HEXAGON COMPOSITES

FOURTH QUARTER 2012 RESULTS

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AGENDA FOURTH QUARTER 2012 RESULTS

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

THIS IS HEXAGON COMPOSITES

HEXAGON COMPOSITES ASA

- **COMPOSITE CONTAINERS** FOR PROPANE, NATURAL GAS AND BIOGAS
  - RAGASCO
  - composite SCANDINAVIA
  - RUGASCO (49/51)
- **HIGH-PRESSURE CONTAINERS** NATURAL GAS, BIOGAS AND HYDROGEN
  - LINCOLN COMPOSITES
  - HEXAGON RAUFOSS AS
- **COMPOSITE REINFORCEMENTS** FOR LIGHTWEIGHT CONSTRUCTIONS
  - DEVOLD AMT
  - UAB AMT BALTIJA
  - PPG-DEVOLD LLC (50/50)

MAIN GOALS 2012

1. Establish all business units at a cost and efficiency level, enabling the business units to contribute with an acceptable profit in a situation with a non-satisfactory sales level.

2. To strengthen Lincoln Composites' ability to meet the increased demand in USA.

- **We have succeeded to obtain both goals.**

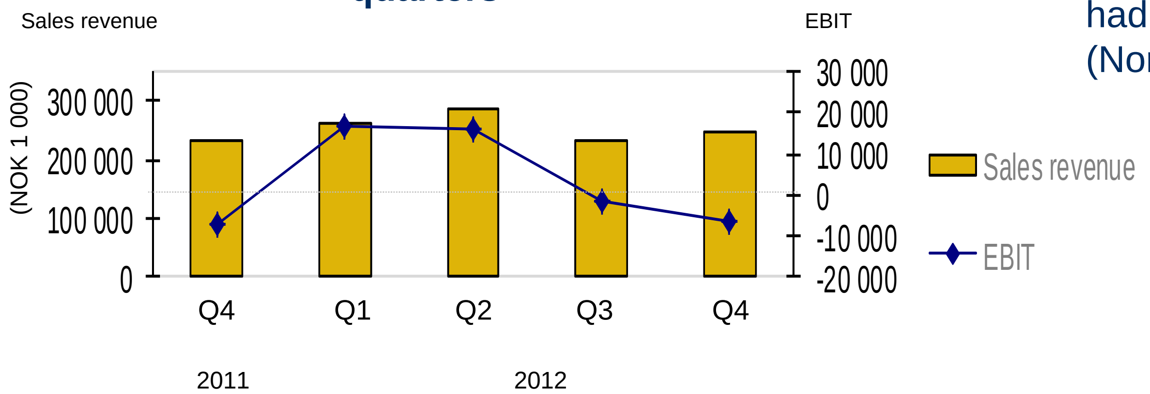
HIGHLIGHTS Q4 2012

- The sales increase in USA continues for CNG vehicles and bulk hauling (48% in Q4)
- The sales for Ragasco LPG cylinders remains at a low level, although more than twice as high as in Q3
- Temporary production challenges (now solved) in Ragasco and the High-Pressure area hit the profit unexpectedly in Q4
- Continued good order book for CNG cylinders for vehicles and bulk transport in the High-Pressure area.
- Product area CNG passenger car was formally transferred to Hexagon Raufoss from Ragasco.
- Devold AMT established as a non-loss operation in a situation where sales are 10% lower than last year

GROUP KEY FIGURES

	Q4 2011	Q3 2012	Q4 2012
Sales revenue	231 819	234 100	248 317
EBITDA	11 755	11 781	9 792
EBIT	-7 376	-1 654	-6 851
EBIT %	-3,18 %	-0,71 %	-2,76 %

Sales revenue and EBIT last quarters



Q4 operating results

- Increased sales compared to Q3 (+6%)
- EBIT negatively impacted by temporary production challenges
- A strong Norwegian krone (NOK) had negative impact on the margins (Norwegian based products)

HEXAGON COMPOSITES

BUSINESS UNITS

COMPOSITE CYLINDERS Q4 2012

RAGASCO

- Sales remain on a unacceptable level
  - Lack of larger orders from markets outside Europe
  - Sales in Europe as expected

