

## Year-end report 2010

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### Fourth quarter of 2010 – Continued sharp growth with strong margins

- Net sales increased by 61 per cent to 1,132 MSEK (703).
- Operating profit, excl. items affecting comparability, amounted to 137 MSEK (80), up 71 per cent. Including these items, operating profit amounted to 73 MSEK (80).
- The operating margin, excl. items affecting comparability, was 12.1 per cent (11.4). Including these items, it was 6.4 per cent (11.4).
- Profit after tax, excl. items affecting comparability, amounted to 98 MSEK (57). Including these items, it amounted to 53 MSEK (68).
- Earnings per share, excl. items affecting comparability, increased sharply to 3.69 SEK (2.15). Including these items, earnings per share amounted to 1.99 SEK (2.56).
- Operating cash flow, excl. items affecting comparability, was 227 MSEK (143).
- The newly acquired global compounding group Excel Polymers is consolidated as of 30 November.
- Previously notified restructuring costs resulting from the acquisition of Excel Polymers amounted to 64 MSEK.

### Full-year 2010 – Sharp growth with strong margins

- Net sales increased by 46 per cent to 3,798 MSEK (2,608).
- Operating profit, excl. items affecting comparability, amounted to 460 MSEK (261), up 76 per cent. Including these items, it amounted to 396 MSEK (163).
- The operating margin, excl. items affecting comparability, was 12.1 per cent (10.0). Including these items, it amounted to 10.4 per cent (6.3).
- Profit after tax, excl. items affecting comparability, was 318 MSEK (172). Including these items, it amounted to 273 MSEK (102).
- Earnings per share, excl. items affecting comparability, amounted to 11.98 SEK (6.48). Including these items, earnings per share amounted to 10.28 SEK (3.84).
- Operating cash flow, excl. items affecting comparability, was 506 MSEK (462).
- The Board of Directors' proposes a dividend of 3.00 SEK per share (1.00).

### President's comments

"Our strong growth continues and we increased our sales by 61 per cent compared with the corresponding quarter of 2009. Our acquisition of the global compounding group Excel Polymers is now completed and has been consolidated since 30 November 2010. Work on integrating Excel Polymers into HEXPOL Compounding's organisation on a geographic basis is proceeding well and the synergism represented by the acquisition is substantial. In the fourth quarter, volumes were strong in all market segments and we once again managed to cost effectively and flexibly manage the increased volume. Operating profit (EBIT), excluding items affecting comparability, rose 71 per cent and amounted to 137 MSEK (80).

2010 was a very good year for the HEXPOL Group. We increased our sales by 46 per cent and implemented two large and important acquisitions that will add nearly 3 billion SEK to the top line. Our earnings per share, excluding items affecting comparability, rose sharply and amounted to 11.98 SEK (6.48) for full-year 2010."

Georg Brunstam, President and Chief Executive Officer

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*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 3,000 employees in nine countries. HEXPOL's sales in 2010 amounted to approximately 3,800 MSEK. Read more at [www.hexpol.com](http://www.hexpol.com).*