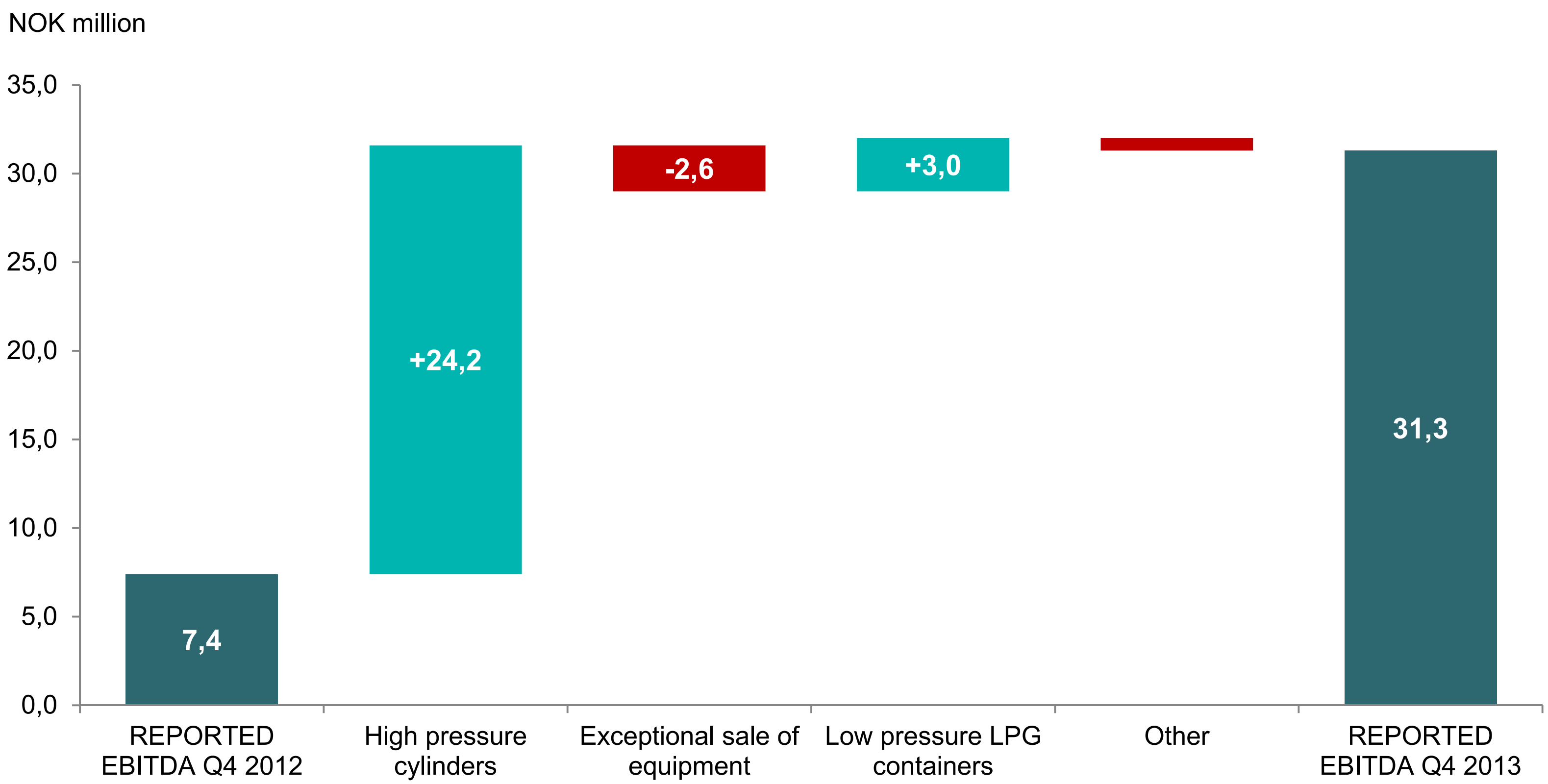
GROUP EBITDA Q4 2013* VS Q4 2012*



High pressure drives growth in Q4 versus prior year

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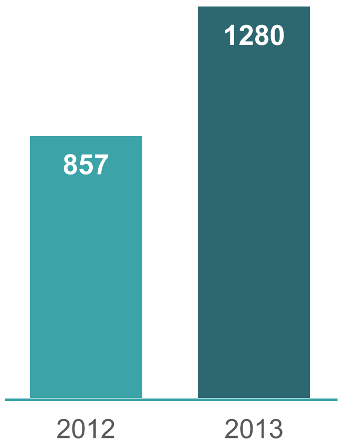
2013 V 2012 PROFIT & LOSS HIGHLIGHTS*

Revenues
NOK million (restated)

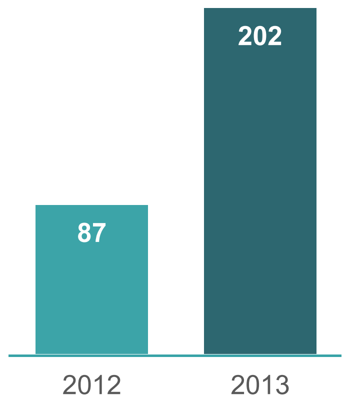
49% Growth



- High-pressure drives +NOK 403 out of 423 million growth

EBITDA
