



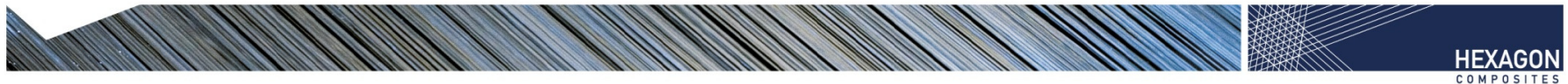
THIRD QUARTER 2012 RESULTS

Erik Espehet, Group President | Tor Olsen Husø, CFO | Knut Flakk, Chairman

Oslo, 26 October 2012

AGENDA THIRD QUARTER 2012 RESULTS

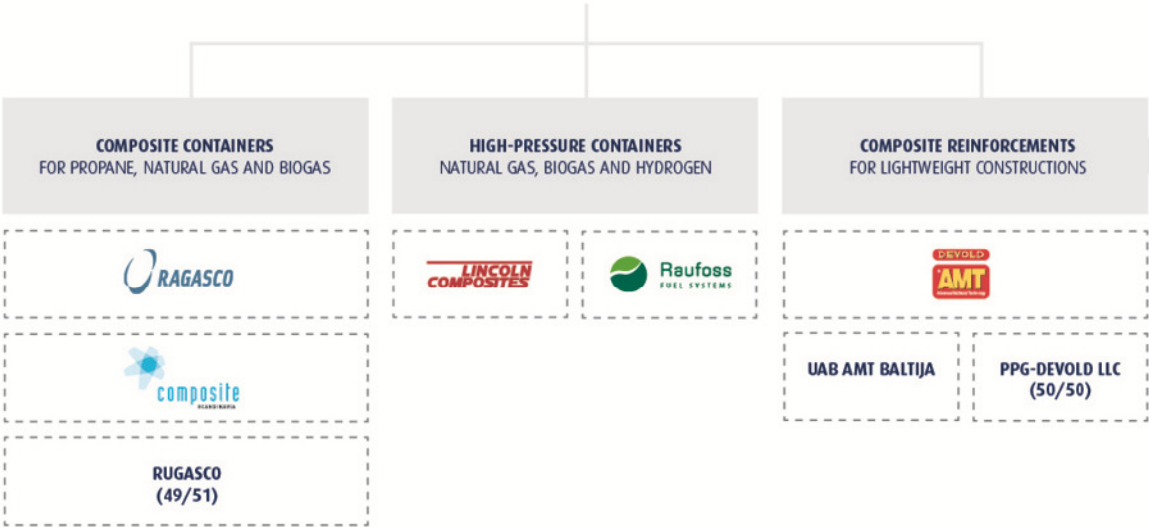
- ▶ Hexagon Composites overview
- ▶ Key figures
- ▶ Business units
- ▶ Group financials
- ▶ Market outlook
- ▶ Summary
- ▶ Q & A



THIS IS HEXAGON COMPOSITES



HEXAGON COMPOSITES ASA



HIGHLIGHTS Q3 2012

- ▶ Ragasco experienced weaker sales development in its main markets
- ▶ The High-pressure business unit achieved record sales in Q3
- ▶ Devold AMT has completed the restructuring process and reached normal operation. Achieved a positive EBIT in Q3
- ▶ The product area for CNG passenger cars has been demerged from Ragasco AS and merged with Raufoss Fuel Systems AS effective from 1 October 2012
- ▶ Erik Espeset has resigned from the position as Group President in Hexagon Composites ASA to take up the position as Managing Director of Tafjord Kraft AS as of 1 January 2013

GROUP KEY FIGURES

	Q3 2011	Q2 2012	Q3 2012
Sales revenue	186.270	286.969	234.100
EBITDA	5.151	31.322	11.781
EBIT	-10.561	16.140	-1.654
EBIT %	-5,67 %	5,62 %	-0,71 %

Q3 operating results

- Slow down of sales and weaker EBIT than expected
- Record sales and strong EBIT in the High-pressure area
- Devold AMT achieved stable sales revenue and positive EBIT

Sales revenue and EBIT last quarters





BUSINESS UNITS



COMPOSITE CONTAINERS



- ▶ Ragasco experienced weaker sales development in its main markets
- ▶ Production at Composite Scandinavia was discontinued by end of Q3
- ▶ Product area for CNG passenger cars merged with Raufoss Fuel Systems AS effective from 1 October



