



Half-year report, January – June 2011

Published on July 21, 2011

Second quarter of 2011 – Sharp growth with further improved margins

- Net sales increased sharply and amounted to 1,776 MSEK (966).
- Operating profit amounted to 230 MSEK (116), up 98 per cent.
- The operating margin rose to 13.0 per cent (12.0).
- Profit after tax increased sharply to 158 MSEK (80).
- Earnings per share rose strongly and totalled 4.58 SEK (2.73*).
- Operating cash flow amounted to 201 MSEK (117).

First half of 2011 – Sharp growth with strong margins – successful integration of Excel Polymers Group

- Net sales increased sharply and amounted to 3,562 MSEK (1,716).
- Operating profit amounted to 440 MSEK (203), up 117 per cent.
- The operating margin rose to 12.4 per cent (11.8).
- Profit after tax increased sharply to 297 MSEK (138).
- Earnings per share rose strongly and totalled 9.30 SEK (4.70*). Earnings per share based on the number of shares outstanding at the close of the period amounted to 8.63 SEK.
- Operating cash flow was 344 MSEK (179).
- A new share issue was completed during the first half of the year, generating funds totalling approximately 539 MSEK.
- Rapid and successful integration of Excel Polymers Group, which was acquired on November 30, 2010.
- Cost synergies in the acquisition were more substantial and realised more rapidly than expected.

President's comments

"Our forceful growth has continued with sharply higher sales in all units. We have also further improved our margins as a result of high capacity utilisation in most of our production units. The integration of Excel Polymers Group has been completed and the units are successfully integrated on a geographical basis in the HEXPOL Compounding business area.

Group sales rose 84 per cent, of which organic growth accounted for approximately 23 per cent, and, once again, we managed the volume growth in a flexible manner. Operating profit (EBIT) increased 98 per cent to 230 MSEK (116) and our operating cash flow remained strong, amounting to 201 MSEK (117). Earnings per share rose sharply and amounted to 4.58 SEK (2.73).

Growth and earnings developments were strong during the first six months of the year. Earnings per share rose to 8.63 SEK (4.70*), based on the actual number of shares, with a continued strong operating cash flow and improved operating margins."

Georg Brunstam, President and CEO

Group total

Key figures MSEK	Apr-June		Jan-June		Full year	July 2010- June 2011
	2011	2010	2011	2010	2010	
Net sales	1 776	966	3 562	1 716	3 798	5 644
Operating profit, EBIT	230	116	440	203	396	633
Operating margin, %	13.0	12.0	12.4	11.8	10.4	11.2
Profit before tax	223	111	419	193	370	596
Profit after tax	158	80	297	138	273	432
Earnings per share, SEK	4.58	2.73*	9.30	4.70*	9.30*	13.90*
Equity/assets ratio, %			40.7	39.4	27.0	
Return on capital employed, %			22.3	15.6	13.9	18.7

*After completion of the new share issue, historical data has been adjusted to take into account the effects of the bonus issue element.

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. HEXPOL's sales in 2010 amounted to approximately 3,800 MSEK. Following the acquisition of Excel Polymers Group, the HEXPOL Group has some 3,100 employees in nine countries and pro forma sales in 2010 in excess of 6,300 MSEK. Read more at www.hexpol.com

Operating key figures	Apr-June		Jan-June		Full year	July 2010-
Excl. items affecting comparability, MSEK	2011	2010	2011	2010	2010	June 2011
Operating profit, EBIT	230	116	440	203	460	697
Operating margin, %	13.0	12.0	12.4	11.8	12.1	12.3
Profit before tax	223	111	419	193	434	660
Profit after tax	158	80	297	138	318	477
Earnings per share, SEK	4.58	2.73*	9.30	4.70*	10.83*	15.43*
Return on capital employed, %			22.3	15.6	16.2	20.7
Operating cash flow	201	117	344	179	506	671

*After completion of the new share issue, historical data has been adjusted to take into account the effects of the bonus issue element.

Second quarter 2011

HEXPOL Group sales increased sharply in the second quarter of 2011, mainly as a result of the acquisition of Excel Polymers Group and strong sales to both the engineering and automotive industries.