NOK million (restated)

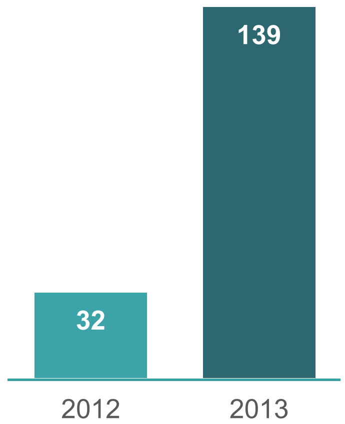
132% Growth



- Underlying growth of NOK 121 million, improvement in both segments
  - NOK 6 million negative impact of one-offs (-28 vs -22)

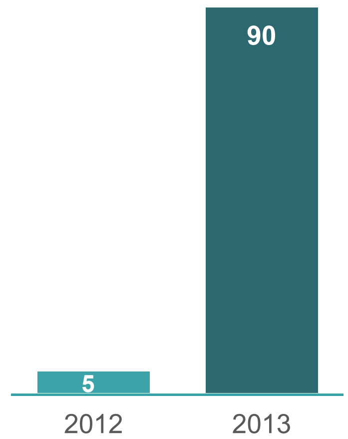
EBIT
NOK million (restated)

336% Growth



- Volume based depreciation in the Low pressure segment accounts for + NOK 8 million of growth

Net profit
NOK million (restated)