COMPOSITE CONTAINERS

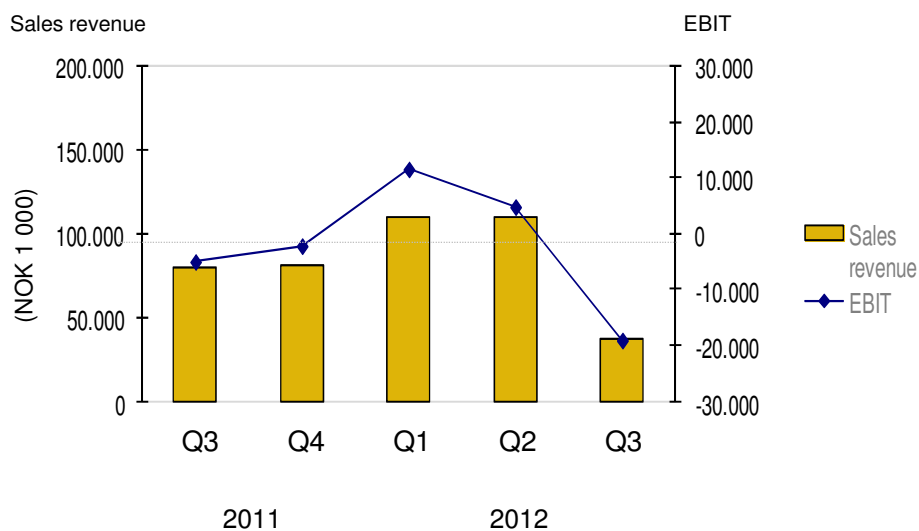


	Q3 2011	Q2 2012	Q3 2012
Sales revenue	80.321	109.310	37.696
EBITDA	4.685	13.245	-13.546
EBIT	-5.004	4.819	-19.070
EBIT %	-6,23 %	4,41 %	-50,59 %

Q3 operating results

- Slow down of sales and weaker EBIT than expected
- Reduced operating margin due to extra ordinary costs related to CS and CNG restructuring
- Negative EBIT due to low turnover and extra ordinary costs
- Stable fixed costs
- Seasonal variations affecting the sales revenue of LPG containers negatively

Sales revenue and EBIT last quarters



HIGH PRESSURE CONTAINERS



- ▶ The High-pressure business unit achieved record sales in Q3
- ▶ Continued strong growth in the North American CNG vehicle market
- ▶ Strong TITAN™ sales in Q3
- ▶ Record quarterly sales and order book
- ▶ Weak European bus market in Q3



HIGH PRESSURE CONTAINERS

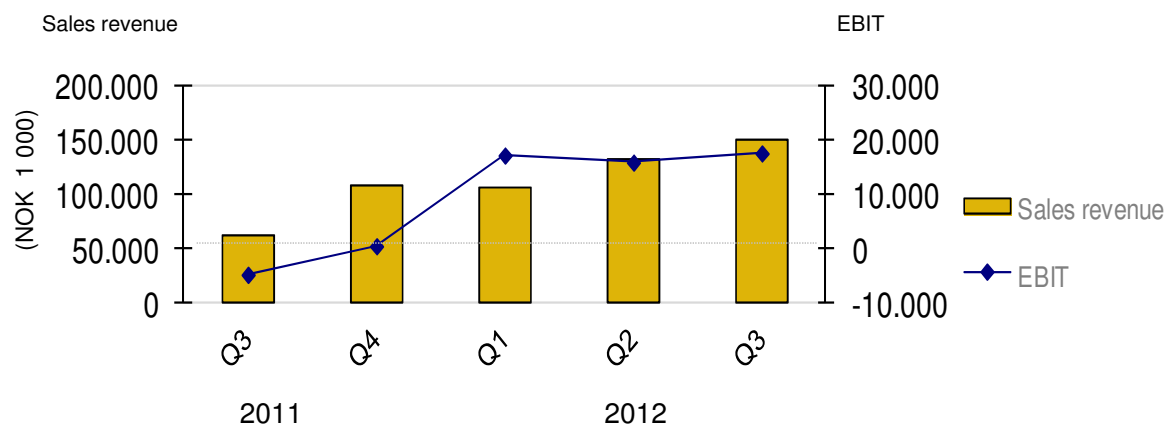


	Q3 2011	Q2 2012	Q3 2012
Sales revenue	62.782	133.598	151.537
EBITDA	-956	20.274	23.617
EBIT	-4.701	16.007	17.696
EBIT %	-7,49 %	11,98 %	11,68 %

Q3 operating results

- Achieved record sales in Q3
- High capacity utilization during the period (24/7)
- Improved EBIT, mainly due to increased turnover

Sales revenue and EBIT last quarters



COMPOSITE REINFORCEMENTS



- ▶ Stable turnover in Q3
- ▶ Achieved a positive EBIT in Q3
- ▶ Restructuring process completed and normal operation reached
- ▶ Devold AMT is well positioned, with low-cost production in Lithuania and USA