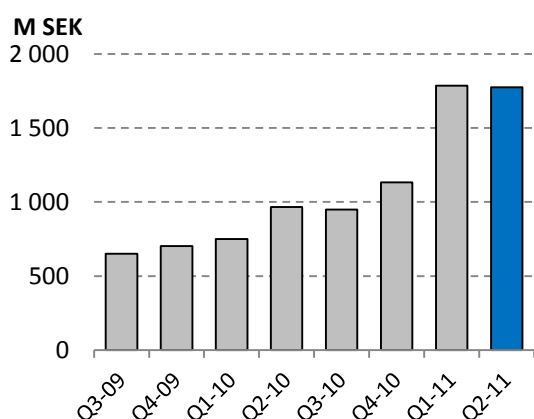
Sales increased 84 per cent and totalled 1,776 MSEK (966). Exchange-rate fluctuations had a negative impact of 128 MSEK on sales. The organic sales increase, adjusted for the acquisition of the Excel Polymers Group and exchange-rate effects, was approximately 23 per cent.

Group sales to the engineering industry rose sharply during the quarter, while sales to automotive industry customers remained strong, both in Europe and NAFTA, a combination that contributed to improved market positions for the HEXPOL Group.

Operating profit increased 98 per cent to 230 MSEK (116), corresponding to an operating margin of 13.0 per cent (12.0). The improved operating margin was attributable to high capacity utilisation while being able to maintain a low cost base. Exchange-rate fluctuations had a negative impact of 23 MSEK on operating profit during the quarter.

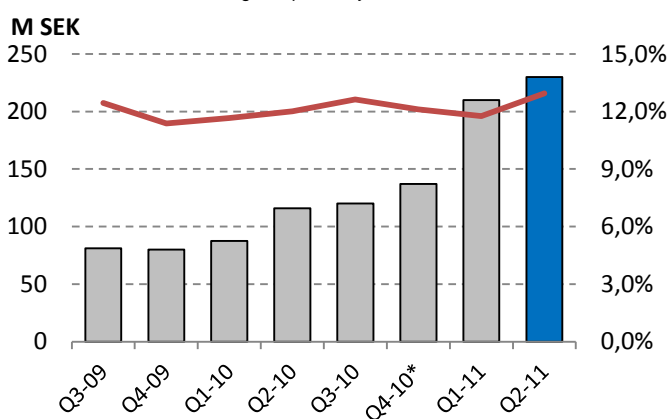
The acquired operation, Excel Polymers Group, developed significantly better than expected also during the second quarter. The entire acquired group is integrated geographically in the HEXPOL Compounding business area and is achieving an operating margin in line with the HEXPOL Group.

Net sales



Operating profit & operating margin

* excl. items affecting comparability



The HEXPOL Compounding business area again showed a continued strong increase in sales during the second quarter, attributable primarily to the acquisition of Excel Polymers Group. Sales to the engineering industry increased sharply and sales to the automotive industry remained strong. Sales totalled 1,586 MSEK (779), up 104 per cent. Operating profit increased 111 per cent to 211 MSEK (100), corresponding to an operating margin of 13.3 per cent (12.8).

The increase in operating profit was attributable primarily to the acquisition of Excel Polymers Group, but also to increased capacity utilisation and a continued low cost base in all units. As reported during the first quarter, Excel Polymers Group had a history of reporting a significantly lower margin. However,

the margin improved as early as in the first quarter of 2011 mainly as a result of internal measures. Excel Polymers Group earnings remained strong during the second quarter. The business area also reported improvements in all units, compared with the second quarter of 2010.

Sales by the HEXPOL Engineered Products business area amounted to 190 MSEK (187). Operating profit improved and amounted to 19 MSEK (16), corresponding to an operating margin of 10.0 per cent (8.6). The improved operating margin was attributable in part to productivity improvements, as well as a stable cost base in the business area's organisation. However, the business area continued to be impacted by the strength of SEK, primarily against the EUR, especially export sales from operations in Sweden to customers in Europe. The market continues to be exposed to excess capacity, which is also exerting pressure on prices for most of the business area's products.

HEXPOL Group sales in Europe increased compared with the year-earlier period. Higher sales were reported by all units, including the acquired Excel Polymers unit. The industrial and automotive segment in Western Europe accounted for the highest volume increase, although volumes to other parts of the European market were also significantly better than during the corresponding quarter in the preceding year.

Group sales in NAFTA increased strongly compared with the year-earlier period, both organically and as a result of the Excel Polymers Group acquisition. Sales increased most significantly in the industrial and automotive segments, although improvements were also noted in sales to the oil and energy segments. HEXPOL Compounding's units in Mexico reported strong sales and higher volumes during the quarter.

