



Year-end report 2011

published on 7 February 2012

Fourth Quarter 2011 – Continued sharp growth with strong and stable margins

- Net sales increased sharply by 58 per cent to 1,792 MSEK (1,132).
- Operating profit increased 61 per cent to 220 MSEK (137*).
- The operating margin amounted to 12.3 per cent (12.1*).
- Profit after tax increased strongly to 157 MSEK (98*).
- Earnings per share rose strongly to 4.55 SEK (3.34*).
- Operating cash flow was very strong, amounting to 363 MSEK (227).
- Agreement signed for the acquisition of the German TPE compounding company Müller Kunststoffe, which was completed in January 2012.

Full-year 2011 – Sharp growth with strong margins and improved market positions

- Net sales increased 89 per cent to 7,197 MSEK (3,798).
- Operating profit rose 95 per cent to 895 MSEK (460*).
- The operating margin increased to 12.4 per cent (12.1*).
- Profit after tax increased strongly to 619 MSEK (318*).
- Earnings per share rose 72 per cent to 18.65 SEK (10.83*). Earnings per share, based on the number of shares at year-end, totalled 17.98 SEK.
- Operating cash flow rose strongly to 911 MSEK (506).
- The Board of directors proposes a dividend of 5.00 SEK per share (3.00).

President's comments

"The fourth quarter was another strong quarter for the HEXPOL Group. We continued our strong growth with strong and stable margins. The Group's net sales rose 58 per cent, of which 15 per cent was organic. Net sales were strong in all markets, particularly in NAFTA, Eastern Europe and Asia. Our operating cash flow remained strong amounting to 363 MSEK (227).

In January 2012, we finalised the acquisition of the German TPE compounding company Müller Kunststoffe, thus continuing our expansion within Compounding and enabling us to create a strong European TPE compounding business, while simultaneously starting up production in Southern China in the same product area.

Our earnings for 2011 were the Group's best so far. We increased sales by a full 89 per cent to 7,197 MSEK (3,798). We also strengthened our market positions and experienced a significant increase in net sales in emerging markets. Our operating profit rose 95 per cent to 895 MSEK (460*) and operating cash flow was very strong and amounted to 911 MSEK (506). Earnings per share increased 72 per cent to 18.65 SEK (10.83*)."

Georg Brunstam, President and CEO

Group total

Key figures MSEK	Oct-Dec		Jan-Dec	
	2011	2010	2011	2010
Net sales	1,792	1,132	7,197	3,798
Operating profit, EBIT	220	73	895	396
Operating margin, %	12.3	6.4	12.4	10.4
Profit before tax	222	62	872	370
Profit after tax	157	53	619	273
Earnings per share, SEK	4.55	1.81**	18.65	9.30**
Equity/assets ratio, %			47.5	27.0
Return on capital employed, %			22.3	13.9

*The comparative figures for 2010 are reported excluding items affecting comparability

** After completion of the rights 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 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 2011 amounted to 7,197 MSEK. The HEXPOL Group has approximately 3,000 employees in ten countries. Read more at www.hexpol.com.

Operating key figures	Oct-Dec		Jan-Dec	
Excl. items affecting comparability, MSEK	2011	2010	2011	2010
Operating profit, EBIT	220	137	895	460
Operating margin, %	12.3	12.1	12.4	12.1
Profit before tax	222	126	872	434
Profit after tax	157	98	619	318
Earnings per share, SEK	4.55	3.34**	18.65	10.83**
Return on capital employed, %			22.3	16.2
Operating cash flow	363	227	911	506

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

Fourth quarter 2011

The HEXPOL Group's net sales rose strongly during the fourth quarter of 2011, which was primarily attributable to the acquisition of Excel Polymers Group in November 2010, as well as higher overall net sales to the engineering, automotive and energy sectors. Net sales during the quarter were particularly strong in NAFTA and in the emerging countries of Mexico and China.

