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# Investor Information

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April 23, 2007

## Revised Operating Segments and Reclassification of Sales by Market

### Operating Segments

With effect from January 1, 2007, Hexcel has revised its operating segments to reflect its strategic and operational realignment and focus on advanced structural materials. Hexcel has eliminated its three former global business units and consolidated all our composites related activities into a single organization. The reinforcement product lines, for which the Company is exploring its strategic alternatives, including potential divestiture, are being managed as a separate business. Hexcel will now report three operating segments:

- Composite Materials. The development, manufacture and sale of advanced composite materials including carbon fiber, reinforcements for composites, honeycomb and matrix (prepregs and other polymer systems) products.
- Engineered Products. The development and fabrication of finished and semi-finished structures manufactured from composite materials. This segment includes machined and shaped honeycomb core, structural products for helicopter blades and aircraft, finishing operations for products from our Asian joint ventures as well as our new AcoustiCap™ noise dampening system and our new HexMC® parts product lines.
- EBGI Reinforcements. This segment captures Hexcel's U.S. operations related to its electronics, ballistics and general industrial reinforcement product lines. This business is being reported as a separate segment called EBGI Reinforcements.

Table A attached provides details of the revised operating segments for the calendar quarters of 2006 and the calendar years of 2005 and 2006.

### Sales by Market

In integrating its business operations, the Company has reclassified certain of its Reinforcement for Composites product sales between its market segments to reflect improvements in the tracking of sales to market applications and its former Electronics segment sales to its new Industrial segment.

The woven and formed fabrics the Company manufactures for use in Reinforcement for Composite applications are raw material inputs for manufacturers producing composite materials and components. As such, it is difficult to determine in what end market application a customer may use these materials. Historically the Company classified these sales as Commercial Aerospace applications as they were the predominant application. Over time the applications for these products has diversified and the Company's ability to determine the end market application improved. In the process of developing its revised Operating Segments and the identification of the market applications to which they sell, the Company has concluded to classify these sales as Industrial market applications unless it can directly identify their end use in a Commercial Aerospace or Space & Defense application.

The sales of the former Electronics market segment have been reclassified to the Industrial market segment. Sales to U.S. customers are reported as Industrial sales with in EBG1 Operating Segment, whereas European customer sales are reported within the Industrial sales of the Composite Materials Operating Segment.

The reclassifications do not affect the Company's identified sales to Boeing, Airbus and their subcontractors detailed in Hexcel's 2006 Annual Report on Form 10-K. In preparing its allocations of its sales to market segments, the Company makes a number of assumptions as to where to classify sales where direct program allocations are not possible. For example, it treats all rotorcraft sales as sales to Space & Defense as it is not possible to determine the element of its sales that may be utilized in helicopters sold to Commercial Aerospace markets. As has been its long standing practice, from time to time the Company will reclassify the sales allocated to market segments as better information becomes available. When such reclassifications occur, the Company reclassifies its prior period sales to present sales by market segment on a consistent basis.

Table B attached provides the reclassified sales by market for quarters ended March 31, 2007, March 31, 2006 and December 31, 2006 as well as for the calendar years of 2005 and 2006. Table C provides the reclassified sales for the four calendar quarters of 2006. Table D reconciles the changes in market classification for the four calendar quarters of 2006 and for the calendar years of 2005 and 2006 between the originally reported classifications and the reclassified information.

Table A

**Hexcel Corporation and Subsidiaries**  
**For Each of the Quarters for the Year Ended December 31, 2006,**  
**the Years Ended December 31, 2006 and 2005**  
**Segment Data**