In Asia, the sales increase remained strong, primarily sales to automotive customers.

The number of employees increased somewhat during the quarter. The total number of employees amounted to 3,072 at the close of the second quarter.

Raw material prices continued to rise during the second quarter due to higher global market prices and the strong industrial climate. However, shortages continue to prevail for a number of raw materials. As a result of strong efficiency-enhancement measures implemented within the Group, the higher raw material prices did not have a major impact on the Group's operating margin.

The Group's operating cash flow amounted to 201 MSEK (117) during the second quarter. The Group's net financial items during the quarter amounted to an expense of 7 MSEK (expense: 5), with the higher cost due to increased interest expenses arising from financing for the acquisition of the Excel Polymers Group.

Profit before tax increased sharply and totalled 223 MSEK (111) and profit after tax amounted to 158 MSEK (80). Earnings per share rose sharply to 4.58 SEK (2.73*).

Earnings per share have been adjusted in the historical comparison to take into account the effects of the new share issue – in the bonus issue element – which in practice entails a reversal of the effects of the subscription discount received by existing shareholders.

First half of 2011

HEXPOL Group sales increased sharply in the first half of 2011, rising 108 per cent to 3,562 MSEK (1,716), with organic growth accounting for 36 per cent of the increase. Exchange-rate fluctuations had a negative impact of 225 MSEK on sales, due mainly to the stronger SEK against the USD and EUR. Operating profit increased sharply, rising 117 per cent to 440 MSEK (203), corresponding to an operating margin of 12.4 per cent (11.8). Effects of the stronger SEK had a negative impact of 39 MSEK on operating profit.

Sales by the HEXPOL Compounding business area increased sharply, rising 134 per cent to MSEK 3,184 (1,360), generating a strong improvement in operating profit to 407 MSEK (174). The business area reported strong sales during the first half of the year both in NAFTA and Europe. The acquired Excel Polymers Group noted strong sales in all units during the half-year period and contributed to a strong increase in business growth. Demand from customers in the engineering industry reflected a general increase and demand from the automotive industry was strong both in NAFTA and Western and Central Europe. In Asia, the operations in Qingdao, China, noted a sharp increase in volumes.

Sales by the HEXPOL Engineered Products business area rose 6 per cent to 378 MSEK (356). Operating profit amounted to 33 MSEK (29), yielding an improvement in the operating margin to 8.7 per cent (8.1). However, the business area continued to be impacted by the strength of SEK, primarily against the EUR. Sales of gaskets for plate heat exchangers were favourable during the first half of the year. In general, the market was characterised by increased activity, although no major project deliveries were reported. Sales of polyurethane and rubber wheels developed favourably.

The Group's operating cash flow during the first half of 2011 amounted to 344 MSEK (179). The cash flow was achieved mainly through increased operating profit and a relatively low level of investments. The sharp increase in sales and higher raw material prices led to a certain increase in working capital. The Group's net financial items during the first half of 2011 amounted to an expense of 21 MSEK (expense: 10). Net financial items were impacted by higher net debt due to the acquisition of Excel Polymers Group. During the first half of 2011, the HEXPOL Group replaced parts of the acquisition financing for the Excel Polymers Group with a new share issue that was completed during March, entailing a loan repayment of approximately 551 MSEK before issue costs.

Profit before tax increased sharply and totalled 419 MSEK (193). Profit after tax rose 115 per cent to 297 MSEK (138), corresponding to earnings per share of 9.30 SEK (4.70*). Earnings per share based on the number of shares at the close of the period totalled 8.63 SEK.

Profitability

The return on average capital employed rose sharply to 22.3 per cent (15.6). The improvement was attributable primarily to the substantial increase in profit. The return on shareholders' equity was 33.1 per cent (21.5).

Financial position and liquidity

The equity/assets ratio was 40.7 per cent (39.4). The Group's total assets amounted to 5,094 MSEK (3,412). Net debt, which amounted to 1,422 MSEK (1,048), declined during the half-year as a result of the new share issue, a strong operating cash flow and a positive revaluation effect arising from foreign currency loans. The net debt/equity ratio was a multiple of 0.7 (0.8).

In May 2008, the Group signed a five-year credit agreement totalling 1.7 billion SEK with a number of Nordic banks. As part of the financing of Excel Polymers Group, an additional five-year credit agreement was signed with a Nordic bank in an amount of 100 MUSD, which falls due in October 2015. The bridge financing agreed in conjunction with the acquisition of Excel Polymers Group was fully repaid at the end of March 2011.