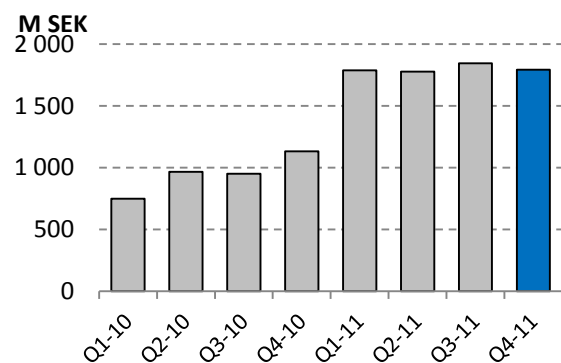
Net sales increased 58 per cent to 1,792 MSEK (1,132). Exchange-rate fluctuations had a negative impact of 29 MSEK on net sales. The organic net sales increase, adjusted for the acquisition of the Excel Polymers Group and exchange-rate effects, was approximately 15 per cent.

Group net sales to the engineering and energy sectors increased during the fourth quarter. Net sales to automotive industry customers remained strong in all geographic regions, particularly in NAFTA, Eastern Europe and Asia. When combined, this contributed to further improved market positions for the HEXPOL Group.

Operating profit increased 61 per cent to 220 MSEK (137*), resulting in an improved operating margin to 12.3 per cent (12.1*). The improved operating profit was primarily attributable to the acquisition of Excel Polymers Group but also to a stable cost scenario, increased productivity and higher capacity utilisation in most of the Group's units. Exchange-rate fluctuations had a negative impact of 8 MSEK on operating profit during the quarter.

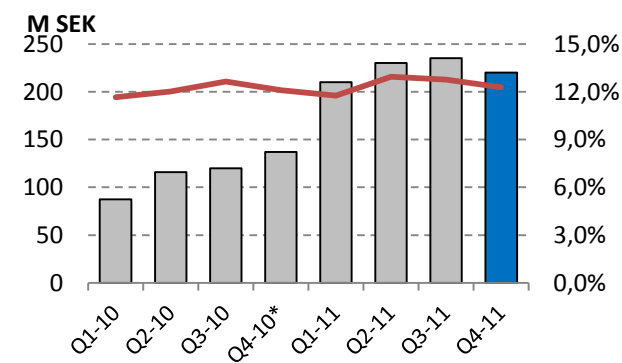
In January 2012, HEXPOL finalised the acquisition of the German TPE Compounding company Müller Kunststoffe. The acquisition is another step in HEXPOL's continued expansion into the TPE Compounding business and strengthens the market position in Central Europe. At the same time, HEXPOL is building up a TPE Compounding business with production in Southern China.

Net sales



Operating profit & operating margin

* excl. items affecting comparability



The HEXPOL Compounding business area's net sales rose strongly during the fourth quarter, primarily as a result of the acquired Excel Polymers Group. The sales increase was largely attributable to the engineering, automotive and energy sectors. Net sales totalled 1,614 MSEK (950), up 70 per cent. Operating profit rose 69 per cent to 203 MSEK (120*), corresponding to an operating margin of 12.6 per cent (12.6*). The improvement in operating profit derived primarily from the acquired Excel Polymers Group but also from a stable cost base, improved productivity and increased capacity utilisation.

In the HEXPOL Engineered Products business area, net sales amounted to 178 MSEK (182). Operating profit amounted to 17 MSEK (17), corresponding to an operating margin of 9.6 per cent (9.3).

In Europe, the HEXPOL Group increased its sales compared with the year-earlier period, primarily in Central and Eastern Europe. The rise was strong in all units. The greatest volume growth compared with 2010 was to the engineering and automotive industry, although volumes to others parts of the European market also rose. The Group's ELASTO Group units experienced a favourable trend in the fourth quarter.

The Group's net sales in NAFTA increased strongly year-on-year. Net sales increased primarily in the engineering and automotive sectors. Net sales to customers in the energy, oil and gas sectors also experienced a strong trend. Demand and sales were particularly strong for the Group's units in Mexico.

