Interim report January – September 2010

Published on 22 October 2010

Third quarter of 2010 – Continued sharp growth, with further strengthened margins

- Net sales increased by 46 per cent to 950 MSEK (651).
- Operating profit increased by 48 per cent and amounted to 120 MSEK (81).
- Operating margin was 12.6 per cent (12.4).
- Profit after tax amounted to 82 MSEK (57).
- Earnings per share increased strongly and amounted to 3.09 SEK (2.15).
- Operating cash flow amounted to 100 MSEK (112).
- An agreement was signed on 18 October to acquire the global rubber compounding Group, Excel Polymers.

January - September 2010 – Sharp growth with strong margins

- Net sales increased by 40 per cent to 2,666 MSEK (1,905).
- Operating profit increased to 323 MSEK (83); excl. items affecting comparability 323 MSEK (181).
- Profit after tax totalled 220 MSEK (34); excl. items affecting comparability 220 MSEK (115).
- Earnings per share increased to 8.29 SEK (1.28); excl. Items affecting comparability 8.29 SEK (4.33).
- Operating cash flow amounted to 279 MSEK (319).

President's comments

”Our strong growth continued and we increased sales in the third quarter by 46 per cent, compared with the corresponding quarter in 2009. We also continued to improve our already strong operating margin to 12.6 per cent (12.4). The sales increase was strong in all geographic markets. Once again, we coped with the volume increase in a flexible and cost-efficient manner. During the first nine months, earnings per share increased by 91 per cent to 8.29 SEK (4.33*). Operating profit increased by 78 per cent to 323 MSEK (181*) and sales rose by 40 per cent to 2,666 MSEK (1,905).

On 18 October, we signed an agreement to acquire the global rubber compounding group, Excel Polymers. The acquisition will make us the largest global rubber compounding Group, with estimated annual sales of about 5,8 billion SEK.”

Georg Brunstam, President and CEO

Group total

Key figures	**Jul-Sep**		**Jan-Sep**		**Full-year**	**Oct 09-**
MSEK	**2010**	**2009**	**2010**	**2009**	**2009**	**Sep 10**
Net sales	950	651	2,666	1,905	2,608	3,369
Operating profit, EBIT	120	81	323	83	163	403
Operating margin, %	12.6	12.4	12.1	4.4	6.3	12.0
Profit before tax	115	76	308	60	140	388
Profit after tax	82	57	220	34	102	288
Earnings per share, SEK	3.09	2.15	8.29	1.28	3.84	10.85
Equity/assets ratio, %			40.5	40.4	43.7	
Return on capital employed, %			17.3	4.2	6.4	16.4

HEXPOL is a world-leading polymers group with strong global positions in advanced rubber compounds (Compounding), gaskets for plate heat exchangers (Gaskets) and wheels made of plastic and rubber materials for truck and castor wheel application (Wheels).Customers are primarily OEM manufacturers of plate heat exchangers and trucks, global systems suppliers to the automotive industry and the medical technology industry. The Group is organised in two business areas, HEXPOL Compounding and HEXPOL Engineered Products, and has some 2,300 employees in nine countries. HEXPOL's rolling 12-month sales amounted to 3,400 MSEK. Read more at www.hexpol.com. .

Operating key figures MSEK	Jul-Sep 2010	Jul-Sep 2009	Jan-Sep 2010	Jan-Sep 2009*	Full-year 2009*	Oct 09-Sep 10*
Operating profit, EBIT	120	81	323	181	261	403
Operating margin, %	12.6	12.4	12.1	9.5	10.0	12.0
Profit before tax	115	76	308	158	238	388
Profit after tax	82	57	220	115	172	277
Earnings per share, SEK	3.09	2.15	8.29	4.33	6.48	10.44
Return on capital employed, %			17.3	9.4	10.3	16.4
Operating cash flow	100	112	279	319	462	422

*Excluding items affecting comparability

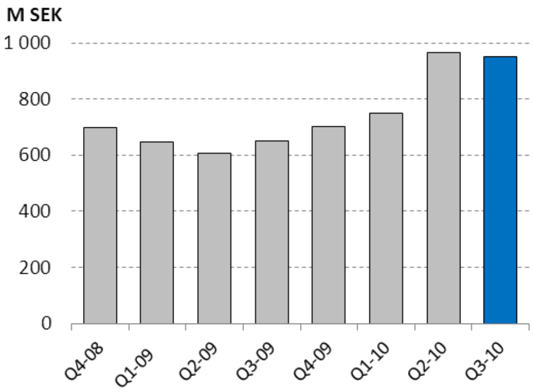
Third quarter of 2010

Group sales increased sharply by 46 per cent and amounted to 950 MSEK (651). Exchange-rate fluctuations had an adverse impact of 49 MSEK on sales. Accordingly, the organic sales increase, adjusted for the acquisition of Elasto Group, totalled 40 per cent.

