

Press release

Malmö, 22 December 2011

HEXPOL acquires MÜLLER KUNSTSTOFFE – a leading Central European manufacturer of thermoplastic elastomer compounds (TPE Compounding)

HEXPOL AB (publ) has come to an agreement with the German Rowa Group to acquire Horst Müller Kunststoffe GmbH & Co. KG.

Müller Kunststoffe is a leading Central European developer and manufacturer of thermoplastic elastomer compounds (TPE Compounding) and has two production units in Lichtenfels, Germany.

”The acquisition constitutes yet another step in our ambition to broaden our product range within our Compounding business area” says Georg Brunstam, President and CEO of HEXPOL Group. “The market for TPE compounding is undergoing great growth with interesting and increasing customer applications within the field of medical, consumer, general industry and automotive. Müller Kunststoffe perfectly complements our European TPE compounding operations where we already have units in the UK and Sweden. We are also right now building a manufacturing plant in southern China for TPE compounding. Müller Kunststoffe is a well-established and well-managed company with strong management and a strong brand.”

Müller Kunststoffe is expected to be consolidated during January 2012 after subject to regulatory approvals and other customary conditions and has an estimated annual turnover of approximately 46 MEUR with around 90 employees. The acquired business has an EBITDA margin slightly lower than the HEXPOL Group but is expected to have a positive impact on earnings per share from the start. The acquisition price adjusted for acquired net debt amounts to 39 MEUR and is funded by a combination of cash and existing bank loans.

For more information please contact;

Georg Brunstam
President and CEO
+46 (0)708-55 12 51

Urban Ottosson
CFO / IR
+46 (0)767-85 51 44

HEXPOL is a world-leading polymers group with strong global positions in advanced polymer 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- and engineering 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. After the acquisition of Excel Polymers Group, the HEXPOL Group has approximately 3,100 employees in nine countries and pro forma sales in 2010 of above 6,300 MSEK. Read more at www.hexpol.com.

This press release may contain forward-looking statements. When used in this press release, words such as “anticipate”, “believe”, “estimate”, “expect”, “plan” and “project” are intended to identify forward-looking statements. They may involve risks and uncertainties, including product demand and 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 press release consists of such information that HEXPOL AB (publ.) 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 December 22 2011.