In Asia, the increase in net sales remained strong, primarily to automotive customers, but also to other segments.

The number of employees declined somewhat during the quarter. The total number of Group employees at year-end was 3,020 (3,037).

Raw material prices were stable during the quarter.

The Group's operating cash flow rose strongly in the fourth quarter to 363 MSEK (227). The increase derived from the improved operating profit and continued inventory reductions. The Group's net financial items amounted to income of 2 MSEK (expense: 11), including positive revaluation effects. Net interest amounted to an expense of 6 MSEK.

Profit before tax increased strongly to 222 MSEK (126*) and profit after tax amounted to 157 MSEK (98*). Earnings per share rose 36 per cent to 4.55 SEK (3.34*).

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

January – December 2011

HEXPOL Group net sales increased strongly in 2011 with 89 per cent to 7,197 MSEK (3,798), of which 26 per cent was organic. Exchange-rate fluctuations had a negative impact of 323 MSEK on sales, due mainly to the strengthening of the SEK against the USD and EUR. However, these effects declined late in the year. Operating profit rose 95 per cent, amounting to 895 MSEK (460*), corresponding to an operating margin of 12.4 per cent (12.1*). The stronger SEK had a negative impact of 57 MSEK on full-year operating profit.

Net sales by the HEXPOL Compounding business area rose 109 per cent to 6,450 MSEK (3,080), which also resulted in a strong improvement in operating profit to 823 MSEK (398*). The operating margin was 12.8 per cent (12.9*). All markets served by the business area grew in 2011 and sales were particularly strong in NAFTA, Eastern Europe and Asia. Although the business area's sales increase in 2011 mainly pertained to customers in the engineering, energy and automotive sectors, other segments also experienced a positive trend. The acquired Excel Polymers Group significantly outperformed expectations and its integration proceeded faster than expected. The acquisition is now successfully integrated in full in HEXPOL Compounding with operating margins in line with other parts of the HEXPOL Group. The ELASTO Group's operations performed well and net sales continued to rise during the year.

Net sales by the HEXPOL Engineered Products business area totalled 747 MSEK (718). Operating profit improved to 72 MSEK (62), yielding an operating margin of 9.6 per cent (8.6). Sales of gaskets for plate heat exchangers rose, primarily in the Asian market. Sales of wheels developed favourably, mainly in NAFTA and Asia. In general, the market was hallmarked by increased activity, although the price pressure on the business area's products continued. The business area was adversely impacted by the strong trend in the SEK against the EUR.

The Group's operating cash flow remained very strong at 911 MSEK (506). The cash flow was achieved mainly through a strong increase in operating profit and the successful management of working capital.

The Group's net financial items amounted to an expense of 23 MSEK (expense: 26), of which net interest expense was 30 MSEK. Net financial items were positively impacted by re-valuation effects. Higher net debt during the year due to the acquired Excel Polymers Group was charged to net interest. During the year, the HEXPOL Group replaced elements of its acquisition financing with a rights issue that was completed during March, entailing loan repayment of approximately 551 MSEK before issue costs.

Profit before tax increased strongly to 872 MSEK (434*). Profit after tax rose 95 per cent to 619 MSEK (318*), corresponding to earnings per share of 18.65 SEK (10.83*). Earnings per share, based on the number of shares at the period-end, totalled 17.98 SEK.

Profitability

The return on average capital employed rose strongly to 22.3 per cent (16.2*). The improvement was attributable primarily to the strong increase in profit. The return on shareholders' equity was 30.4 per cent (25.1*).

Financial position and liquidity

The equity/assets ratio was 47.5 per cent (27.0). The Group's total assets amounted to 5,208 MSEK (4,911). Net debt declined strongly to 1,096 MSEK (2,239). Net debt declined during the year as a result of the rights issue and strong operating cash flow. The net debt/equity ratio was a multiple of 0.4 (1.7) at year-end. In May 2011, HEXPOL paid out a resolved dividend of 103 MSEK (27).

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.