COMPOSITE REINFORCEMENTS

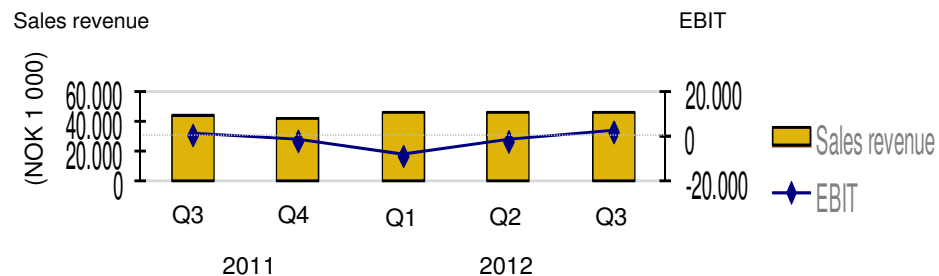


	Q3 2011	Q2 2012	Q3 2012
Sales revenue	43.824	46.657	45.414
EBITDA	3.190	470	4.267
EBIT	1.036	-1.888	2.405
EBIT %	2,36 %	-4,05 %	5,30 %

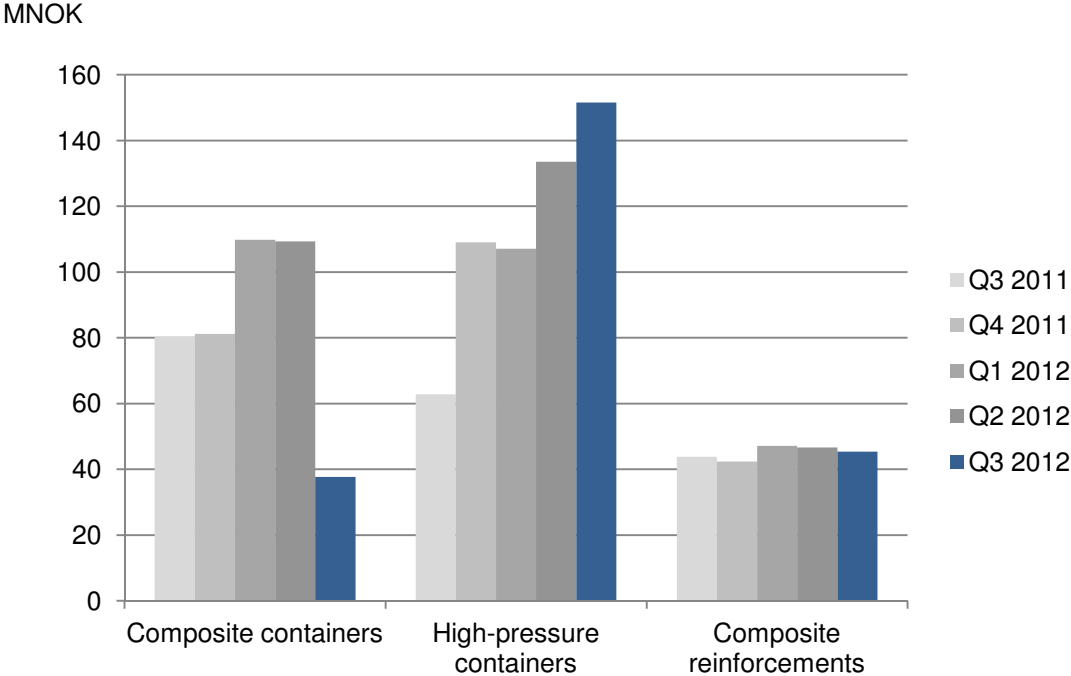
Q3 operating results

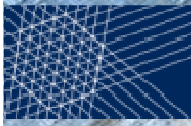
- Stable sales revenue
- First quarter without restructuring costs
- Achieved positive EBIT
- Improved margins
- Improved cost structure
- No extraordinary costs

Sales revenue and EBIT last quarters



TURNOVER PER BUSINESS UNIT





HEXAGON
COMPOSITES

Q3 2012 - GROUP FINANCIALS

PROFIT AND LOSS ACCOUNT Q3 2012

Key figures	(NOK 1 000)	Q3 2012	Q3 2011	Change
Sales Revenue		234.100	186.270	26%
EBITDA		11.781	5.151	129%
Depreciation		13.436	15.712	-14%
EBIT		-1.654	-10.561	-84%
Income from investments in associates		50	-2.372	-102%
Other financial items (net)		-7.406	2.806	-364%
Profit before tax		-9.011	-10.127	-11%
EBITDA %		5,0 %	2,8 %	
EBIT %		-0,7 %	-5,7 %	