Cash flow

Operating cash flow during the first half of the year amounted to 344 MSEK (179). The operating cash flow includes positive effects of a continued, relatively low rate of investment and a sharp improvement in profit before depreciation. The cash flow from operating activities amounted to 253 MSEK (113).

Investments, depreciation and amortisation

Group investments amounted to 38 MSEK (8). Depreciation and amortisation totalled 74 MSEK (42). The investments pertained mainly to maintenance investments.

Tax expenses

The Group's tax expenses amounted to 122 MSEK (55), corresponding to a tax rate of 29.1 per cent (28.5).

Personnel

The number of employees at the end of the period was 3,072 (2,196). The number of employees increased during the period as a result of the Excel Polymers Group acquisition.

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 and engineering industry, followed by the construction industry. Other key segments are the medical technology, cabling, water treatment, pharmaceutical, energy, and oil industries.

	Apr-June		Jan-June		Full year	July 2010-June 2011*
MSEK	2011	2010	2011	2010	2010*	
Net sales	1 586	779	3 184	1 360	3 080	4 904
Operating profit	211	100	407	174	398	631
Operating margin, %	13.3	12.8	12.8	12.8	12.9	12.9

* excl. items affecting comparability

HEXPOL Compounding's sales rose sharply again in the second quarter of 2011 and amounted to 1,586 MSEK (779), up 104 per cent. The increase was attributable primarily to the acquisition of Excel Polymers Group, but also stemmed from a strong rise in sales to the industrial and automotive segments.

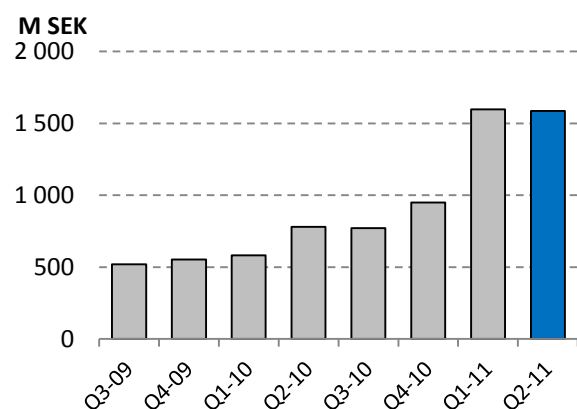
Operating profit increased 111 per cent to 211 MSEK (100), corresponding to an operating margin of 13.3 per cent (12.8). The business area experienced strong volume growth during the quarter, with higher sales in all existing segments and markets. As reported earlier, Excel Polymers Group had a history of reporting a significantly lower margin, which improved as early as in the first quarter of 2011 mainly as a result of internal measures. Excel Polymers Group's earnings remained strong during the second quarter. Excel Polymers Group generated an operating margin in line with the HEXPOL Group.

The business area's sales in Europe increased, both sequentially and compared with the corresponding period in the preceding year, with particular emphasis on sales to automotive customers in Western and Eastern Europe. Sales by the Western and Central European units improved significantly during the quarter. In Asia, the operations in China noted sharply increased sales, with deliveries substantially higher than in the corresponding quarter in the preceding year.

Sales in the NAFTA region increased compared with the corresponding period in the preceding year. The increase in sales was attributable primarily to the acquired Excel Polymers Group and strong sales to the automotive, engineering and energy segments. The operations in Mexico performed favourably and net sales increased compared with the year-earlier period.

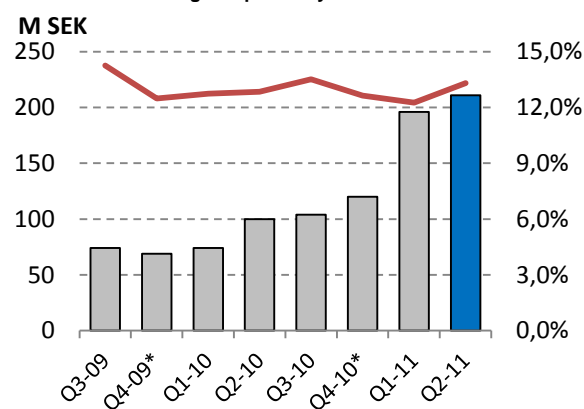
ELASTO Group reported positive trends for all customer groups during the quarter.