( in millions )	Unaudited				
	Composite Materials	Engineered Products	EBGI	Corporate & Other (a)	Total
<b>First Quarter 2006</b>					
Net Sales to External Customers	\$ 213.6	\$ 46.7	\$ 40.9	\$ -	\$ 301.2
Intersegment Sales	7.1	(0.2)	0.4	(7.3)	-
Total Sales	220.7	46.5	41.3	(7.3)	301.2
Operating Income (Loss)	33.0	5.5	1.3	(10.7)	29.1
% Operating Margin	15.0%	11.8%	3.1%		9.7%
Depreciation & Amortization	8.3	0.9	2.2	-	11.3
Business Consolidation & Restructuring Expense	0.9	0.1	2.1	(0.1)	3.0
Stock-based Compensation Expense	1.1	0.2	0.4	1.7	3.4
Capital Expenditures & Deposits (b)	22.7	0.2	-	1.2	24.1
<b>Second Quarter 2006</b>					
Net Sales to External Customers	\$ 227.2	\$ 46.8	\$ 35.6	\$ -	\$ 309.6
Intersegment Sales	7.3	0.3	0.2	(7.8)	-
Total Sales	234.5	47.1	35.8	(7.8)	309.6
Operating Income (Loss)	36.4	6.1	-	(9.0)	33.5
% Operating Margin	15.5%	13.0%	0.0%		10.8%
Depreciation & Amortization	8.5	0.8	2.2	-	11.5
Business Consolidation & Restructuring Expense	0.3	0.1	0.7	-	1.1
Stock-based Compensation Expense	0.6	0.1	0.2	1.6	2.5
Capital Expenditures & Deposits (b)	24.7	0.9	0.1	0.7	26.4
<b>Third Quarter 2006</b>					
Net Sales to External Customers	\$ 204.6	\$ 47.7	\$ 30.8	\$ -	\$ 283.1
Intersegment Sales	7.2	0.3	0.2	(7.7)	-
Total Sales	211.8	48.0	31.0	(7.7)	283.1
Operating Income (Loss)	29.6	4.7	1.2	(10.6)	24.9
% Operating Margin	14.0%	9.8%	3.9%		8.8%
Depreciation & Amortization	8.1	0.9	1.1	-	10.1
Business Consolidation & Restructuring Expense	0.5	0.1	0.8	-	1.4
Stock-based Compensation Expense	0.5	0.1	0.1	1.0	1.7
Capital Expenditures & Deposits (b)	28.9	1.8	0.2	0.7	31.6
<b>Fourth Quarter 2006</b>					
Net Sales to External Customers	\$ 212.9	\$ 50.1	\$ 36.2	\$ -	\$ 299.2
Intersegment Sales	6.8	0.0	0.2	(7.0)	-
Total Sales	219.7	50.1	36.4	(7.0)	299.2
Operating Income (Loss)	20.2	5.5	1.6	(8.3)	19.0
% Operating Margin	9.2%	10.9%	4.4%		6.3%
Depreciation & Amortization	9.0	1.0	0.5	-	10.5
Business Consolidation & Restructuring Expense	8.3	(0.1)	1.1	-	9.3
Stock-based Compensation Expense	0.5	0.1	0.2	0.8	1.6
Capital Expenditures & Deposits (b)	33.5	1.9	1.9	0.7	38.0
<b>Year to Date December 31, 2006</b>					
Net Sales to External Customers	\$ 858.3	\$ 191.3	\$ 143.6	\$ -	\$ 1,193.1
Intersegment Sales	28.3	0.4	1.0	(29.8)	-
Total Sales	886.6	191.7	144.6	(29.8)	1,193.1
Operating Income (Loss) (c)	119.2	21.8	4.1	(38.6)	106.4
% Operating Margin	13.4%	11.4%	2.8%		8.9%
Depreciation & Amortization	33.9	3.5	6.0	-	43.4
Business Consolidation & Restructuring Expense	10.0	0.1	4.8	(0.1)	14.8
Stock-based Compensation Expense	2.6	0.5	0.9	5.2	9.2
Capital Expenditures & Deposits (b)	109.8	4.8	2.2	3.3	120.1
<b>Year to Date December 31, 2005</b>					
Net Sales to External Customers	\$ 791.5	\$ 166.1	\$ 181.9	\$ -	\$ 1,139.5
Intersegment Sales	21.8	2.4	1.1	(25.3)	-
Total Sales	813.3	168.5	183.0	(25.3)	1,139.5
Operating Income (Loss) (d)	119.4	13.5	17.4	(48.4)	101.9
% Operating Margin	15%	8%	9%		9%
Depreciation & Amortization	35.2	3.5	7.6	0.1	46.4
Business Consolidation & Restructuring Expense	2.4	0.5	-	-	2.9
Stock-based Compensation Expense	0.6	0.1	0.2	1.3	2.2
Capital Expenditures & Deposits (b)	60.9	2.6	-	2.9	66.4

(a) Corporate expenses are not allocated to the business segments.

(b) Includes deposits for capital purchases.

(c) 2006 includes increased stock compensation expense of \$7.1 million following adoption of FAS 123(R)

(d) 2005 Corporate includes litigation settlements and related fees of \$18.4 million

See the accompanying investor information letter for further explanations of the reporting changes.