BALANCE SHEET AS PER 30.09.2012

ASSETS

Balance Sheet - Assets	30.09.2012	30.09.2011	Change
Intangible assets	110.200	122.123	-11.923
Tangible fixed assets	255.194	267.301	-12.107
Investments in associates	1.998	2.565	-567
Other financial fixed assets	1.407	961	446
Inventories	249.435	217.801	31.634
Receivables	173.945	164.591	9.354
Bank deposits, cash and similar	52.899	6.832	46.067
Total Assets	845.077	782.174	62.903

(NOK 1 000)

BALANCE SHEET AS PER 30.09.2012

LIABILITIES AND EQUITY

Balance Sheet - Liabilities and Equity	30.09.2012	30.09.2011	Change
Paid-in capital	103.782	103.560	222
Other equity	166.294	163.277	3.017
Provisions	9.623	18.844	-9.221
Interest-bearing long-term liabilities	309.649	307.876	1.773
Interest-bearing current liabilities	9.719	46.250	-36.531
Other current liabilities	246.010	142.367	103.643
Total Liabilities and Equity	845.077	782.174	62.903

(NOK 1 000)

BALANCE SHEET AS PER 30.09.2012

ASSETS

Balance Sheet - Assets	30.09.2012	30.06.2012	Change
Intangible assets	110.200	113.303	-3.103
Tangible fixed assets	255.194	255.401	-207
Investments in associates	1.998	1.948	50
Other financial fixed assets	1.407	1.208	199
Inventories	249.435	214.179	35.256
Receivables	173.945	231.592	-57.647
Bank deposits, cash and similar	52.899	25.918	26.981
Total Assets	845.077	843.550	1.527

(NOK 1 000)

BALANCE SHEET AS PER 30.09.2012

LIABILITIES AND EQUITY

Balance Sheet - Liabilities and Equity	30.09.2012	30.06.2012	Change
Paid-in capital	103.782	103.740	42
Other equity	166.294	178.796	-12.502
Provisions	9.623	16.095	-6.472
Interest-bearing long-term liabilities	309.649	308.720	929
Interest-bearing current liabilities	9.719	5.063	4.656
Other current liabilities	246.010	231.135	14.875
Total Liabilities and Equity	845.077	843.550	1.527

(NOK 1 000)

CASH FLOW STATEMENT AS AT 30.09.2012

Cash Flow Statement (NOK 1 000)	30.09.2012
Profit before tax	20.595
Depreciation and write-downs	46.537
Change in net working capital	44.927
Net cash flow from operations	112.059
Net cash flow from investment activities	-31.743
Net cash flow from financing activities	-43.621
Net change in cash and cash equivalents	36.695
Cash and cash equivalents at start of period	16.204
Cash and cash equivalents at end of period	52.899
Available unused credit facility	125.761

KEY FIGURES AS AT 30.09.2012

KEY FIGURES	30.09.2012	30.09.2011	31.12.2011
Equity ratio	32.0 %	34.1 %	33.3%
Equity/Capital employed	45.8 %	43.0%	43.0%
Return on equity (annualised)	5.8 %	11.3 %	7.4%
Total return (annualised)	5.2 %	7.6 %	5.5%
Liquidity ratio I	1.86	2.06	1.93
Earnings per share	0.09	0.17	0.14
Diluted earnings per share	0.09	0.17	0.14
Cash flow from operations per share	0.84	0.67	0.88
Equity per share	2.03	2.00	1.99
Interest-bearing liabilities	319.368	354.136	351.220



HEXAGON
COMPOSITES

SUMMARY & OUTLOOK



SUMMARY & OUTLOOK



- ▶ Ragasco experienced weaker sales development in its main markets
- ▶ Production at Composite Scandinavia was discontinued by end of Q3
- ▶ Product area for CNG passenger cars merged with Raufoss Fuel Systems AS effective from 1 October
- ▶ Moderate market demand expected



SUMMARY & OUTLOOK



- ▶ The High-pressure business unit achieved record sales in Q3
- ▶ Continued strong growth in the North American CNG vehicle market
- ▶ Strong TITAN™ sales in Q3
- ▶ Record quarterly sales and order book
- ▶ Weak European bus market in Q3
- ▶ Expected growth in turnover and profit in 2012

SUMMARY & OUTLOOK



- ▶ Stable turnover in Q3
- ▶ Achieved a positive EBIT in Q3
- ▶ Restructuring process completed and normal operation reached
- ▶ Devold AMT is well positioned, with low-cost production in Lithuania and USA
- ▶ Sales on same level is expected in Q4 2012



HEXAGON
COMPOSITES

Q&A