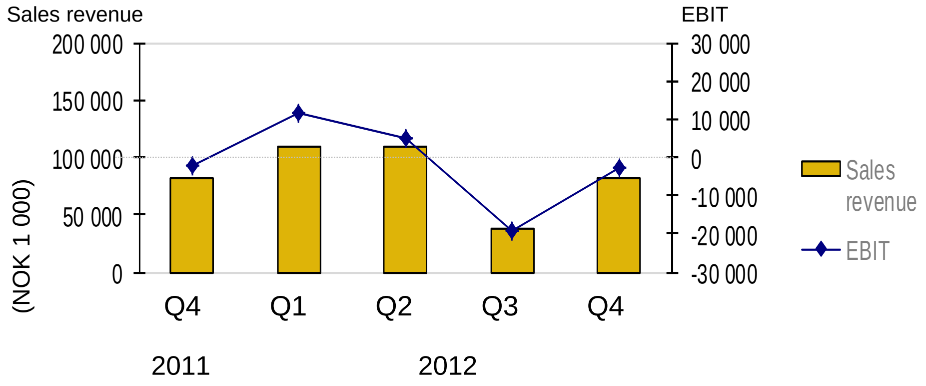
- Production at Composite Scandinavia was discontinued end of Q3 and sale of equipment to the JV in Russia is finalised

- Product area for CNG passenger cars was demerged from Ragasco and merged with Hexagon Raufoss effective 1 October 2012

COMPOSITE CYLINDERS Q4 2012

	Q4 2011	Q3 2012	Q4 2012
Sales revenue	81 162	37 696	81 788
EBITDA	10 740	-13 546	1 654
EBIT	-2 189	-19 070	-2 705
EBIT %	-2,70 %	-50,59 %	-3,31 %

Sales revenue and EBIT last quarters



Q4 operating results

- Reported sales influenced by sale of equipment to Russia and other items (product sale MNOK 52)
- EBIT was impacted by:
  - Low sales
  - Sale of production equipment to the JV in Russia
  - The costs related to discontinuation of Composite Scandinavia
  - Production issues (now solved)

COMPOSITE CYLINDERS 2012

- Sales of LPG cylinders lower than 2011 due to lack of orders from non-EU markets
- Operating profit for LPG cylinders never the less on the same level as last year
- Reported sale and profit influenced by:
  - cost of closing Composite Scandinavia
  - sale of equipment to Russia
  - and production challenges (now solved) in Ragasco
  - added together a small effect on profit
- Reported profit for the year negatively influenced by production challenges for CNG passenger cars (Q1-Q3) with MNOK 15

MILESTONES 2012

Ragasco has achieved following milestones in 2012:

- Focus on LPG cylinders by:
  - Moving CNG passenger cars to Hexagon Raufoss (effective from Q4)
  - Discontinuing production at Composite Scandinavia (effective from Q4)
- Capacity adjustments and improved production efficiency
- Organizational changes to strengthen the sales and marketing focus

Developed Ragasco to a LPG focused, market oriented organisation while keeping a high production efficiency

MARKET SITUATION & OUTLOOK

- Consolidations and market changes in Europe during 2012
- These changes is likely to strengthen Ragasco's position in the future
- The ongoing consolidations will result in fewer and more professional players
- Overall the market outlook for 2013 is more positive than realized in 2012, however uncertainties for markets outside Europe
- Strong Norwegian krone (NOK) impacts margins

HIGH PRESSURE CYLINDERS Q4

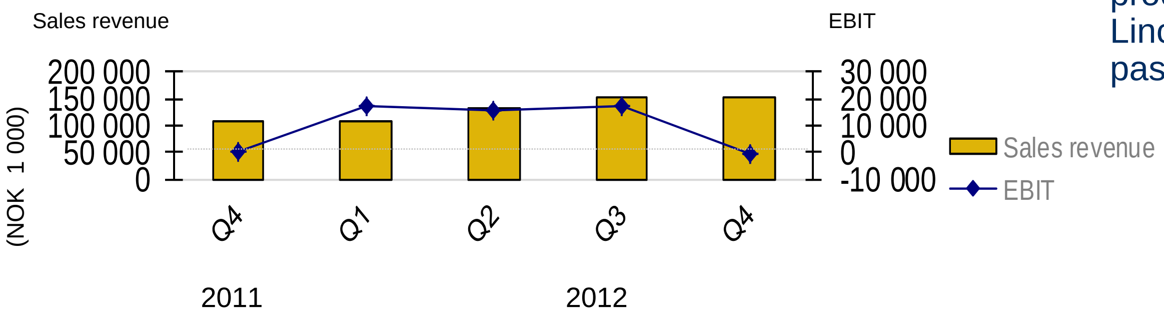
LINCOLN COMPOSITES
A Member of Hexagon Composites Group
HEXAGON RAUFOSS AS