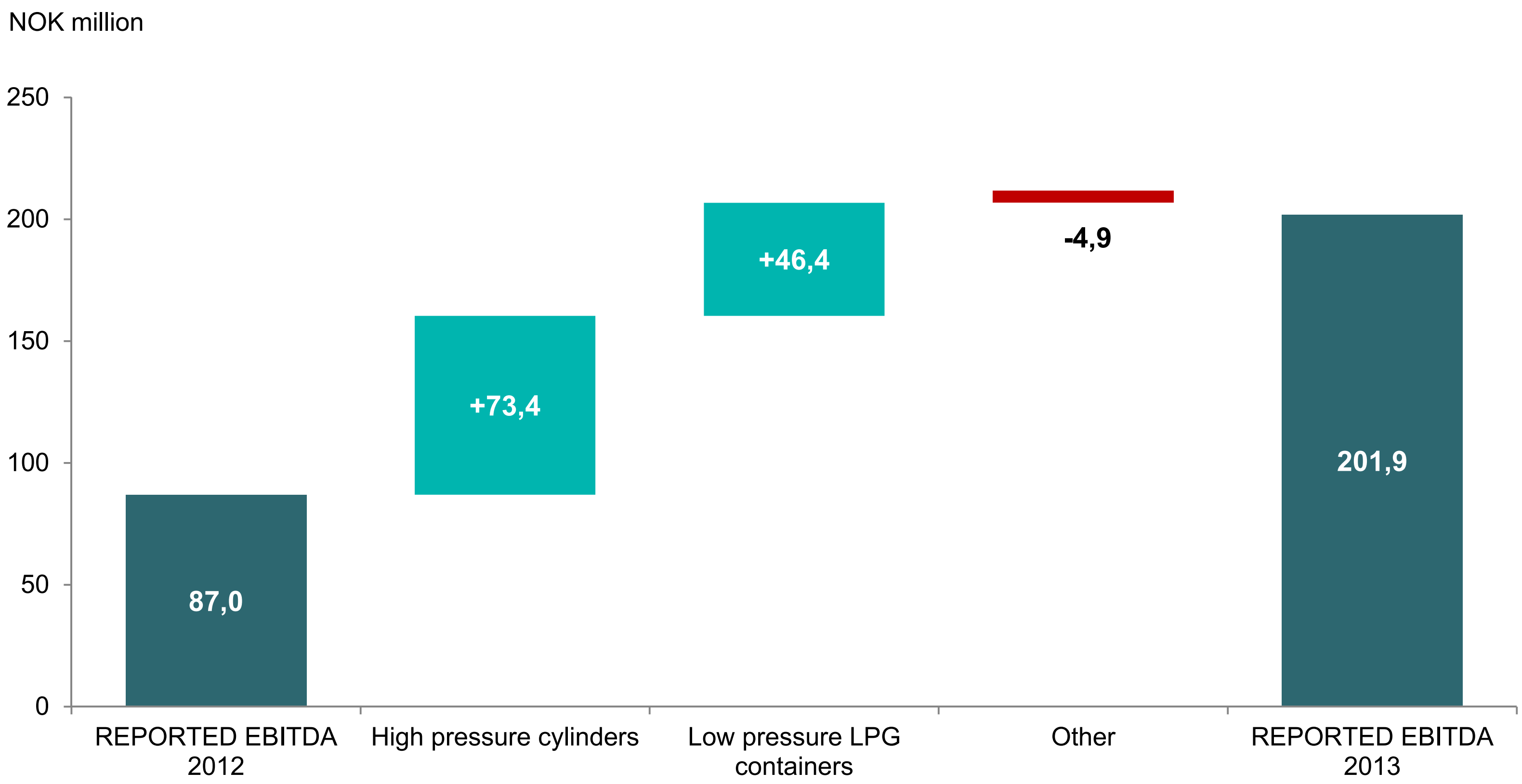


- Tax charge of -NOK 36 million
- Finance and other contributions of +NOK 14 million

Exceptional growth and margin improvement but also growth challenges

*Figures have been restated to exclude Composite Reinforcements, which was divested in January 2014 and is accounted for as profit/(loss) from companies held for sale

GROUP EBITDA 2013* VS 2012*



Good growth in both core business segments

*Figures have been restated to exclude Composite Reinforcements, which was divested in January 2014 and is accounted for as profit/(loss) from companies held for sale

FINANCIAL POSITION*

NOK THOUSAND	31.12.2013	31.12.2012	Change
Intangible assets	100 220	118 437	(18 217)
Tangible fixed assets	229 132	286 772	(57 640)
Other non-current assets	3 817	3 716	101
Total Non-current Assets	**333 169**	**408 925**	**(75 756)**
Inventories	218 230	243 444	(25 214)
Receivables	149 577	155 280	(5 703)
Bank deposits, cash and similar	244 883	80 322	164 561
Total Current Assets	**612 690**	**479 046**	**133 644**
Assets of businesses held for sale	193 400	-	193 400
Total Assets	**1 139 259**	**887 971**	**251 288**
Total Equity	**348 716**	**259 488**	**89 228**
Provisions	9 160	25 355	(16 195)
Long-term interest-bearing debt	448 477	324 566	123 911
Total Non-current Liabilities	**457 637**	**349 921**	**107 716**
Short-term interest-bearing debt	28	32 892	(32 864)
Other current liabilities	253 170	245 670	7 500
Total Current Liabilities	**253 198**	**278 562**	**(25 364)**
Liabilities of businesses held for sale	79 708	-	79 708
Total Liabilities	**790 543**	**628 483**	**162 060**
Total Equity and Liabilities	**1 139 259**	**887 971**	**251 288**

