Annual Report

For year ending 2006

Hexcel Corporation

Facility Name

P.O. Box 18748, Salt Lake City Utah 84118-0748

Facility Street Address City Zip

Project Status

On a separate sheet, summarize:
- your Clean Utah project commitments and accomplishments made to date,
- major indicators of environmental improvements (measurable ways that you are determining the environment is improving as the result of steps you are taking),
- public participation activities you have undertaken, and
- your project plans for next year, as they relate to this program.

Certification Statement

(to be signed by the senior facility manager)

I certify that the information outlined in the attached annual report is correct and that this facility continues to meet all program criteria and has an active EMS, as defined by the Clean Utah! program. I further certify that this facility has conducted periodic assessments of compliance with legal requirements, has corrected all identified instances of noncompliance, and is currently in compliance with all applicable federal, state, and local environmental rules and regulations.

Signed

G. Lynn Muir

Date

1-23-07

Title

Plant Manager
Hexcel

Environmental Improvement Project Results

Project #1: Reduce plant-wide steam consumption by 10%.

Measurements:

<table>
<thead>
<tr>
<th>2006 Goal (Savings)</th>
<th>Actual 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>502,000 gallons of water</td>
<td>648,000 gallons of water</td>
</tr>
<tr>
<td>386,000 cu. Ft. of natural gas</td>
<td>6,448,957 cubic Ft of natural gas</td>
</tr>
</tbody>
</table>

Projects undertaken to decrease steam usage:

1.) Conducted plant wide steam survey – cost $30,000
2.) Eliminated heat tracing
3.) Insulated approx. 100 equivalent feet of exposed piping – cost $42,000
4.) Abandon 8156 (Building)

Benefit to the environment for year:

1.) 648,000 gallons of water conserved
2.) 6,448,957 cubic feet of natural gas not burned = less air pollution

Benefit or savings for company:

1.) Eliminate Heat Tracing $14,000
2.) Abandon 8156 steam line $6,900
3.) Insulated bare piping $40,000

Total $60,900 savings annually

Targeted Goal for 2007 (include specific measurement):

One of the recommendations outlined in the steam survey was to replace the steam heat in Building 2422 with natural gas heat. The goal for 2007 is to fully evaluate the complexity and cost for implementing this recommendation. If successful, it is expected to save 4,700,000 pounds of steam which is equivalent to 587,500 gallons of water and 5,480,096 cubic feet of natural gas.
Hexcel

Environmental Improvement Project Results

**Project # 2:** Implement methylene chlorine recycling in labs:

**Measurements:**

<table>
<thead>
<tr>
<th>2006 Goal</th>
<th>Actual 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cut current use which was 100,000 lbs annually</td>
<td>147,000 lbs. annually</td>
</tr>
</tbody>
</table>

**Project Status:**

Hexcel was unable to implement methylene chloride recycling in the labs due to contamination, customer qualification and testing liability issues. Due to a large increase of production and subsequent increase in laboratory analysis, the actual total usage of methylene chloride increase by 47,000 pounds in 2006. However, at the end of the year Hexcel was able to reduce the amount of methylene chloride by 40% in the Fibers Lab. Hexcel finally qualified a non-hazardous replacement solvent for methylene chloride.

**Benefit to the environment for year:**

1.) No true reductions for 2006 due to customer rejection/qualification and liability issues.

**Benefit or savings for company:**

.) No savings for the year

**Targeted Goal for 2007 (include specific measurement):** In December 2006, Hexcel finally got approval to use a non-hazardous replacement solvent for methylene chloride. The use of the replacement solvent will cut methylene chloride by 40% (90 grams per sample instead of 150 grams). As a result, Hexcel expects to reduce methylene chloride by 30,000 gallons annually.
Hexcel

**Environmental Improvement Project Results**

**Project # 3:** Fully integrate plant-wide recycling program.

**Measurements:**

<table>
<thead>
<tr>
<th>2006 Goal</th>
<th>Actual 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycle 2 million pounds</td>
<td>Recycled 3.85 million pounds</td>
</tr>
</tbody>
</table>

**Benefit to the environment for year:**

1.) 3.85 million pounds of material not sent to landfill.
2.) Energy saved/conserved to replace recycled materials.
3.) Reduced air pollution that would have resulted in making new materials

**Benefit or savings for company:**

1.) $286,678 annual savings

**Targeted Goal for 2007 (include specific measurement):**

The recycling program has been a resounding success and the goal for 2007 is four million (4.0 MM) pounds of material recycled.