- Record sales in Q4 - 40% increase compared to Q4 2011
- Continued strong growth in the North American CNG vehicle market
- Increased sales of TITAN™ bulk transport in Q4 and continued good order book
- Agreement signed with a major US car manufacturer for supply of CNG cylinders to a value of NOK 90 million over 4 years (South American market)

HIGH PRESSURE CYLINDERS Q4

	Q4 2011	Q3 2012	Q4 2012
Sales revenue	109 031	151 537	152 914
EBITDA	4 394	23 617	9 941
EBIT	570	17 696	-402
EBIT %	0,52 %	11,68 %	-0,26 %

Sales revenue and EBIT last quarters



Q4 operating results

- High sales level continues
- EBIT was negative impacted by temporary production challenges (now solved)
- Some TITAN™ deliveries accounted for in Q1 2013
- Strong Norwegian krone impacts margins in Europe
- Reported profit influenced by special production challenges (solved) in Lincoln and ramp up costs in CNG passenger cars (Q4) by app. MNOK 15

HIGH PRESSURE CYLINDERS 2012

- Sales increase in US continues (+60%)
- Break through for TITAN™ transport modules (+68%)
- Europe continues to be hit by the financial crisis in South Europe

MILESTONES 2012

The High-Pressure business unit has achieved following milestones in 2012:

- Increased demand in 2012 met by 24/7 shifts for nearly the entire year
- Significant capacity expansion under construction (investment approx. MUSD 6). From second half of 2013 the capacity in the business unit will be doubled.
- TITAN™ established as a major player for bulk hauling transport world-wide
- Strengthening the organization to manage the increase in sale
- Stable product quality and efficient production achieved towards the end of the year for CNG passenger car
- A permeation free inner liner for passenger cars developed

MARKET SITUATION & OUTLOOK

- Continued strong growth in the North American CNG vehicle market
- The development for shale gas in the US is expected to further boost growth for Lincoln Composites from 2014 onwards
- Continued strong interest for TITAN™ modules in Asia as well as North and South America
- The economic situation in Europe is resulting in a weaker demand in the bus sector
- CNG passenger cars is continuously working with new market opportunities world-wide

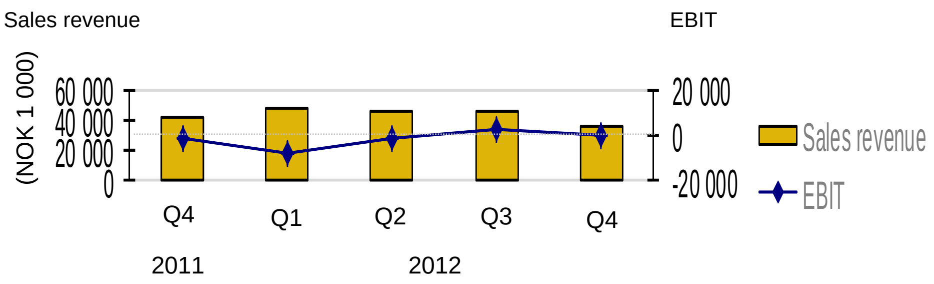
COMPOSITE REINFORCEMENTS Q4

- Weaker sales due to seasonality and a weaker market in Europe and the US
- Achieved a positive EBIT both in Q3 and Q4
- Restructuring process completed and normal operation achieved
- Devold AMT is now well positioned, with low-cost production in Lithuania and USA