Net sales



Operating profit & operating margin

* excl. 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 comprehensive expertise in polymers and the production of rubber, plastic and polyurethane products.

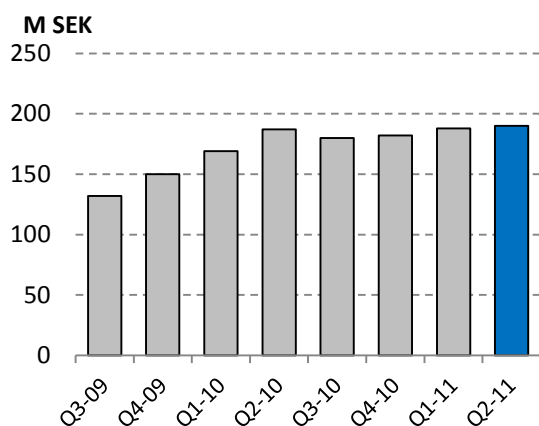
	Apr-June		Jan-June		Full year	July 2010-June 2011
MSEK	2011	2010	2011	2010	2010	
Net sales	190	187	378	356	718	740
Operating profit	19	16	33	29	62	66
Operating margin, %	10.0	8.6	8.7	8.1	8.6	8.9

Sales by the HEXPOL Engineered Products business area during the second quarter totalled 190 MSEK (187). Operating profit improved to 19 MSEK (16), corresponding to an operating margin of 10.0 per cent (8.6). The improved operating margin was attributable in part to productivity improvements and in part to other internal measures. The business area continued to be impacted by the strength of SEK, primarily against the EUR, particularly export sales from operations in Sweden to customers in Europe. The business area's products continue to be under price pressure from surplus market capacity.

HEXPOL Gaskets reported improved sales and stronger demand during the quarter. Sales to project-related operations rose marginally during the quarter. The market is still characterised by continued strong price pressure and rising raw material prices. The product area's sales in the Asian market increased again during the second quarter.

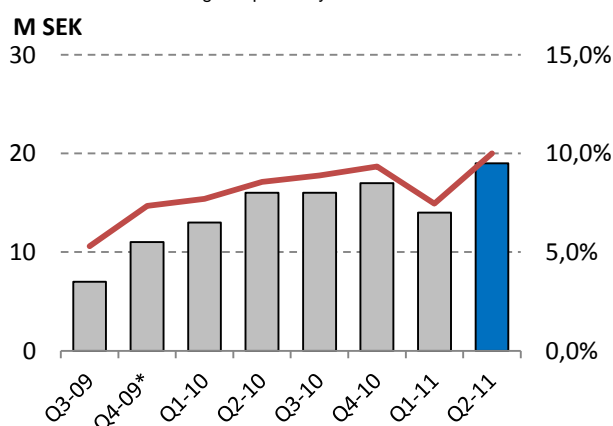
The market for HEXPOL Wheels showed some improvement during the quarter. The product area reported increased sales in local currencies, but was impacted by the stronger Swedish krona (SEK) against both USD and EUR. Sales of polyurethane and thermoplastic wheels increased compared with the year-earlier period. In the markets for wheels, prices remained under pressure, resulting in difficulties in offsetting higher raw material prices.

Net sales



Operating profit & operating margin

* excl. items affecting comparability



Parent Company

The Parent Company's profit after tax amounted to 148 MSEK (loss: 8). Shareholders' equity amounted to 1,732 MSEK (330), after the recently completed new share issue which provided funds of approximately 539 MSEK. The Parent Company received dividends from subsidiaries during the first six months.

Risk factors

The Group's and Parent Company's business risks, risk management and management of financial risks are described in detail in the 2010 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, Reporting for Legal Entities.

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting and measurement policies, as well as the assessment bases, applied in the 2010 Annual Report have also been applied in this interim report. No new or revised IFRSs that entered force in 2011 have any significant impact on the Group.

Ownership structure

HEXPOL AB (publ), corporate registration number 556108-9631, is the Parent Company of the HEXPOL Group. HEXPOL's Class B shares are listed on the Stockholm Mid Cap industrial segment of the NASDAQ OMX Nordic exchange. HEXPOL had 8,793 shareholders as of 30 June 2011. The largest owner is Melker Schörling AB, with 26 per cent of the capital and 47 per cent of voting rights. The 20 largest shareholders own 72 per cent of the capital and 80 per cent of voting rights.