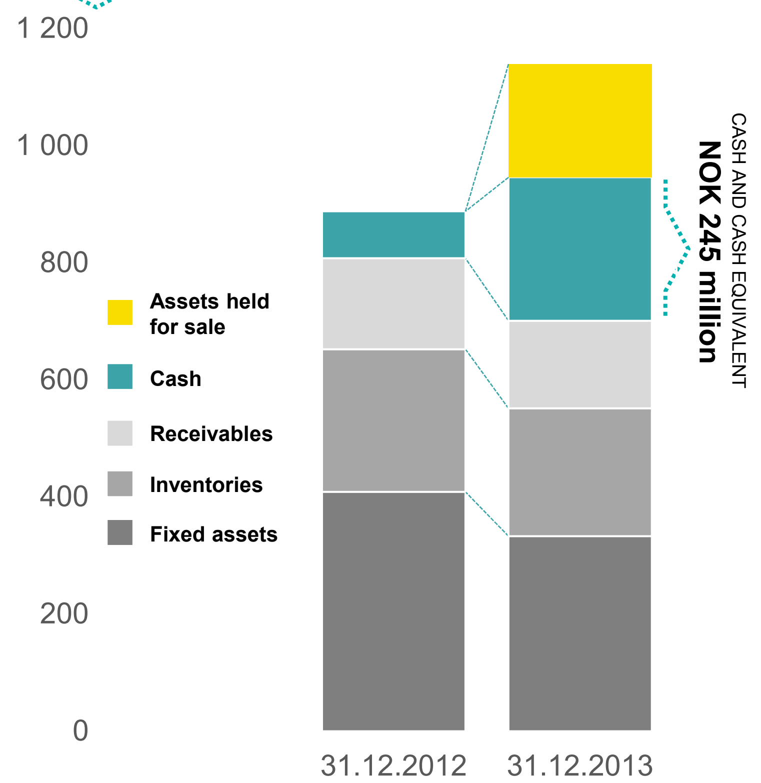
- Material improvement in Cash and Cash equivalents
- Additional Liquidity reserves are NOK 270 million
- Net Interest-bearing debt reduces by NOK 73 million (2013: 204 v 2012: 277)
- Reduction in NIBD of a further NOK 115 million in January 2014, being receipts of sale of Composites Reinforcements business

*Assets and Liabilities for Composite Reinforcements which was divested in January 2014 have been shown in separate lines in 2013 only as it is accounted for as companies held for sale