Table B

**Hexcel Corporation and Subsidiaries**  
**Net Sales by Operating Segment and Market Segment**  
For the Quarters Ended March 31, 2007 and 2006,  
the Quarter Ended December 31, 2006 and  
the Years Ended December 31, 2006 and 2005

	Commercial		Space &					
(In millions)	Aerospace		Defense		Industrial	Total		
First Quarter 2007								
Composite Materials	\$	104.1	\$	52.3	\$	73.7	\$	230.1
Engineered Products		39.9		12.2		0.4		52.5
EBGI		-		-		46.1		46.1
Continuing Operations	\$	144.0	\$	64.5	\$	120.2	\$	328.7
		44%		20%		36%		100%
Architectural		-		-		4.4		4.4
Total Sales	\$	144.0	\$	64.5	\$	124.6	\$	333.1
		43%		19%		38%		100%
Fourth Quarter 2006								
Composite Materials	\$	99.6	\$	45.4	\$	67.9	\$	212.9
Engineered Products		37.2		11.9		1.0		50.1
EBGI		-		-		36.2		36.2
Continuing Operations	\$	136.8	\$	57.3	\$	105.1	\$	299.2
		46%		19%		35%		100%
Architectural		-		-		5.6		5.6
Total Sales	\$	136.8	\$	57.3	\$	110.7	\$	304.8
		45%		19%		36%		100%
First Quarter 2006								
Composite Materials	\$	103.4	\$	43.0	\$	67.2	\$	213.6
Engineered Products		33.1		12.3		1.3		46.7
EBGI		-		-		40.9		40.9
Continuing Operations	\$	136.5	\$	55.3	\$	109.4	\$	301.2
		45%		19%		36%		100%
Architectural		-		-		5.8		5.8
Total Sales	\$	136.5	\$	55.3	\$	115.2	\$	307.0
		44%		18%		38%		100%
Year to Date December 31, 2006								
Composite Materials	\$	409.5	\$	173.0	\$	275.7	\$	858.2
Engineered Products		137.8		49.1		4.4		191.3
EBGI		-		-		143.6		143.6
Continuing Operations	\$	547.3	\$	222.1	\$	423.7	\$	1,193.1
		46%		19%		35%		100%
Architectural		-		-		23.8		23.8
Total Sales	\$	547.3	\$	222.1	\$	447.5	\$	1,216.9
		45%		18%		37%		100%
Year to Date December 31, 2005								
Composite Materials	\$	356.7	\$	173.5	\$	261.4	\$	791.6
Engineered Products		113.8		46.4		5.8		166.0
EBGI		-		-		181.9		181.9
Continuing Operations	\$	470.5	\$	219.9	\$	449.1	\$	1,139.5
		41%		19%		40%		100%
Architectural		-		-		21.9		21.9
Total Sales	\$	470.5	\$	219.9	\$	471.0	\$	1,161.4
		40%		19%		41%		100%

See the accompanying investor information letter for further explanations of the reporting changes.

Table C

# Hexcel Corporation and Subsidiaries

## Net Sales by Operating Segment and Market Segment

### For Each of the Quarters for the Year Ended December 31, 2006

<i>(In millions)</i>	Commercial Aerospace	Space & Defense	Industrial	Total
<b>First Quarter 2006</b>				
Composite Materials	\$ 103.4	\$ 43.0	\$ 67.2	\$ 213.6
Engineered Products	33.1	12.3	1.3	46.7
EBGI	-	-	40.9	40.9
<b>Continuing Operations</b>	<b>\$ 136.5</b>	<b>\$ 55.3</b>	<b>\$ 109.4</b>	<b>\$ 301.2</b>
	45%	19%	36%	100%
Architectural	-	-	5.8	5.8
<b>Total Sales</b>	<b>\$ 136.5</b>	<b>\$ 55.3</b>	<b>\$ 115.2</b>	<b>\$ 307.0</b>
	44%	18%	38%	100%
<b>Second Quarter 2006</b>				
Composite Materials	\$ 108.5	\$ 44.0	\$ 74.7	\$ 227.2
Engineered Products	33.5	12.3	1.0	46.8
EBGI	-	-	35.6	35.6
<b>Continuing Operations</b>	<b>\$ 142.0</b>	<b>\$ 56.3</b>	<b>\$ 111.3</b>	<b>\$ 309.6</b>
	46%	18%	36%	100%
Architectural	-	-	6.4	6.4
<b>Total Sales</b>	<b>\$ 142.0</b>	<b>\$ 56.3</b>	<b>\$ 117.7</b>	<b>\$ 316.0</b>
	45%	18%	37%	100%
<b>Third Quarter 2006</b>				
Composite Materials	\$ 98.0	\$ 40.6	\$ 66.0	\$ 204.6
Engineered Products	34.0	12.6	1.1	47.7
EBGI	-	-	30.8	30.8
<b>Continuing Operations</b>	<b>\$ 132.0</b>	<b>\$ 53.2</b>	<b>\$ 97.9</b>	<b>\$ 283.1</b>
	47%	19%	34%	100%
Architectural	-	-	6.0	6.0
<b>Total Sales</b>	<b>\$ 132.0</b>	<b>\$ 53.2</b>	<b>\$ 103.9</b>	<b>\$ 289.1</b>
	46%	18%	36%	100%
<b>Fourth Quarter 2006</b>				
Composite Materials	\$ 99.6	\$ 45.4	\$ 67.9	\$ 212.9
Engineered Products	37.2	11.9	1.0	50.1
EBGI	-	-	36.2	36.2
<b>Continuing Operations</b>	<b>\$ 136.8</b>	<b>\$ 57.3</b>	<b>\$ 105.1</b>	<b>\$ 299.2</b>
	46%	19%	35%	100%
Architectural	-	-	5.6	5.6
<b>Total Sales</b>	<b>\$ 136.8</b>	<b>\$ 57.3</b>	<b>\$ 110.7</b>	<b>\$ 304.8</b>
	45%	19%	36%	100%