Sales in the third quarter continued to increase sharply, primarily among the automotive-related customers. Sales in Europe and NAFTA increased strongly. During the quarter, the Group improved its market positions in both business areas.

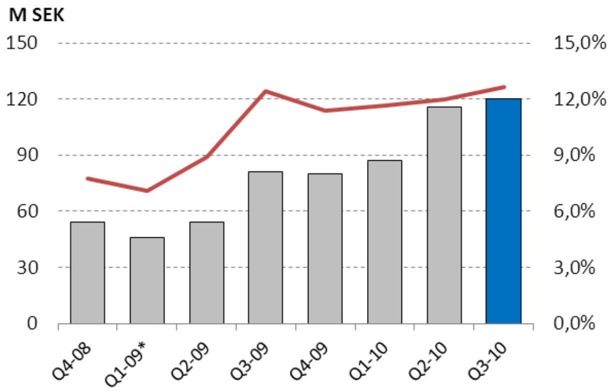
Operating profit increased strongly by 48 per cent and amounted to 120 MSEK (81), corresponding to an operating margin of 12.6 per cent (12.4). The improved operating margin was attributable to higher capacity utilisation, with a retained low cost base. The acquired company Elasto Group continued to develop well during the quarter. Exchange-rate fluctuations had a negative impact of 14 MSEK on operating profit during the quarter.

Net sales



Operating profit & operating margin

* excluding items affecting comparability



The HEXPOL Compounding business area increased its sales by 48 per cent to 770 MSEK (519) during the quarter. Operating profit increased by 41 per cent and amounted to 104 MSEK (74), corresponding to an operating margin of 13.5 per cent (14.3). Operating profit improved primarily due to increased sales, higher capacity utilisation and retained cost base.

The HEXPOL Engineered Products business area's sales increased by 36 per cent and amounted to 180 MSEK (132). Operating profit improved and totalled 16 MSEK (7), representing an operating margin of 8.9 per cent (5.3). The operating margin improved primarily due to an increase in sales during the quarter combined with internal measures within both HEXPOL Wheels and HEXPOL Gaskets. Demand in the market was higher compared with the second quarter of 2010 and corresponding third quarter of 2009. However, the excess capacity in the market remains, meaning continued pressure on prices for the business area's products.

The Group's deliveries within Europe increased during the quarter. Capacity utilisation thus increased compared with the year-earlier period. The largest increase in volumes occurred in the automotive segment in Eastern Europe, but volumes in other parts of the European market were also significantly better than in the corresponding quarter of 2009.

The Group's deliveries within NAFTA increased significantly compared with the year-earlier period. Demand increased across the board in all product areas. Deliveries in Mexico increased sharply, again primarily to the automotive segment. Demand in the US was high also in customer segments outside the automotive segment.

In Asia, sales continued to increase strongly from a relatively low level.

The number of employees increased somewhat during the quarter, primarily in the operations in China and Sri Lanka.

Raw material prices continued to increase during the quarter due to higher world market prices and increased demand. However, the higher raw material prices have generally not had any impact on Group margins.

The Group's operating cash flow during the third quarter amounted to 100 MSEK (112). Investments remained low while working capital increased somewhat due to higher sales and raw material prices. The Group's net financial items during the third quarter amounted to an expense of 5 MSEK (expense: 5).

Profit before tax increased strongly and amounted to 115 MSEK (76). Profit after tax increased and amounted to 82 MSEK (57), corresponding to earnings per share of 3.09 SEK (2.15).