New share issue

HEXPOL completed a new share issue in March, which provided funds of approximately 551 MSEK before issue costs. The new share led to that 6,637,993 new shares were issued. The total number of shares outstanding, including shares newly subscribed for under the incentive programme, amounts to 34,420,128.

Incentive programme

HEXPOL's incentive programme 2008/2011 was exercised in March. Warrant holders subscribed for their full share entitlement, which meant that 1,230,158 new shares were subscribed for. Allocation was adjusted to take into consideration the effects of the recent new share issue. The incentive programme provided the Parent Company with funds of 71 MSEK for the shares subscribed.

Invitation to presentation of report

This report will be presented by telephone conference at 1:00 p.m. on 21 July. The presentation, as well as information concerning participation, will also be available at www.hexpol.com.

Calendar for financial information

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

Event	Date
▪ Nine-month report 2011	21 October 2011
▪ Year-end report 2011	7 February 2012
▪ Annual General Meeting 2012	4 May 2012
▪ Interim report first quarter 2012	4 May 2012
▪ Half-year report 2012	19 July 2012

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

For further information, contact:

- Georg Brunstam, President and CEO
Tel: +46 708 55 12 51
- Urban Ottosson, Chief Financial Officer/ Investor Relations
Tel: +46 767 85 51 44

Board Assurance

The interim report provides a fair view of the Parent Company's and Group's operations, financial position and results of operations and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

This interim report for the first half-year has not been subject to specific review by HEXPOL AB's auditors.

Malmö, 21 July 2011
HEXPOL AB (publ)

Melker Schörling,
Chairman of the Board

Ulrik Svensson

Alf Göransson

Malin Persson

Jan-Anders Månson

Georg Brunstam,
President and CEO

Address: Skeppsbron 3
SE -211 20 Malmö
Sweden

Corporate registration number: 556108–9631
Tel: +46 40-25 46 60
Fax: +46 40-25 46 89
Website: www.hexpol.com

This report may contain forward-looking statements. When used in this report, words such as "anticipate", "believe", "estimate", "expect", "intend", "plan" and "project" are intended to identify forward-looking statements. They may involve risks and uncertainties, including product demand, market acceptance, the effect of economic conditions, the impact of competitive products and pricing, foreign currency exchange rates and other risks. These forward-looking statements reflect the views of HEXPOL's management as of the date made with respect to future events and are subject to risks and uncertainties. All of these forward-looking statements are based on estimates and assumptions made by HEXPOL's management and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results or experience could differ materially from the forward-looking statements. HEXPOL disclaims any intention or obligation to update these forward-looking statements.

This report consists of such information that HEXPOL AB may be obliged to disclose in accordance with the Swedish Securities Market Act and /or the Financial Instruments Trading Act. The information was submitted for publication on 21 July 2011 at 12:00 noon CET. This report has been prepared both in Swedish and English. In case of any divergence in the content of the two versions, the Swedish version shall have precedence.

Consolidated income statement

MSEK	Apr-June		Jan-June		Full year	July 10-
	2011	2010	2011	2010	2010	June 11
Net sales	1,776	966	3,562	1,716	3,798	5,644
Costs of goods sold ^{1) 3)}	-1,450	-783	-2,915	-1,387	-3,091	-4,619
Gross profit	326	183	647	329	707	1,025
Selling and administration costs, etc. ^{2) 3)}	-96	-67	-207	-126	-311	-392
Operating profit	230	116	440	203	396	633
Financial income and expenses	-7	-5	-21	-10	-26	-37
Profit before tax	223	111	419	193	370	596
Tax	-65	-31	-122	-55	-97	-164
Net profit for the period	158	80	297	138	273	432
- of which, attributable to Parent Company shareholders	158	80	297	138	273	432
- of which, attributable to minority shareholders	-	-	0	-	0	0
Earnings per share, SEK	4.58	2.73	9.30	4.70	9.30	13.90
Earnings per share excluding items affecting comparability, SEK	4.58	2.73	9.30	4.70	10.83	15.43
Shareholders' equity per share, SEK			60.26	45.80	44.88	
Average number of shares, thousands	34,420	29,369	31,937	29,369	29,369	30,653
Depreciation, amortisation and impairment included to an amount of	-36	-23	-74	-42	-88	-120
1) of which, items affecting comparability	-	-	-	-	-22	-22
2) of which, items affecting comparability	-	-	-	-	-42	-42

Consolidated statement of comprehensive income

MSEK	Apr-June		Jan-June		Full year	July 10-
	2011	2010	2011	2010	2010	June 11
Profit for the period	158	80	297	138	273	432
Cash-flow hedging, net after tax	-1	0	-2	1	1	-2
Translation differences	36	28	-46	16	-146	-208
Comprehensive income	193	108	249	155	128	222
- of which, attributable to Parent Company shareholders	193	108	249	155	128	222
- of which, attributable to minority shareholders	-	-	0	-	0	0

After completion of the new share issue, historical data has been adjusted to take into account the effects of the bonus issue element.