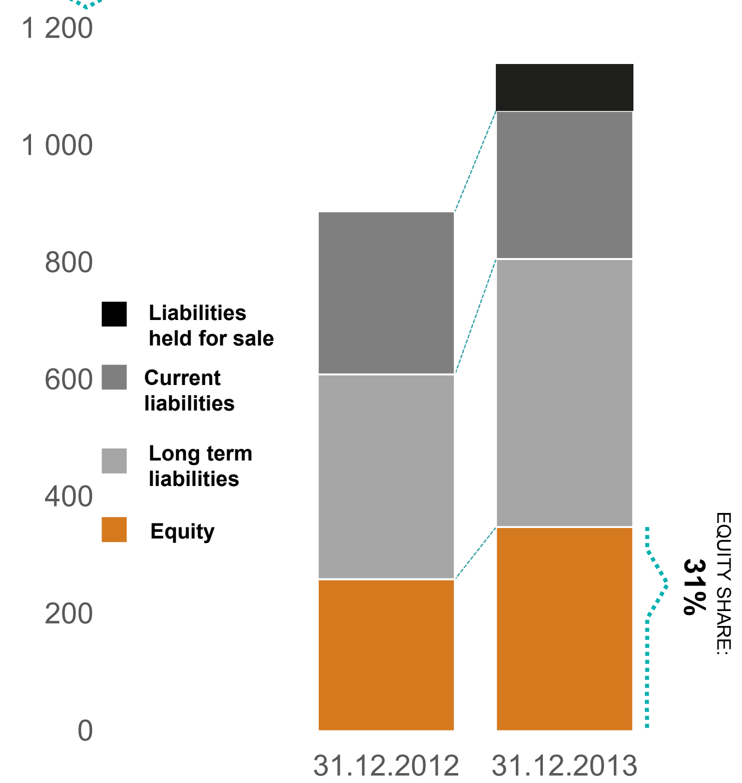
CAPITAL STRUCTURE

HEXAGON COMPOSITES

ASSETS
NOK Million



LIABILITIES AND EQUITY
NOK Million



4th

QUARTER 2013
SEGMENT RESULTS

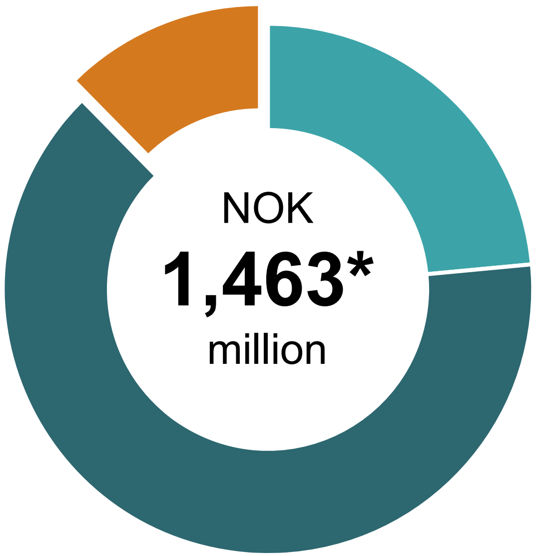
HEXAGON COMPOSITES

SEGMENT SHARES

AFTER INTERCOMPANY ELIMINATIONS AND GROUP CHARGES*

SHARE OF SALES REVENUE

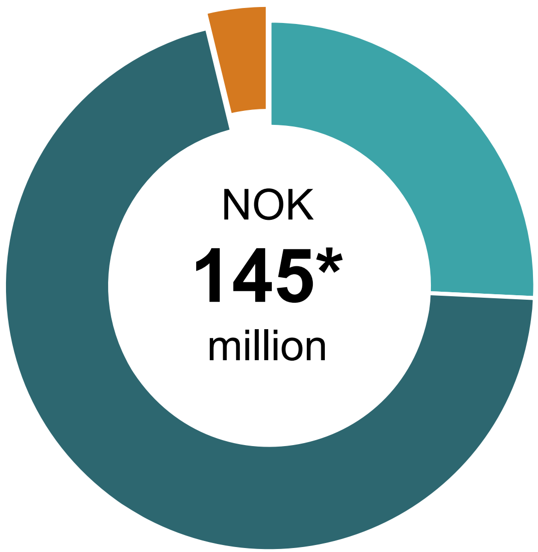
Percent



- Hexagon Ragasco
- Hexagon Lincoln/Raufoss
- Hexagon Devold

SHARE OF EBIT

Percent



- Hexagon Ragasco
- Hexagon Lincoln/Raufoss
- Hexagon Devold

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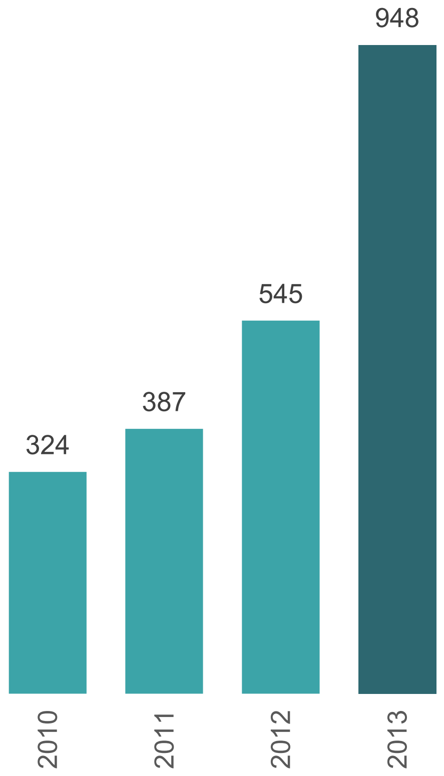
Q4: HIGH-PRESSURE CYLINDERS