January - September 2010

*(Comparative figures for 2009, indicated by *, are reported exclusive of items affecting comparability)*

Group sales increased sharply during the nine-month period by 40 per cent to 2,666 MSEK (1,905). Exchange-rate fluctuations adversely impacted sales by 214 MSEK, due primarily to the strengthening of the SEK against the USD and EUR. Adjusted for exchange-rate fluctuations and the acquisition of Elasto Group, organic sales increased by 41 per cent during the nine-month period. Operating profit increased strongly to 323 MSEK (181*), corresponding to an operating margin of 12.1 per cent (9.5*). The strong SEK had a negative impact of 45 MSEK on profits. The impact was primarily due to translations of foreign subsidiaries' profits to SEK, known as translation effects.

The HEXPOL Compounding business area sharply increased sales by 45 per cent to 2,130 MSEK (1,467), entailing an improvement in operating profit, which amounted to 278 MSEK (162*). Adjusted for the acquisition of Elasto Group, sales increased by 32 per cent. The operating margin increased and amounted to 13.1 per cent (11.0*). Demand for the business area's products strengthened steadily during the nine-month period within NAFTA, Europe and Asia. Demand from customers within the automotive industry was strong, particularly in Eastern Europe. In Asia, the operation in Qingdao, China, reported a significant increase in volumes, as did the operation in Mexico.

The HEXPOL Engineered Products business area increased its sales by 22 per cent to 536 MSEK (438). Operating profit amounted to 45 MSEK (19*), entailing an operating margin of 8.4 per cent (4.3*). Sales of gaskets for plate heat exchangers recovered during the nine-month period and the market was generally characterised by increased activity. Demand for polyurethane and rubber wheels progressed positively during the period.

The Group’s operating cash flow during the first nine months amounted to 279 MSEK (319). The cash flow was attained mainly through a strong increase in operating profit and a low investment level. Higher sales generated some increase in working capital. The Group’s net financial items resulted in an expense of 15 MSEK (expense: 23) during the period. The Group’s net financial items were charged with higher net debt resulting from the acquisition of Elasto Group. However, market interest rates remained low compared with the year-earlier period.

Profit before tax increased sharply to 308 MSEK (158*). Profit after tax increased by 91 per cent and amounted to 220 MSEK (115*), corresponding to earnings per share of 8.29 SEK (4.33*).

Profitability

The return on average capital employed was 17.3 per cent (9.4*). The improvement was primarily attributable to the improved profits. The return on shareholders’ equity was 23.4 per cent (13.5*).

Financial position and liquidity

The equity/assets ratio was 40.5 per cent (40.4). The Group’s total assets amounted to 3,181 MSEK (2,811). Net debt increased as a result of the acquisition of Elasto Group and amounted to 927 MSEK (881). The net debt/equity ratio was a multiple of 0.7 (0.8). The financial position remained strong also after the acquisition of Elasto Group.

In May 2008, the Group signed a five-year credit agreement totalling 1.7 billion SEK with a number of Nordic banks.

Cash flow

Operating cash flow amounted to 279 MSEK (319*). The operating cash flow includes the positive effects of a low investment rate and higher profit before depreciation and amortisation. Cash flow from operating activities was 180 MSEK (230).

Investments, depreciation and amortisation

The Group’s investments during the nine-month period totalled 14 MSEK (21). Depreciation and amortisation amounted to 61 MSEK (62*).

Tax expenses

The Group’s tax expenses were 88 MSEK (43*), corresponding to a tax rate of 28.6 per cent (27.2*).

Personnel

The number of employees at the close of the period was 2,261 (1,724). During the nine-month period, the number of employees increased as a result of the acquisition of Elasto Group and among others in operations in North America, China and Sri Lanka.

Business area HEXPOL Compounding

The HEXPOL Compounding business area is a world leader in the development and manufacture of high-quality advanced polymer compounds (Compounding). Customers are manufacturers of rubber products and components with stringent demands in terms of performance and global delivery capacity. The largest market segment is the automotive industry, followed by the construction industry. Other key segments are the medical technology, cabling, water treatment, pharmaceutical, energy, and oil industries.

	Jul-Sep		Jan-Sep		Full-year	Oct 09-
MSEK	**2010**	**2009**	**2010**	**2009***	**2009***	**Sep10***
Net sales	770	519	2,130	1,467	2,020	2,683
Operating profit	104	74	278	162	231	347
Operating margin, %	13.5	14.3	13.1	11.0	11.4	12.9

* excluding items affecting comparability

The business area's sales for the quarter amounted to 770 MSEK (519), up 48 per cent (31 per cent adjusted for the acquisition of Elasto Group). Operating profit increased sharply and amounted to 104 MSEK (74), corresponding to an operating margin of 13.5 per cent (14.3). During the quarter, the business area reported strong volume growth and increased sales in all existing segments and markets.