3) HEXPOL has reclassified cost items since the first quarter, which means that costs in an amount of 120 MSEK moved from Selling and administration costs, etc. to Cost of goods sold. The adjustment is reported in the January – June column for 2011.

Consolidated balance sheet

	30 Jun	30 Jun	31 Dec
MSEK	2011	2010	2010
Intangible fixed assets	2,193	1,537	2,297
Tangible fixed assets	1,036	754	1,116
Financial fixed assets	1	1	1
Deferred tax assets	27	56	24
Total fixed assets	3,257	2,348	3,438
Inventories	557	277	487
Accounts receivable	828	445	616
Other receivables	26	30	32
Prepaid expenses and accrued income	23	13	20
Cash and cash equivalents	403	299	318
Total current assets	1,837	1,064	1,473
Total assets	5,094	3,412	4,911
Attributable to Parent Company shareholders	2,074	1,345	1,318
Attributable to minority shareholders	-	-	9
Total shareholders' equity	2,074	1,345	1,327
Interest-bearing liabilities	1,755	1,259	1,909
Deferred tax liabilities	75	51	79
Provision for pensions	12	11	11
Total non-current liabilities	1,842	1,321	1,999
Interest-bearing liabilities	101	133	683
Accounts payable	753	423	656
Other liabilities	62	45	34
Accrued expenses, prepaid income, provisions	262	145	212
Total current liabilities	1,178	746	1,585
Total shareholders' equity and liabilities	5,094	3,412	4,911

Consolidated changes in shareholders' equity

MSEK	30 June 2011			30 June 2010		31 Dec 2010		
	Attributable to Parent Company	Minority interests	Total equity	Attributable to Parent Company	Total equity	Attributable to Parent Company	Minority interests	Total equity
Opening equity	1 318	9	1 327	1 217	1 217	1 217	-	1 217
Comprehensive income	249	0	249	155	155	128	0	128
Dividend	-103	-	-103	-27	-27	-27	-	-27
Acquisition of minority interest	-	-9	-9	-	-	-	9	9
New share issue	539	-	539	-	-	-	-	-
New share issue, exercise of warrants	71	-	71	-	-	-	-	-
Closing equity	2 074	-	2 074	1 345	1 345	1 318	9	1 327

Number of shares, trend

	Total number of Class A shares	Total number of Class B shares	Total number of shares
Number of shares at 1 January	1 181 250	25 370 727	26 551 977
New share issue	295 312	6 342 681	6 637 993
Exercise of warrants	-	1 230 158	1 230 158
Number of shares at close of period	1 476 562	32 943 566	34 420 128

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 exercise 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.

During the first quarter of 2011, all warrants outstanding were exercised, which led to the subscription of 1,230,158 new shares. The number of newly subscribed shares was adjusted for dilution effects stemming from HEXPOL's new share issue completed in the first half of 2011.

Consolidated cash flow statements

MSEK	Apr-June		Jan-June		Full year
	2011	2010	2011	2010	2010
Cash flow from operating activities before change in working capital	180	85	398	179	421
Non-recurring items	-7	-5	-13	-8	-24
Changes in working capital	-44	-16	-132	-58	-10
Cash flow from operating activities	129	64	253	113	387
Acquisitions	0	-341	1	-341	-1,827
Cash flow from other investing activities	-21	-6	-38	-8	-32
Dividend	-103	-27	-103	-27	-27
New share issue	-2	-	539	-	-
Exercise of warrants	-	-	71	-	-
Cash flow from other financing activities	-83	305	-625	243	1,525
Change in cash and cash equivalents	-80	-5	98	-20	26
Cash and cash equivalents at 1 January	480	302	318	317	317
Exchange-rate differences in cash and cash equivalents	3	2	-13	2	-25
Cash and cash equivalents at close of the period	403	299	403	299	318