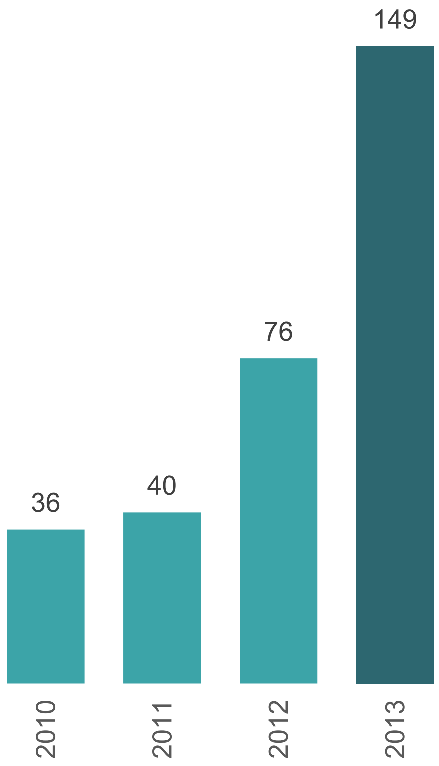
- Continued strong market demand in North America
- Continued high global activity for TITAN™ and SMARTSTORE™ transportation and storage systems
- Continued strong bus market with the start of T4 deliveries to Turkey
- The European passenger car market remains weak
- Current capacity expansion in Lincoln is making headway, with completion still expected by the end of Q1 2014