Cash flow

Operating cash flow was strong during the year and amounted to 911 MSEK (506). Operating cash flow includes positive effects of the successful management of working capital and strongly improved operating profit. The cash flow from operating activities amounted to 726 MSEK (387).

Investments, depreciation and amortisation

Group investments amounted to 103 MSEK (32). Depreciation and amortisation totalled 150 MSEK (88). The investments pertained mainly to maintenance investments.

Tax expenses

The Group's tax expenses amounted to 253 MSEK (116*), corresponding to a tax rate of 29.0 per cent (26.7*).

Personnel

The number of employees at year-end was 3,020 (3,037). There were 32 fewer employees compared with the third quarter of 2011.

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 subject to 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, energy, and oil industries.

MSEK	Oct-Dec		Jan-Dec	
	2011	*2010	2011	*2010
Net sales	1,614	950	6,450	3,080
Operating profit	203	120	823	398
Operating margin, %	12.6	12.6	12.8	12.9

* excl. items affecting comparability

HEXPOL Compounding's net sales rose 70 per cent in the fourth quarter to 1,614 MSEK (950). The increase was primarily attributable to acquired Excel Polymers Group, as well as to overall organic growth in the engineering, automotive and energy sectors.

Operating profit increased 69 per cent to 203 MSEK (120*), corresponding to an operating margin of 12.6 per cent (12.6*). The increase was attributable to all units in the business area. Excel Polymers Group's earnings were strong, similar to the results of previous quarters in 2011.

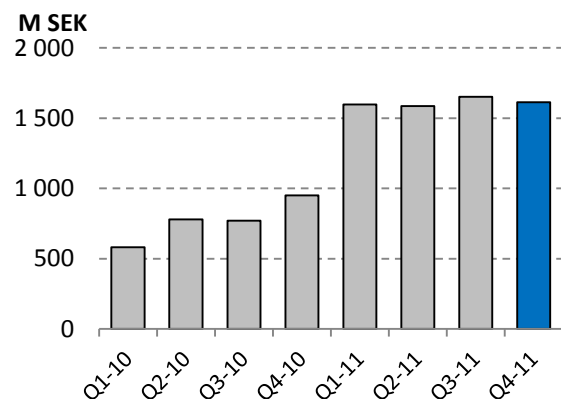
A year-on-year increase was noted in the business area's net sales in Europe, primarily to automotive customers in Central and Eastern Europe. Net sales to industrial customers also rose.

In Asia, the operations in China noted continued strong sales, with substantially higher deliveries than in the year-earlier quarter. The decided expansion of rubber-compounding capacity in Qingdao, China, is proceeding as planned and is scheduled to be completed by late 2012.

Net sales in the NAFTA region increased strongly year-on-year. The increase was primarily attributable to the acquired Excel Polymers Group and to strong overall sales to the automotive, engineering and energy sectors. The operations in Mexico were particularly successful and net sales increased strongly compared with the year-earlier period.

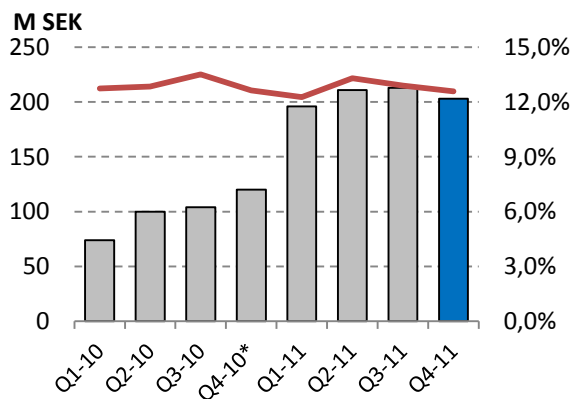
ELASTO Group developed positively for all customer groups during the fourth quarter.

Net sales



Operating profit & operating margin

* excl. items affecting comparability



Business area HEXPOL Engineered Products

The HEXPOL Engineered Products business area has secured 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 production of rubber, plastic and polyurethane products.