The business area's volumes in Europe increased significantly compared with the year-earlier period, primarily to automotive-related customers in the Czech Republic and Belgium. Demand in the German market increased at the end of the quarter from all segments.

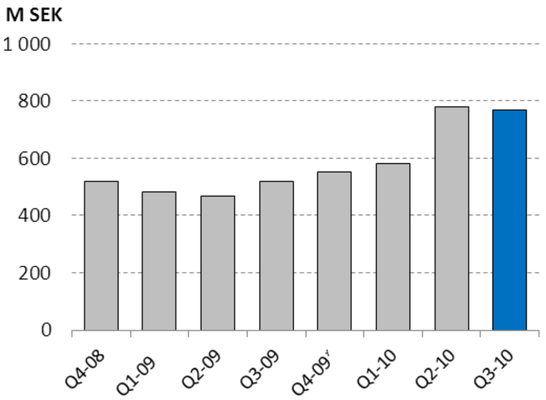
Volumes delivered within NAFTA rose substantially compared with the year-earlier period. Sales increased primarily to automotive-related customers, with healthy development also in other segments. Operations in Mexico progressed well and sales increased compared with the year-earlier period and the second quarter of 2010.

In Asia, operations in China saw a substantial increase in sales, with deliveries significantly higher than in both the year-earlier period and the second quarter of 2010.

Elasto Group developed favourably in all customer groups during the third quarter.

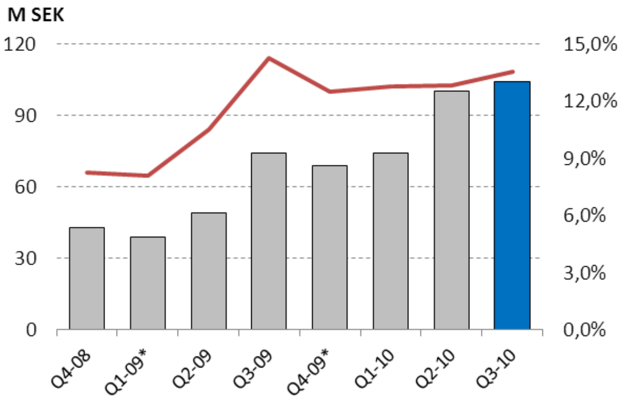
Raw material prices increased during the third quarter, with certain materials still subject to shortages. Higher raw material prices did not have any significant impact on the business area's margins.

Net sales



Operating profit & operating margin

*** excluding items affecting comparability**



Business area HEXPOL Engineered Products

The HEXPOL Engineered Products business area has gained a world-leading position as a supplier of advanced products, such as gaskets for plate heat exchangers (Gaskets) and wheels for truck and castor wheel applications (Wheels) through its considerable expertise in polymers and the production of rubber, plastic and polyurethane products.

	Jul-Sep		Jan-Sep		Full-year	Oct 09-
MSEK	**2010**	**2009**	**2010**	**2009***	**2009***	**Sep10***
Net sales	180	132	536	438	588	686
Operating profit	16	7	45	19	30	56
Operating margin, %	8.9	5.3	8.4	4.3	5.1	8.2

* excluding items affecting comparability

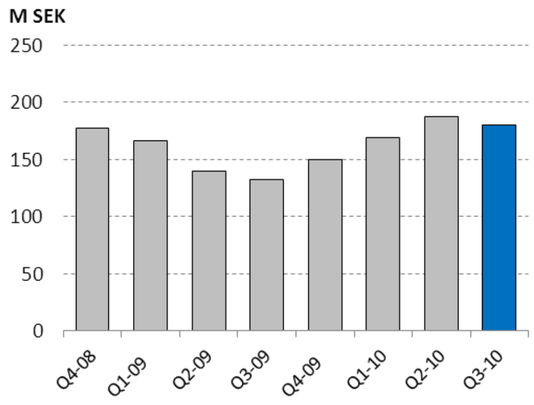
The business area's sales increased 36 per cent and amounted to 180 MSEK (132). Operating profit increased significantly to 16 MSEK (7), corresponding to an operating margin of 8.9 per cent (5.3). The improved operating margin was attributable to the business area's lower cost base, increased capacity utilisation and improved sales. Operating margin has steadily increased over the past five quarters.