2013 KEY FIGURES

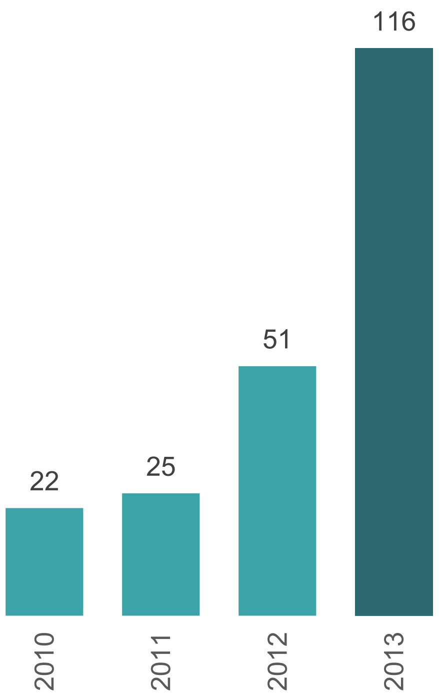
OPERATING INCOME
NOK Million



EBITDA
NOK Million



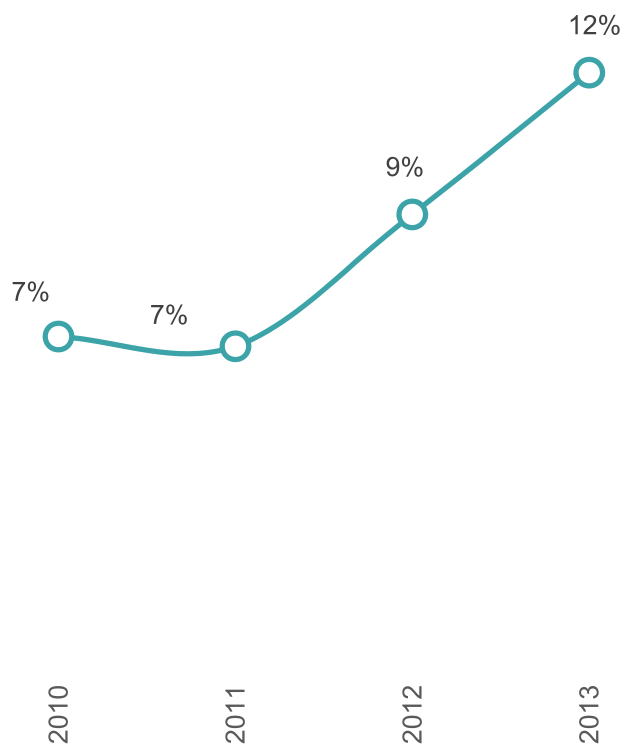
EBIT
NOK Million



HIGH-PRESSURE CYLINDERS

2013: STRONG MARGIN DEVELOPMENT

EBIT MARGIN DEVELOPMENT
Percent



- Strong sales and profit North America
- Fully utilised production capacity in Lincoln
- Strong growth in European bus systems sales

Q4: LOW-PRESSURE LPG CONTAINERS

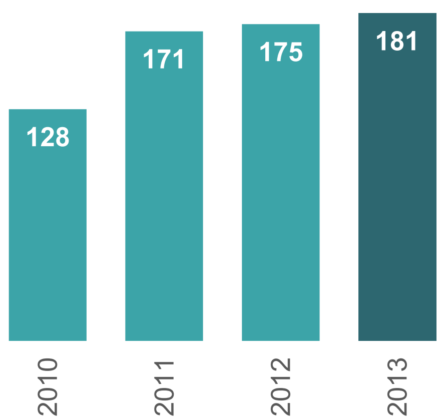
HEXAGON COMPOSITES

- Continued strong sales, especially to France, and growing order book outside Europe
- Formal Russian product approval received for LPG cylinders
- Added 5th shift to meet expected demand in H1 2014

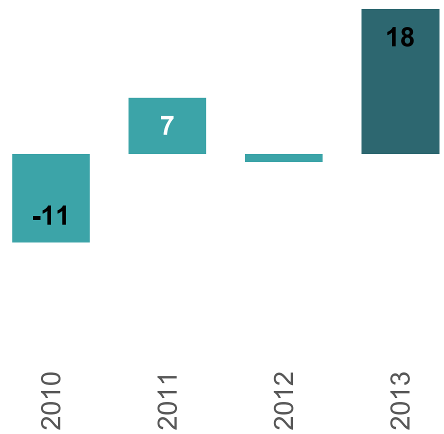
IMPACT OF RESTATEMENT

NOK THOUSAND	4TH QUARTER 2013			YEAR 2013		
	Un-restated	Devold*	Restated	Un-restated	Devold*	Restated
Sales Revenues	356 702	50 229	306 473	1 463 238	183 132	1 280 106
Operating expenses	(320 953)	(45 757)	(275 196)	(1 243 767)	(165 579)	(1 078 188)
EBITDA	**35 749**	**4 472**	**31 277**	**219 471**	**17 553**	**201 918**
Depreciation and impairment	(21 547)	(3 110)	(18 437)	(74 081)	(11 306)	(62 775)
EBIT	**14 202**	**1 362**	**12 840**	**145 390**	**6 247**	**139 143**