MSEK	Oct-Dec		Jan-Dec	
	2011	2010	2011	2010
Net sales	178	182	747	718
Operating profit	17	17	72	62
Operating margin, %	9.6	9.3	9.6	8.6

Net sales by the HEXPOL Engineered Products business area during the fourth quarter totalled 178 MSEK (182). Operating profit amounted to 17 MSEK (17), corresponding to an operating margin of 9.6 per cent (9.3).

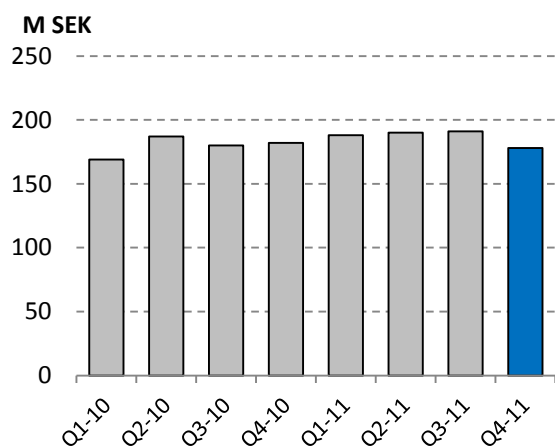
The improved operating margin was attributable to internal measures and a stable cost scenario in all units. Earnings were charged with the SEK's appreciation against the EUR and its effects on the Swedish units' sales to European customers. The pressure on prices for the business area's products continues.

The HEXPOL Gaskets product area reported a slight improvement in net sales during the quarter. Net sales to project-related operations were relatively unchanged. The product area again increased its net sales in the Asian market during the fourth quarter. The markets were characterised by price pressure.

The HEXPOL Wheels product area's net sales were impacted by somewhat weaker demand from European customers during the fourth quarter. Sales of wheels developed well in the NAFTA region and Asia, while demand was weaker in Europe. In the markets for wheels, prices remained under pressure, resulting in difficulties in offsetting higher raw material prices.

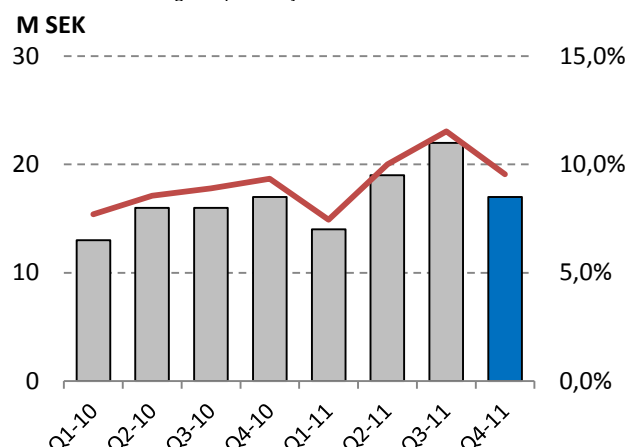
The previously decided capacity investments in China for gaskets and wheels are proceeding as planned and will be completed by late 2012.

Net sales



Operating profit & operating margin

* excl. items affecting comparability



Parent Company

The Parent Company's profit after tax amounted to 352 MSEK (684). Shareholders' equity totalled 1,939 MSEK (1,076), after the rights issue that was completed in March, which provided funds of approximately 543 MSEK. The Parent Company received dividends from subsidiaries during the year.

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 in this year-end 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 year-end 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 year-end 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 8,410 shareholders as of 31 December 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 73 per cent of the capital and 81 per cent of voting rights.

New share issue

HEXPOL completed a rights issue in March 2011, which provided funds of approximately 551 MSEK before issue costs. The rights issue led to the issuance of 6,637,993 new shares. 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 full 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 previously implemented rights issue. The incentive programme provided the Parent Company with funds of 71 MSEK for the subscribed shares.

Annual General Meeting, 4 May 2012 at 3:00 p.m.