See the accompanying investor information letter for further explanations of the reporting changes.

Table D

**Hexcel Corporation and Subsidiaries**  
**Net Sales by Market Segment - New Classification vs Prior**  
**For Each of the Quarters for the Year Ended December 31, 2006**  
**For the Years Ended December 31, 2006 and 2005,**

<i>(In millions)</i>	Commercial Aerospace	Space & Defense	Industrial	Electronics (a)	Total
<b>First Quarter 2006</b>					
As originally classified	\$ 153.2	\$ 52.0	\$ 81.9	\$ 14.1	\$ 301.2
Reclassifications	(16.7)	3.3	27.5	(14.1)	-
<b>As reclassified and now reported</b>	<b>\$ 136.5</b>	<b>\$ 55.3</b>	<b>\$ 109.4</b>	<b>\$ -</b>	<b>\$ 301.2</b>
<b>Second Quarter 2006</b>					
As originally classified	\$ 160.2	\$ 54.2	\$ 82.2	\$ 13.0	\$ 309.6
Reclassifications	(18.2)	2.1	29.1	(13.0)	-
<b>As reclassified and now reported</b>	<b>\$ 142.0</b>	<b>\$ 56.3</b>	<b>\$ 111.3</b>	<b>\$ -</b>	<b>\$ 309.6</b>
<b>Third Quarter 2006</b>					
As originally classified	\$ 149.9	\$ 50.0	\$ 70.5	\$ 12.7	\$ 283.1
Reclassifications	(17.9)	3.2	27.4	(12.7)	-
<b>As reclassified and now reported</b>	<b>\$ 132.0</b>	<b>\$ 53.2</b>	<b>\$ 97.9</b>	<b>\$ -</b>	<b>\$ 283.1</b>
<b>Fourth Quarter 2006</b>					
As originally classified	\$ 154.7	\$ 55.0	\$ 77.5	\$ 12.0	\$ 299.2
Reclassifications	(17.9)	2.3	27.6	(12.0)	-
<b>As reclassified and now reported</b>	<b>\$ 136.8</b>	<b>\$ 57.3</b>	<b>\$ 105.1</b>	<b>\$ -</b>	<b>\$ 299.2</b>
<b>Full Year 2006</b>					
As originally classified	\$ 618.0	\$ 211.2	\$ 312.1	\$ 51.8	\$ 1,193.1
Reclassifications	(70.7)	10.9	111.6	(51.8)	-
<b>As reclassified and now reported</b>	<b>\$ 547.3</b>	<b>\$ 222.1</b>	<b>\$ 423.7</b>	<b>\$ -</b>	<b>\$ 1,193.1</b>
<b>Full Year 2005</b>					
As originally classified	\$ 529.4	\$ 209.3	\$ 343.9	\$ 56.9	\$ 1,139.5
Reclassifications	(58.9)	10.6	105.2	(56.9)	-
<b>As reclassified and now reported</b>	<b>\$ 470.5</b>	<b>\$ 219.9</b>	<b>\$ 449.1</b>	<b>\$ -</b>	<b>\$ 1,139.5</b>

(a) Our electronics sales are now included in the industrial market and are no longer separately disclosed.

See the accompanying investor information letter for further explanations of the reporting changes.