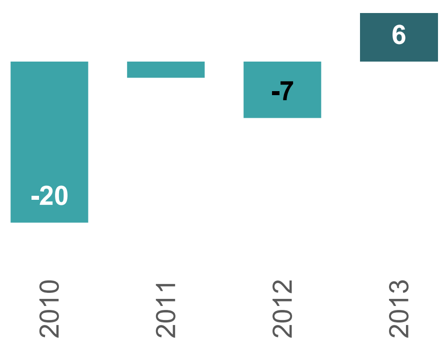
OPERATING INCOME: Devold
NOK Million



EBITDA: Devold
NOK Million



EBIT: Devold
NOK Million



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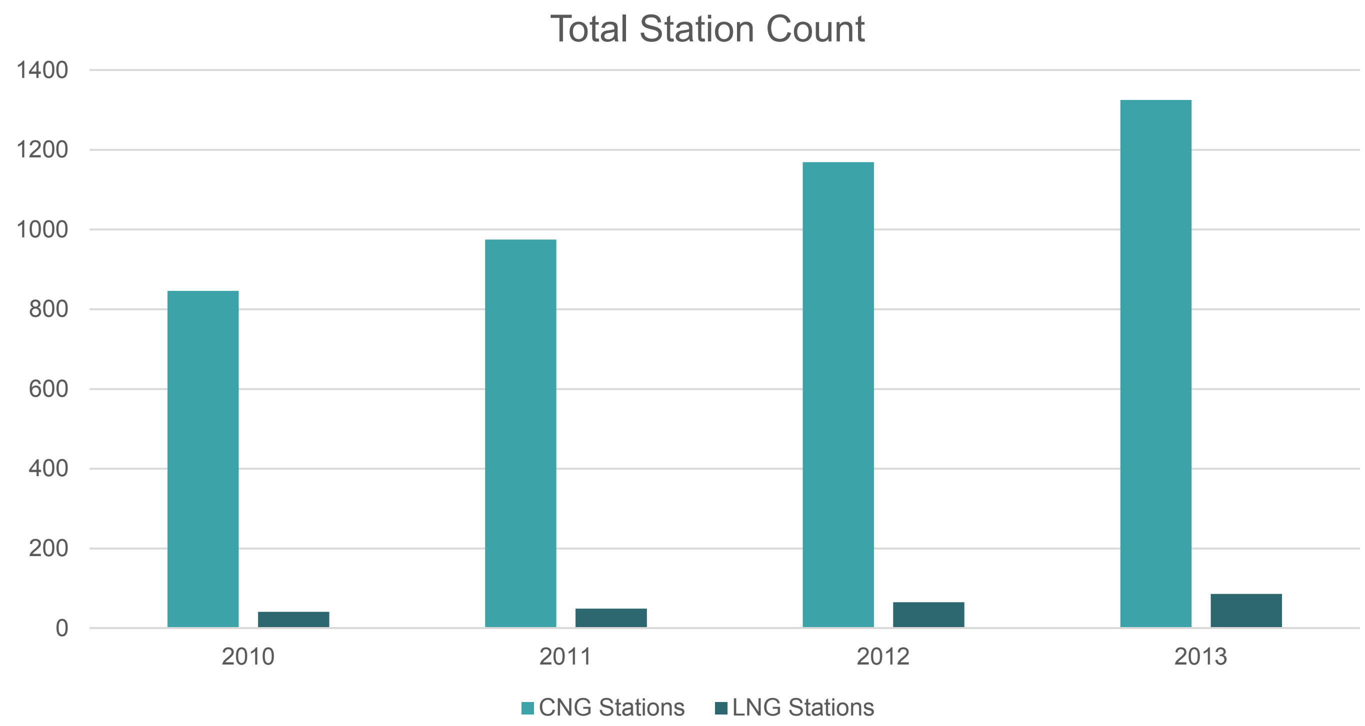
4th

QUARTER 2013
SUMMARY & OUTLOOK

STATE OF THE UNION

U.S. NATURAL GAS INFRASTRUCTURE DEVELOPMENT



THE FUTURE LOOKS BRIGHT

- We expect continued strong growth in High Pressure area.
  - Especially in US Heavy-Duty segment
  - European passenger car segment expected to gradually improve
  - Global market opportunity for Gas Distribution Products (GDP)
  - EURO 6 makes CNG buses more competitive than diesel buses in Europe.

- LPG capacity expected fully utilized in Q1 and Q2 2014,
  - improved utilization in Q3 and Q4 compared with previous years

- Gross margins expected to be sustained through 2014

- The growth will not be linear
  - Variations between quarters should be assumed

- Significant investment in organizational development in 2014
  - Increased manning and management
  - Information systems
  - Expansion project

THANK YOU