The Annual General Meeting will be held on 4 May 2012, at 3:00 p.m. CET in Malmö (Börshuset, Skeppsbron 2). The Annual Report for 2011 will be available on HEXPOL's website and at the head-office no later than 13 April 2012, and be distributed to shareholders no later than during the week beginning 16 April. Shareholders wishing to participate in the Annual General Meeting must be included in the shareholders' register maintained by Euroclear Sweden no later than 27 April 2012, and must provide advance notice of their intention to participate to HEXPOL's head office no later than noon 30 April. Trustee-registered shareholders must temporarily register their shares in their own names before 27 April to be entitled to participate in the Meeting.

Dividend proposal

The Board of Directors has proposed that the Annual General Meeting on 4 May resolve to pay a dividend of 5.00 SEK (3.00).

Proposal from the Nomination Committee

The appointed Nomination Committee, comprising Mikael Ekdahl (Melker Schörling AB), Anders Algotsson (AFA försäkring), Åsa Nisell (Swedbank Robur) and Henrik Didner (Didner & Gerge Fonder), has submitted to the company the following proposal regarding nominations to the Board: re-election of Board members Melker Schörling, Alf Göransson, Jan-Anders Månsson, Malin Persson, Ulrik Svensson and Georg Brunstam.

Events after the balance-sheet date

In December 2011, HEXPOL entered into an agreement to acquire Horst Müller Kunststoffe GmbH & Co. KG from Rowa Group in Germany. Müller Kunststoffe is a leading Central European developer and manufacturer of TPE compounding.

Müller Kunststoffe has an annual sale of about 46 MEUR with 90 employees. Its EBITDA margin is somewhat lower than that of the HEXPOL Group and the company is expected to immediately make a positive contribution to earnings per share. The purchase consideration adjusted for acquired net debt was 39 MEUR.

The acquisition was finalised in January 2012.

Invitation to presentation of year-end report

This report will be presented on 7 February, at 9:00 a.m.CET, at Svenska Handelsbanken's office, Blasieholmstorg 8, Stockholm, Sweden. The presentation and information on participation are available at www.hexpol.com.

Calendar for financial information

HEXPOL AB will publish financial information on the following dates:

Event	Date
▪ Annual General Meeting 2012	4 May 2012
▪ Interim report first quarter 2012	4 May 2012
▪ Six-month report 2012	19 July 2012
▪ Nine-month report 2012	23 October 2012
▪ Year-end report 2012	February 2013

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

The year-end report for 2011 was not subject to special review by the HEXPOL AB's auditors

For more information, contact:

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Malmö, 7 February 2012
HEXPOL AB (publ)

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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. Such statements could encompass risks and uncertainties, including product demand, market acceptance, effects of economic conditions, 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 but are subject to risks and uncertainties. While all of these forward-looking statements are based on estimates and assumptions made by HEXPOL’s management and are believed to be reasonable, they 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 7 February 2012, at 8:00 a.m. 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	Oct-Dec		Jan-Dec	
	2011	2010	2011	2010
Net sales	1,792	1,132	7,197	3,798
Costs of goods sold 1)	-1,468	-943	-5,900	-3,091
Gross profit	324	189	1 297	707
Selling and administration costs, etc. 2)	-104	-116	-402	-311
Operating profit	220	73	895	396
Financial income and expenses	2	-11	-23	-26
Profit before tax	222	62	872	370
Tax	-65	-9	-253	-97
Net profit for the period	157	53	619	273
- of which, attributable to Parent Company shareholders	157	53	619	273
- of which, attributable to minority shareholders	-	0	0	0
Earnings per share , SEK	4.55	1.81	18.65	9.30
Earnings per share excluding items affecting comparability, SEK	4.55	3.34*	18.65	10.83*
Shareholders' equity per share, SEK			71.85	44.88*
Average number of shares	34,420	29,369	33,189	29,369
Depreciation, amortisation and impairment	-39	-27	-150	-88
1) of which, items affecting comparability	-	-22	-	-22
2) of which, items affecting comparability	-	-42	-	-42