COMPOSITE REINFORCEMENTS Q4

	Q4 2011	Q3 2012	Q4 2012
Sales revenue	42 342	45 414	36 943
EBITDA	505	4 267	2 426
EBIT	-1 739	2 405	616
EBIT %	-4,11 %	5,30 %	1,67 %

Sales revenue and EBIT last quarters



Q4 operating results

- Weaker sales
- Positive EBIT
- Improved margins
- The profit in Q4 is no longer negatively affected by the restructuring costs related to the closure of the remaining production in Norway

COMPOSITE REINFORCEMENTS 2012

- Sales marginal higher than 2011
- Operating profit influenced by cost of moving the production to Lithuania by MNOK 8.5 (effect in first half 2012)
- Positive adjusted operating profit in 2012; effect of the relocation from 2^{nd} half of 2012 only

MILESTONES 2012

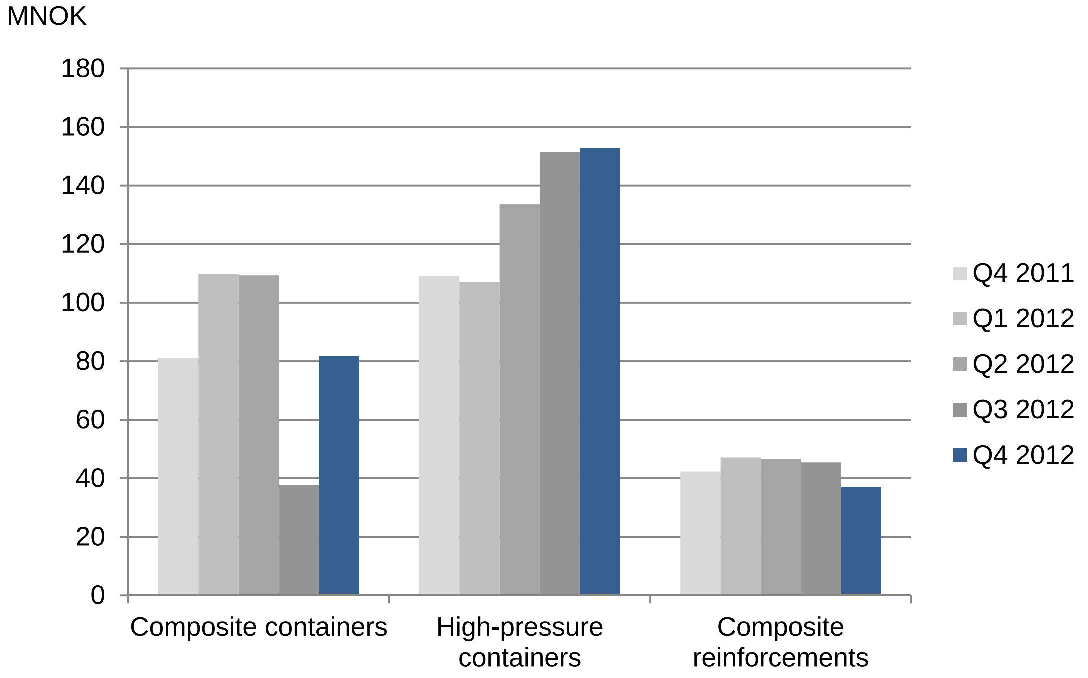
Devold AMT has achieved following milestones in 2012:

- Completed relocation of the remaining production from Langevåg to Lithuania
- Established as leading low-cost producer in Europe with positive EBIT both in the Q3 and Q4
- New market organisation strengthen the market focus

MARKET SITUATION & OUTLOOK

- The weak US market is caused by delayed PTC (Production Tax Credit) extension for investments in wind energy. The US government has decided to continue the program for another year as part of the "fiscal cliff" package.
- Financial crisis in Europe continues to impact the market development
- New customers look promising

TURNOVER PER BUSINESS UNIT



Q4 2012 - GROUP FINANCIALS

PROFIT AND LOSS ACCOUNT Q4 2012

Key figures (NOK 1 000)	**Q4 2012**	**Q4 2011**	**Change**
Sales Revenue	248 317	231 819	7%
EBITDA	9 792	11 755	-17%
Depreciation	16 643	19 131	-13%
EBIT	-6 851	-7 376	7%
Income from investments in associates	-411	-152	-170%
Other financial items (net)	-5 092	2 853	-278%
Profit before tax	-12 354	-4 675	-164%
EBITDA %	3,9 %	5,1 %	
EBIT %	-2,8 %	-3,2 %	