The Gaskets product area reported increased sales and higher demand during the third quarter. Sales to project-related operations remained low, while other sales increased. The product area's market is characterised by continuing strong pressure on prices and rising raw materials prices.

The Wheels product area's market improved during the quarter. The product area increased its sales compared with the year-earlier period, in terms of customers in both Europe and NAFTA. Sales of polyurethane and thermoplastic wheels increased in the quarter compared with the year-earlier period.

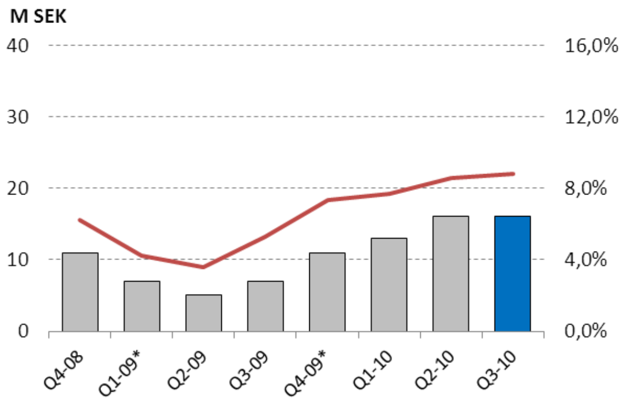
All HEXPOL's wheels markets remained under price pressure in the quarter, with some difficulty in offsetting changes in raw material prices. The operation in Sri Lanka was also charged with the negative exchange-rate effects.

Net sales



Operating profit & operating margin

* excluding items affecting comparability



Parent Company

The Parent Company reported profit after tax of 732 MSEK (loss: 4). Shareholders' equity amounted to 1,062 MSEK (349). During the quarter, the Parent Company received dividends from subsidiaries aimed at enhancing the capital structure.

Risk factors

The Group's and Parent Company's business risks, risk management and management of financial risks are described in detail in the 2009 Annual Report. No significant events occurred during the period that could affect or change the aforementioned descriptions of the Group's or the Parent Company's risks and their management.

Accounting policies

The consolidated financial statements contained in this interim report have been prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU and with the Swedish Annual Accounts Act. The Parent Company's financial statements have been prepared in compliance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.3, Interim Reporting for Legal Entities.

This interim report has been prepared in accordance with IAS 34 Interim Reporting. The accounting and measurement policies, as well as the assessment bases, applied in the 2009 Annual Report have also been applied in this nine-month report. From HEXPOL's viewpoint, the following revised standards have been relevant to the preparation of this nine-month report:

- Revised IFRS 3 Business Combinations and amended IAS 27R Consolidated and Separate Financial Statements will be applied in connection with acquisitions and disposals of operations as of 2010.

Ownership structure

HEXPOL AB (publ), corporate registration number 556108-9631, is the Parent Company of the HEXPOL Group. HEXPOL's Series B shares are listed on the Stockholm Mid Cap industrial segment of the NASDAQ OMX Nordic exchange. HEXPOL had 8,688 shareholders as of 30 September 2010. The largest owner is Melker Schörling AB, with 27 per cent of the capital and 48 per cent of voting rights. The 20 largest shareholders own 68 per cent of the capital and 77 per cent of voting rights.

Acquisition of Excel Polymers Group

On 18 October, HEXPOL signed an agreement to acquire the Excel Polymers Group, with possession to be taken immediately following approval from the authorities concerned. The seller is a US ownership group, with ACI Capital as the largest owner. Excel Polymers is a leading global manufacturer of rubber compounds, with eight production units and its head office in Ohio, US. The Group has estimated annual sales regarding 2010 of 350-360 MUSD, with an EBITDA of approximately 34-35 MUSD. The Excel Polymers Group has about 800 employees in the US, Mexico, China and the UK.

Excel Polymers Group will be included in the HEXPOL Compounding business area. The acquisition price, adjusted for the acquired net debt, amounted to 212.5 MUSD in cash. The acquisition will be financed through existing loans, new loans and through a rights issue of approximately 550 MSEK. Melker Schörling AB, HEXPOL's largest shareholder, representing 48,0 per cent of the voting rights and 27.2 per cent of the capital in HEXPOL, has undertaken to vote for the rights issue at an Extraordinary Meeting and subscribe for this company's pro-rata share of the offering. Melker Schörling AB has also undertaken to subscribe for an additional 22.9 per cent in addition to its pro-rata share, equal to a subscription commitment of more than 50 per cent of the planned rights issue.