Consolidated statement of comprehensive income

MSEK	Oct-Dec		Jan-Dec	
	2011	2010	2011	2010
Profit for the period	157	53	619	273
Cash-flow hedging, net after tax	0	0	-2	1
Translation differences	-25	-24	27	-146
Comprehensive income	132	29	644	128
- of which, attributable to Parent Company shareholders	132	29	644	128
- of which, attributable to minority shareholders	-	0	0	0

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

Consolidated balance sheet

MSEK	31 Dec 2011	31 Dec 2010
Intangible fixed assets	2,291	2,297
Tangible fixed assets	1,069	1,116
Financial fixed assets	1	1
Deferred tax assets	4	24
Total fixed assets	3,365	3,438
Inventories	477	487
Accounts receivable	718	616
Other receivables	73	32
Prepaid expenses and accrued income	18	20
Cash and cash equivalents	557	318
Total current assets	1,843	1,473
Total assets	5,208	4,911
Attributable to Parent Company shareholders	2,473	1,318
Attributable to non-controlling interests	-	9
Total shareholders' equity	2,473	1,327
Interest-bearing liabilities	1,630	1,909
Deferred tax liabilities	117	79
Provision for pensions	13	11
Total non-current liabilities	1,760	1,999
Interest-bearing liabilities	68	683
Accounts payable	666	656
Other liabilities	38	34
Accrued expenses, prepaid income, provisions	203	212
Total current liabilities	975	1,585
Total shareholders' equity and liabilities	5,208	4,911

Consolidated changes in shareholders' equity

MSEK	31 Dec 2011			31 Dec 2010		
	Attributable to Parent Company shareholders	Non-controlling interests	Total equity	Attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening equity	1,318	9	1,327	1,217	-	1,217
Comprehensive income	644	0	644	128	0	128
Dividend	-103	-	-103	-27	-	-27
Acquisition of non-controlling interest	-	-9	-9	-	9	9
New share issue	543	-	543	-	-	-
New share issue, exercise of warrants	71	-	71	-	-	-
Closing equity	2,473	-	2,473	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 period-end	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 consisting of a total of 1,325,000 warrants to senior executives. Each warrant entitled the holder to subscribe for one share. The exercise period was 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 2011, all warrants outstanding were exercised, which led to the subscription of 1,230,158 new shares. The number of newly subscribed shares and subscription price were adjusted for dilution effects stemming from HEXPOL's 2011 rights issue.

Consolidated cash flow statements

MSEK	Oct-Dec		Jan-Dec	
	2011	2010	2011	2010
Cash flow from operating activities before change in working capital	188	139	802	421
Non-recurring items	-22	-13	-45	-24
Changes in working capital	154	81	-31	-10
Cash flow from operating activities	320	207	726	387
Acquisitions	-	-1,486	1	-1,827
Cash flow from other investing activities	-50	-18	-103	-32
Dividend	-	-	-103	-27
New share issue	-	-	539	-
Exercise of warrants	-	-	71	-
Cash flow from other financing activities	-218	1,361	-897	1,525
Change in cash and cash equivalents	52	64	234	26
Cash and cash equivalents at 1 January	514	266	318	317
Exchange-rate differences in cash and cash equivalents	-9	-12	5	-25
Cash and cash equivalents at period-end	557	318	557	318

Operating cash flow, Group

MSEK	Oct-Dec		Jan-Dec	
	2011	2010	2011	2010
Operating profit	220	137	895	460
Depreciation/amortisation	39	27	150	88
Change in working capital	154	81	-31	-10
Investments	-50	-18	-103	-32
Operating cash flow	363	227	911	506

Other key figures

	Oct-Dec		Jan-Dec	
	2011	2010	2011	2010
Profit margin before tax, %	12.4	5.5	12.1	9.7
Profit margin before tax, excluding items affecting comparability, %	12.4	11.1	12.1	11.4
Return on shareholders' equity, %			30.4	21.5
Return on shareholders' equity, excluding items affecting comparability, %			30.4	25.1
Interest-coverage ratio, multiple			28.3	22.8
Net debt, MSEK			1,096	2,239
Net debt ratio, multiple			0.4	1.7
Cash flow per share, SEK	9.48	7.05*	21.87	13.18*
Cash flow per share before change in working capital, SEK	5.43	4.73*	24.16	14.33*