Operating cash flow, Group

MSEK	Apr-June		Jan-June		Full year
	2011	2010	2011	2010	2010
Operating profit	230	116	440	203	460
Depreciation/amortisation	36	23	74	42	88
Change in working capital	-44	-16	-132	-58	-10
Investments	-21	-6	-38	-8	-32
Operating cash flow	201	117	344	179	506

Other key figures

	Apr-June		Jan-June		Full year	July 10- June 11
	2011	2010	2011	2010	2010	
Profit margin before tax, %	12.6	11.5	11.8	11.2	9.7	10.6
Profit margin before tax, excluding items affecting comparability, %	12.6	11.5	11.8	11.2	11.4	11.7
Return on shareholders' equity, %			33.1	21.5	21.5	25.3
Return on shareholders' equity, excluding items affecting comparability, %			33.1	21.5	25.1	27.9
Interest-coverage ratio, multiple			22.0	33.2	22.8	20.2
Net debt, MSEK			1,422	1,048	2,239	
Net debt ratio, multiple			0.7	0.8	1.7	
Cash flow per share, SEK	3.71	2.18	7.92	3.85	13.18	17.25
Cash flow per share before change in working capital, SEK	5.05	2.89	12.46	6.09	14.33	20.70

Quarterly data, Group

Sales per business area	2011		2010					July 10- June 11
MSEK	Jan-Mar	Apr-June	Jan-Mar	Apr-June	July-Sep	Oct-Dec	Full year	
HEXPOL Compounding	1,598	1,586	581	779	770	950	3,080	4,904
HEXPOL Engineered Products	188	190	169	187	180	182	718	740
Group total	1,786	1,776	750	966	950	1,132	3,798	5,644

Sales per geographic area	2011		2010					July 10- June 11
MSEK	Jan-Mar	Apr-June	Jan-Mar	Apr-June	July-Sep	Oct-Dec	Full year	
Europe	615	636	386	510	494	538	1,928	2,283
NAFTA	1,082	1,040	326	398	391	524	1,639	3,037
Asia	89	100	38	58	65	70	231	324
Group total	1,786	1,776	750	966	950	1,132	3,798	5,644

Operating profit per business area	2011		2010					July 10- June 11
MSEK	Jan-Mar	Apr-June	Jan-Mar	Apr-June	July-Sep	Oct-Dec	Full year	
HEXPOL Compounding	196	211	74	100	104	56	334	567
HEXPOL Engineered Products	14	19	13	16	16	17	62	66
Group total	210	230	87	116	120	73	396	633

Operating profit per business area <i>excl. items affecting comparability</i>	2011		2010					July 10- June 11
MSEK	Jan-Mar	Apr-June	Jan-Mar	Apr-June	July-Sep	Oct-Dec	Full year	
HEXPOL Compounding	196	211	74	100	104	120	398	631
HEXPOL Engineered Products	14	19	13	16	16	17	62	66
Group total	210	230	87	116	120	137	460	697

Operating margin per business area <i>excl. items affecting comparability</i>	2011		2010					July 10- June 11
%	Jan-Mar	Apr-June	Jan-Mar	Apr-June	July-Sep	Oct-Dec	Full year	
HEXPOL Compounding	12.3	13.3	12.7	12.8	13.5	12.6	12.9	12.9
HEXPOL Engineered Products	7.4	10.0	7.7	8.6	8.9	9.3	8.6	8.9
Group total	11.8	13.0	11.7	12.0	12.6	12.1	12.1	12.3

Income statement, Parent Company

MSEK	Apr-June		Jan-June		Full year
	2011	2010	2011	2010	2010
Net sales	8	6	16	12	23
Selling and administration costs, etc.	-13	-10	-24	-18	-35
Operating loss	-5	-4	-8	-6	-12
Financial income and expenses	76	-3	159	-5	677
Profit/loss before tax	71	-7	151	-11	665
Tax	-2	2	-3	3	19
Profit/loss after tax for the period	69	-5	148	-8	684

Balance sheet, Parent Company

MSEK	30 June	30 June	31 Dec
	2011	2010	2010
Total fixed assets	3,466	2,413	3,787
Total current assets	594	696	536
Total assets	4,060	3,109	4,323
Total shareholders' equity	1,732	330	1,076
Total non-current liabilities	1,760	1,171	1,916
Total current liabilities	568	1,608	1,331
Total shareholders' equity and liabilities	4,060	3,109	4,323

Financial definitions

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