Invitation to the presentation of the report

A presentation of this report will take place on 22 October at 9:00 a.m. at Erik Penser Bankaktiebolag, Biblioteksgatan 9 in Stockholm. The presentation, as well as information regarding participation, is available at www.hexpol.com.

Calendar for financial information

HEXPOL AB plans to publish financial information on the following dates:

Event	Date
▪ Year-end report, 2010	7 February 2011
▪ Annual General Meeting 2011	6 May 2011
▪ Interim report, first quarter 2011	6 May 2011
▪ Six-month report, 2011	21 July 2011
▪ Nine-month report, 2011	21 October 2011

The nine-month report provides an accurate overview of the Company's and the Group's operations position and earnings. In addition, it describes the significant risks and uncertainty factors to which the Parent Company and Group companies are exposed.

Malmö, 22 October 2010
HEXPOL AB (publ)

Georg Brunstam,
President and CEO

For more information, please contact:

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Financial information is also available in Swedish and English on HEXPOL's website at www.hexpol.com.

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Auditors report pertaining to the review of the interim report

To the Board of Directors of HEXPOL AB (publ)
Corp. Reg. No: 556108-9631

Introduction

We have reviewed the interim report of HEXPOL AB as per 30 September 2010, and the nine-month period ending on that date. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

Extent and scope of the review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.* A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and a substantially more limited scope compared with the focus and extent of an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material aspects, been compiled in accordance with IAS 34 Interim reporting and the Swedish Annual Accounts Act, and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Malmö, 22 October 2010
Ernst & Young AB

Ingvar Ganestam
Authorised Public Accountant

Stefan Engdahl
Authorised Public Accountant

Group's income statement

	Jul-Sep		Jan-Sep		Full-year	Oct 09-
MSEK	**2010**	**2009**	**2010**	**2009**	**2009**	**Sep 10**
Net sales	950	651	2,666	1,905	2,608	3,369
Costs of goods sold [1)]	-761	-513	-2,148	-1,630	-2,185	-2,703
Gross profit	**189**	**138**	**518**	**275**	**423**	**666**
Selling and administration costs, etc. [2)]	-69	-57	-195	-192	-260	-263
Operating profit	**120**	**81**	**323**	**83**	**163**	**403**
Financial income and expenses	-5	-5	-15	-23	-23	-15
Profit before tax	**115**	**76**	**308**	**60**	**140**	**388**
Tax	-33	-19	-88	-26	-38	-100
Net profit for the period	**82**	**57**	**220**	**34**	**102**	**288**
- of which, attributable to Parent Company shareholders	82	57	220	34	102	288
Earnings per share , SEK	3.09	2.15	8.29	1.28	3.84	10.85
Earnings per share after dilution, SEK	3.05	2.15	8.20	1.28	3.84	10.76
Earnings per share excluding items affecting comparability, SEK	3.09	2.15	8.29	4.33	6.48	10.44
Shareholders' equity per share, SEK			48.55	42.78	45.83	
Average number of shares, thousands	26,552	26,552	26,552	26,552	26,552	26,552
Average number of shares after dilution, thousands	26,885	26,552	26,828	26,552	26,552	26,752
Depreciation, amortisation and impairment included in an amount of	-19	-19	-61	-99	-118	-80
1) of which, items affecting comparability	-	-	-	-77	-70	7
2) of which, items affecting comparability	-	-	-	-21	-28	-7

Group's statement of comprehensive income

	Jul-Sep		Jan-Sep		Full-year	Oct 09-
MSEK	**2010**	**2009**	**2010**	**2009**	**2009**	**Sep 10**
Profit for the period	82	57	220	34	102	288
Cash-flow hedging, net after tax	0	7	1	22	21	0
Translation differences	-138	-102	-122	-77	-64	-109
Comprehensive income	**-56**	**-38**	**99**	**-21**	**59**	**179**
- of which, attributable to Parent Company shareholders	-56	-38	99	-21	59	179