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

Quarterly data, Group

Sales per business area	2011						2010					
MSEK	Jan- March	Apr- June	Jul- Sep	Oct- Dec	Full- year		Jan- March	Apr- June	Jul- Sep	Oct- Dec	Full- year	
HEXPOL Compounding	1,598	1,586	1,652	1,614	6,450		581	779	770	950	3,080	
HEXPOL Engineered Products	188	190	191	178	747		169	187	180	182	718	
Group total	1,786	1,776	1,843	1,792	7,197		750	966	950	1,132	3,798	

Sales per geographic area	2011						2010					
MSEK	Jan- March	Apr- June	Jul- Sep	Oct- Dec	Full- year		Jan- March	Apr- June	Jul- Sep	Oct- Dec	Full- year	
Europe	615	636	604	576	2,431		386	510	494	538	1,928	
NAFTA	1,082	1,040	1,130	1,106	4,358		326	398	391	524	1,639	
Asia	89	100	109	110	408		38	58	65	70	231	
Group total	1,786	1,776	1,843	1,792	7,197		750	966	950	1,132	3,798	

Operating profit per business area	2011						2010					
MSEK	Jan- March	Apr- June	Jul- Sep	Oct- Dec	Full- year		Jan- March	Apr- June	Jul- Sep	Oct- Dec	Full- year	
HEXPOL Compounding	196	211	213	203	823		74	100	104	56	334	
HEXPOL Engineered Products	14	19	22	17	72		13	16	16	17	62	
Group total	210	230	235	220	895		87	116	120	73	396	

Operating profit per business area	2011						2010					
<i>excl. items affecting comparability</i>												
MSEK	Jan- March	Apr- June	Jul- Sep	Oct- Dec	Full- year		Jan- March	Apr- June	Jul- Sep	Oct- Dec	Full- year	
HEXPOL Compounding	196	211	213	203	823		74	100	104	120	398	
HEXPOL Engineered Products	14	19	22	17	72		13	16	16	17	62	
Group total	210	230	235	220	895		87	116	120	137	460	

Operating margin per business area	2011						2010					
<i>excl. items affecting comparability</i>												
%	Jan- March	Apr- June	Jul- Sep	Oct- Dec	Full- year		Jan- March	Apr- June	Jul- Sep	Oct- Dec	Full- year	
HEXPOL Compounding	12.3	13.3	12.9	12.6	12.8		12.7	12.8	13.5	12.6	12.9	
HEXPOL Engineered Products	7.4	10.0	11.5	9.6	9.6		7.7	8.6	8.9	9.3	8.6	
Group total	11.8	13.0	12.8	12.3	12.4		11.7	12.0	12.6	12.1	12.1	

Income statement, Parent Company

MSEK	Oct-Dec		Jan-Dec	
	2011	2010	2011	2010
Net sales	7	5	31	23
Administration costs, etc.	-11	-10	-44	-35
Operating loss	-4	-5	-13	-12
Financial income and expenses	197	-51	372	677
Profit before tax	193	-56	359	665
Tax	-1	16	-7	19
Profit after tax for the period	192	-40	352	684

Balance sheet, Parent Company

MSEK	31 Dec	31 Dec
	2011	2010
Total fixed assets	3,602	3,787
Total current assets	754	536
Total assets	4,356	4,323
Total shareholders' equity	1,939	1,076
Total non-current liabilities	1,638	1,916
Total current liabilities	779	1,331
Total shareholders' equity and liabilities	4,356	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 excluding items affecting comparability, 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 non-controlling interests.
Shareholders' equity per share	Shareholders' equity attributable to Parent Company shareholders divided by the number of shares at the end of the period.