BALANCE SHEET AS PER 31.12.2012

ASSETS

Balance Sheet - Assets	31.12.2012	30.12.2011	Change
Intangible assets	121 753	120 244	1 509
Tangible fixed assets	286 812	264 502	22 310
Investments in associates	1 587	2 413	-826
Other financial fixed assets	1 851	2 495	-644
Inventories	243 445	196 779	46 666
Receivables	153 013	193 970	-40 957
Bank deposits, cash and similar	80 322	16 204	64 118
Total Assets	**888 782**	**796 606**	**92 176**

(NOK 1 000)

BALANCE SHEET AS PER 31.12.2012

LIABILITIES AND EQUITY

Balance Sheet - Liabilities and Equity	30.12.2012	31.12.2011	Change
Paid-in capital	103 781	103 616	165
Other equity	154 873	161 283	-6 410
Provisions	17 955	14 322	3 633
Interest-bearing long-term liabilities	324 566	307 021	17 545
Interest-bearing current liabilities	32 892	44 199	-11 307
Other current liabilities	254 715	166 166	88 549
Total Liabilities and Equity	**888 782**	**796 606**	**92 176**

(NOK 1 000)

CASH FLOW STATEMENT AS AT 31.12.2012

Cash Flow Statement (NOK 1 000)	**30.12.2012**
Profit before tax	8 241
Depreciation and write-downs	63 180
Change in net working capital	35 116
Net cash flow from operations	106 536
Net cash flow from investment activities	-16 437
Net cash flow from financing activities	-25 981
Net change in cash and cash equivalents	64 118
Cash and cash equivalents at start of period	16 204
Cash and cash equivalents at end of period	80 322
Available unused credit facility	91 683

KEY FIGURES AS AT 31.12.2012

KEY FIGURES	31.12.2012	31.12.2011
Equity ratio	29.1 %	33.3%
Equity/Capital employed	42.0 %	43.0%
Return on equity (annualised)	1.8 %	7.4%
Total return (annualised)	2.7 %	5.5%
Liquidity ratio I	1.7	1.93
Earnings per share	0.03	0.14
Diluted earnings per share	0.04	0.14
Cash flow from operations per share	0.92	0.88
Equity per share	1.94	1.99
Interest-bearing liabilities	357.458	351.220

SUMMARY OPERATING RESULTS Q4

- Sales increase with 7% due to continued strong growth in the High-Pressure business unit
- Operating profit (MNOK -6.9) negatively influenced by temporary production challenges accounting for MNOK -15 in Q4
- Margins in Europe negatively influenced by the strong Norwegian krone

SUMMARY OPERATING RESULTS 2012

- Sale slightly higher than 2011 (+ 4%)
- Operating profit influenced by special items accounting for -40 MNOK
  - Ragasco + CNG passenger car: 15 MNOK
  - High-Pressure area: 15 MNOK
  - Devold AMT: 10 MNOK
- Cash flow positive (+ 64 MNOK)
- Ongoing investment to double the capacity in Lincoln Composites

SUMMARY & OUTLOOK

RESTRUCTURING WORK COMPLETED BY END OF 2012

Ragasco – Composites cylinders:

- Ragasco positioned to contribute with acceptable operating profit in event of moderate sale and with the capacity to increase sale substantially

Lincoln / Hexagon Raufoss – High-pressure cylinders:

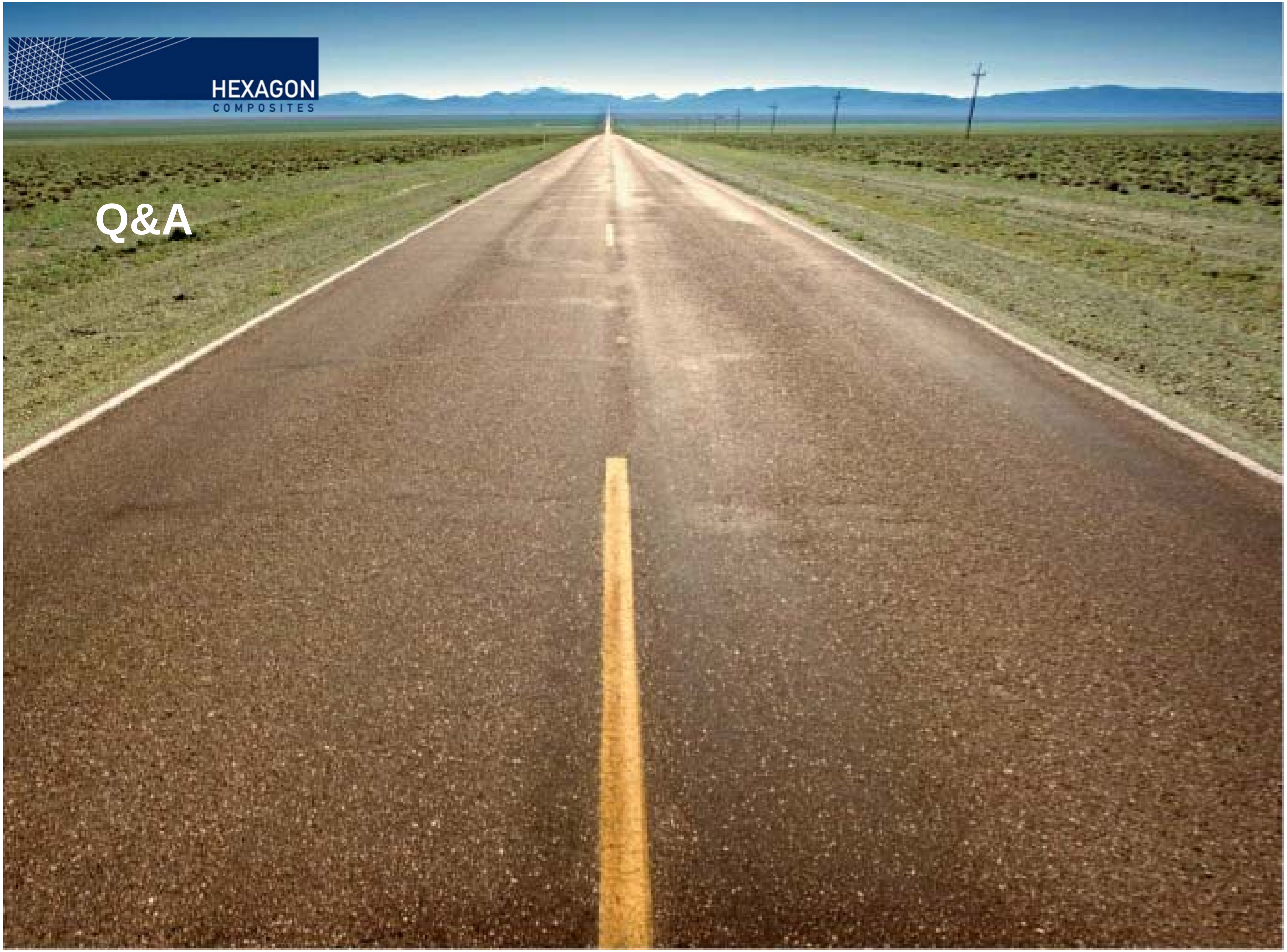
- Production capacity doubled from 2nd half 2013
- CNG passenger car in position to contribute positively to operating profit and with substantially spare production capacity

Devold AMT – Composite reinforcements:

- Devold AMT established as a competitive low cost producer

HEXAGON GROUP OUTLOOK

- Significant restructuring and capacity expansion in 2012 provide a good foundation for profitable growth.
- The management will prioritize quality management and strengthening of the organization to ensure that expected growth is profitable.
- All business areas expected to contribute to increased sales and profitability in 2013
- Q1 2013 is expected to have higher sales and operating profit than Q1 2012
- The development in the US shale gas market holds substantial long term growth opportunities for the Hexagon Group
- The Hexagon Group is committed to retain its leadership position within composite CNG cylinders and transport systems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