Group's balance sheet

MSEK	30 Sep 2010	30 Sep 2009	31 Dec 2009
Intangible fixed assets	1,439	1,225	1,237
Tangible fixed assets	678	713	712
Financial fixed assets	1	1	1
Deferred tax assets	30	19	27
Total fixed assets	**2,148**	**1,958**	**1,977**
inventories	281	205	204
Accounts receivable	436	309	246
Other receivables	35	36	31
Prepaid expenses and accrued income	15	20	13
Cash and cash equivalents	266	283	317
Total current assets	**1,033**	**853**	**811**
Total assets	**3,181**	**2,811**	**2,788**
			,
Attributable to Parent Company shareholders	1,289	1,136	1,217
Total shareholders' equity	**1,289**	**1,136**	**1,217**
Interest-bearing liabilities	1,120	1,078	1,001
Deferred tax liabilities	51	27	30
Provision for pensions	11	11	11
Total non-current liabilities	**1,182**	**1,116**	**1,042**
Interest-bearing liabilities	115	131	127
Accounts payable	403	279	287
Other liabilities	48	32	18
Accrued expenses, prepaid income, provisions	144	117	97
Total current liabilities	**710**	**559**	**529**
Total shareholders' equity and liabilities	**3,181**	**2,811**	**2,788**

Group's changes in shareholders' equity

MSEK	30 Sep 2010	30 Sep 2009	31 Dec 2009
Opening shareholders' equity	**1,217**	**1,157**	**1,157**
Comprehensive income	99	-21	59
Dividend	-27	-	-
Option premium	-	-	1
Expenses in conjunction with stock listing	-	0	0
Closing shareholders' equity	**1,289**	**1,136**	**1,217**

Number of shares, trend

	Total number of Series A shares	Total number of Series B shares	Total number of shares
Number of shares at 1 January	1,181,250	25,370,727	26,551,977
Number of shares at close of period	1,181,250	25,370,727	26,551,977

Incentive programme 2008/2011

The Extraordinary General Meeting on 18 August 2008 resolved to offer a warrant programme to senior executives, consisting of a total of 1,325,000 warrants. Each warrant entitles the holder to subscribe for one share. The redemption period is March 2011 to September 2011.

During 2008, senior executives subscribed for 933,250 warrants at a subscription price of 65.70 SEK per warrant. During 2009, new senior executives subscribed for 175,000 warrants at a subscription price of 56.60 SEK. The warrant premium was 8 SEK per warrant on both occasions.

The incentive programme did not give rise to any increase in the number of shares during 2010.

Group's cash flow statement

	Jan-Sep		Full-year
MSEK	**2010**	**2009**	**2009**
Cash flow from operating activities before change in working capital	282	170	256
Utilisation of structural reserves	-11	-37	-37
Changes in working capital	-91	97	140
Cash flow from operating activities	**180**	**230**	**359**
Acquisitions	-341	-	-
Cash flow from other investing activities	-14	-21	-23
Dividend	-27	-	-
Cash flow from other financing activities	164	-262	-358
Change in cash and cash equivalents	**-38**	**-53**	**-22**
Cash and cash equivalents at 1 January	317	342	342
Exchange-rate differences in cash and cash equivalents	-13	-6	-3
Cash and cash equivalents at close of the period	**266**	**283**	**317**

Operating cash flow, Group

	Jan-Sep		Full-year
MSEK	**2010**	**2009**	**2009**
Operating profit	323	181	261
Depreciation/amortisation	61	62	84
Change in working capital	-91	97	140
Investments	-14	-21	-23
Operating cash flow	**279**	**319**	**462**

Other key figures

	Jul-Sep		Jan-Sep		Full-year	Oct 09-
	2010	**2009**	**2010**	**2009**	**2009**	**Sep 10**
Profit margin before tax, %	12.1	11.7	11.6	3.1	5.4	11.5
Profit margin before tax, excluding items affecting comparability, %	12.1	11.7	11.6	8.3	9.1	11.5
Return on shareholders' equity, %			23.4	4.0	8.6	23.8
Return on shareholders' equity, excluding items affecting comparability, %			23.4	13.5	14.5	22.8
Interest-coverage ratio, multiple			35.2	4.2	7.1	30.8
Net debt, MSEK			927	881	760	
Net debt ratio, multiple			0.7	0.8	0.6	
Cash flow per share, SEK	2.52	2.56	6.78	8.66	13.52	11.64
Cash flow per share before change in working capital, SEK	3.88	2.56	10.62	6.40	9.64	13.86

Quarterly data, Group

Sales per business area	**2010**			**2009**					**Oct 09-**
MSEK	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full-year	**Sep 10**
HEXPOL Compounding	581	779	770	481	467	519	553	2,020	2,683
HEXPOL Engineered Products	169	187	180	166	140	132	150	588	686
Group total	750	966	950	647	607	651	703	2,608	3,369

Sales per geographic area	**2010**			**2009**					**Oct 09-**
MSEK	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full-year	**Sep 10**
Europe	386	510	494	317	294	319	366	1,296	1,756
NAFTA	326	398	391	297	280	294	296	1,167	1,411
Asia	38	58	65	33	33	38	41	145	202
Group total	750	966	950	647	607	651	703	2,608	3,369

Operating profit per business area	**2010**			**2009**					**Oct 09-**
MSEK	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full-year	**Sep 10**
HEXPOL Compounding	74	100	104	-41	49	74	73	155	351
HEXPOL Engineered Products	13	16	16	-11	5	7	7	8	52
Group total	87	116	120	-52	54	81	80	163	403

Operating profit per business area *excluding items affecting comparability*	**2010**			**2009**					**Oct 09-**
MSEK	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full-year	**Sep 10**
HEXPOL Compounding	74	100	104	39	49	74	69	231	347
HEXPOL Engineered Products	13	16	16	7	5	7	11	30	56
Group total	87	116	120	46	54	81	80	261	403

Operating margin per business area *excluding items affecting comparability*	**2010**			**2009**					**Oct 09-**
%	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full-year	**Sep 10**
HEXPOL Compounding	12.7	12.8	13.5	8.1	10.5	14.3	12.5	11.4	12.9
HEXPOL Engineered Products	7.7	8.6	8.9	4.2	3.6	5.3	7.3	5.1	8.2
Group total	11.7	12.0	12.6	7.1	8.9	12.4	11.4	10.0	12.0

Income statement, Parent Company

	Jul-Sep		Jan -Sep		Full-year
MSEK	**2010**	**2009**	**2010**	**2009**	**2009**
Net sales	6	8	18	24	31
Selling and administration costs, etc.	-7	-8	-25	-26	-33
Operating loss	**-1**	**0**	**-7**	**-2**	**-2**
Financial income and expenses	733	-4	728	-16	-19
Profit/loss before tax	**732**	**-4**	**721**	**-18**	**-21**
Tax	0	0	3	4	6
Net profit/loss for the period	**732**	**-4**	**724**	**-14**	**-15**

Balance sheet, Parent Company

MSEK	**30 Sep 2010**	**30 Sep 2009**	**31 Dec 2009**
Total fixed assets	**2,183**	**1,482**	**1,497**
Total current assets	**638**	**539**	**565**
Total assets	**2,821**	**2,021**	**2,062**
Total shareholders' equity	**1,062**	**349**	**365**
Total non-current liabilities	**1,091**	**1,014**	**924**
Total current liabilities	**668**	**658**	**773**
Total shareholders' equity and liabilities	**2,821**	**2,021**	**2,062**

Financial definitions

Return on equity	Net profit, converted to full-year, as a percentage of average shareholders' equity.
Return on capital employed	Profit before tax plus interest expenses, converted to full-year, as a percentage of average working capital.
Shareholders' equity per share	Shareholders' equity divided by the number of shares at period end.
Investments	Purchases less sales of tangible and intangible fixed assets, excluding those included in acquisitions and divestments of subsidiaries.
Cash flow	Cash flow from operating activities after change in working capital.
Cash flow per share	Cash flow from operating activities after change in working capital, divided by the average number of shares.
Net indebtedness	Interest-bearing liabilities less cash and cash equivalents and interest-bearing assets.
Net debt/equity ratio	Interest-bearing liabilities less cash and cash equivalents and interest-bearing assets divided by shareholders' equity.
Operating cash flow	Operating profit, less depreciation/amortisation and investments, after change in working capital.
Earnings per share	Profit after tax divided by the average number of shares.
Earnings per share after dilution	Profit after tax divided by the average number of shares, adjusted for the dilution effects of warrants.
Operating margin	Operating profit as a percentage of net sales for the period.
Interest-coverage ratio	Profit before tax plus interest expenses divided by interest expenses.
Equity/assets ratio	Shareholders' equity as a percentage of total assets.
Capital employed	Total assets less non-interest-bearing liabilities.
Profit margin before tax	Profit before tax as a percentage of net sales for the period.