

Half-year report January – June 2012

Published on 19 July 2012

Second quarter of 2012 – Continued high growth with strong and further improved margins

- Sales rose 19 per cent to 2,121 MSEK (1,776).
- Operating profit increased strongly by 25 per cent to 287 MSEK (230).
- Operating margin improved to 13.5 per cent (13.0).
- Profit after tax rose to 194 MSEK (158).
- Earnings per share increased to 5.63 SEK (4.58).
- Operating cash flow was strong, amounting to 351 MSEK (201).

First half of 2012 – Continued high growth with strong and improved margins

- Sales rose 20 per cent to 4,263 MSEK (3,562).
- Operating margin increased sharply by 27 per cent till 559 MSEK (440).
- Operating margin improved to 13.1 per cent (12.4).
- Profit after tax increased to 375 MSEK (297).
- Earnings per share rose to 10.89 SEK (9.30). The increase was 26 per cent compared with the year-earlier period (8.63 SEK) based on the actual number of shares following the new issue in March 2011.
- Operating cash flow was strong, increasing to 591 MSEK (344).

President's comments

"Second quarter earnings marked a record for the HEXPOL Group so far. Growth remained high with a sales increase of 19 per cent to 2,121 MSEK (1,776). We also raised our operating margin thanks to favourable efficiency in our units. Sales in NAFTA remained strong, particularly in Mexico. Europe again displayed a mixed picture; however, most of our sales derive from Central and Eastern Europe, where sales were stable compared with the preceding quarter. Operating profit increased sharply to 287 MSEK (230), up 25 per cent. Once again the operating cash flow was strong, totalling 351 MSEK (201), an increase of 75 per cent. Earnings per share were 5.63 SEK (4.58), up 23 per cent.

Growth and profit trends during the first half-year were strong. HEXPOL's earnings per share rose to 10.89 SEK (8.63), based on the actual number of shares following the new share issue in March 2011. Operating cash flow was again strong, while we also improved our operating margins."

Georg Brunstam, President and CEO

Group total

| Key figures MSEK | April-June | | Jan-June | | Full year 2011 | July 11- June 12 |
|-------------------------------|------------|-------|----------|-------|-------------------|---------------------|
| | 2012 | 2011 | 2012 | 2011 | 2011 | 2012 |
| Sales | 2 121 | 1 776 | 4 263 | 3 562 | 7 197 | 7 898 |
| Operating profit, EBIT | 287 | 230 | 559 | 440 | 895 | 1 014 |
| Operating margin, % | 13.5 | 13.0 | 13.1 | 12.4 | 12.4 | 12.8 |
| Profit before tax | 282 | 223 | 546 | 419 | 872 | 999 |
| Profit after tax | 194 | 158 | 375 | 297 | 619 | 697 |
| Earnings per share, SEK | 5.63 | 4.58 | 10.89 | 9.30 | 18.65 | 20.24 |
| Equity/assets ratio, % | | | 46.1 | 40.7 | 47.5 | |
| Return on capital employed, % | | | 26.0 | 22.3 | 22.3 | 23.7 |
| Operating cash flow | 351 | 201 | 591 | 344 | 911 | 1 158 |

HEXPOL is a world-leading polymers group with strong global positions in advanced polymer compounds (Compounding); gaskets for plate heat exchangers (Gaskets); and plastic and rubber materials for truck and castor wheel applications (Wheels). Customers are primarily OEM manufacturers of plate heat exchangers and trucks, global systems suppliers to the automotive and engineering industries and the medical technology industry. The Group is organised in two business areas: HEXPOL Compounding and HEXPOL Engineered Products. The HEXPOL Group's sales in 2011 amounted to 7,197 MSEK. The HEXPOL Group has approximately 3,100 employees in ten countries. Further information is available at www.hexpol.com.

Second quarter of 2012

HEXPOL Group sales growth remained high during the second quarter of 2012. The increase was attributable to continuing strong sales growth in NAFTA, especially Mexico, combined with a stable trend in Europe and the sales from Müller Kunststoffe which was acquired at the beginning of the year. The Group also enjoyed favourable sales growth in Asia compared with the second quarter of 2011.

Sales increased by 19 per cent to 2,121 MSEK (1,776). Exchange-rate effects impacted positively on sales in the amount of 134 MSEK. Organic sales growth (adjusted for exchange-rate effects and the acquisition of Müller Kunststoffe) totalled 6 per cent.

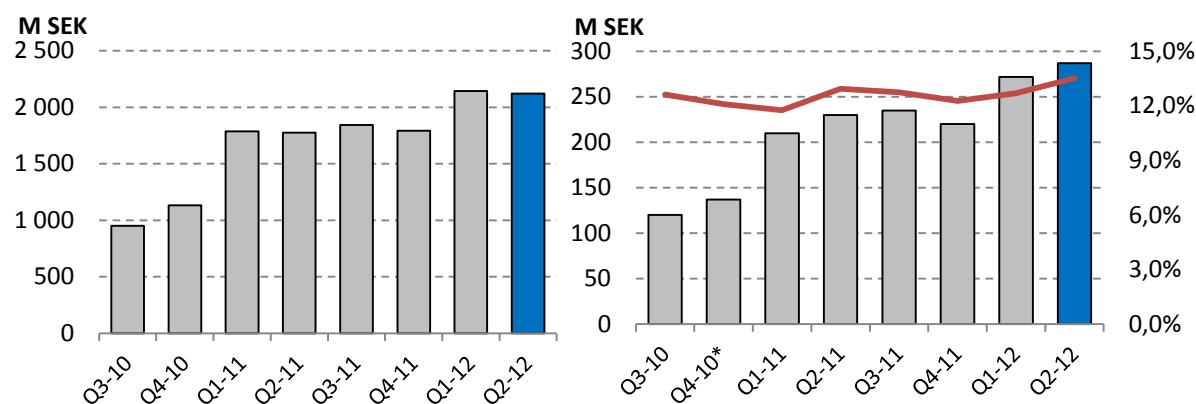
Group sales to the engineering and energy industries continued to grow during the second quarter. Sales to automotive industry customers remained high in the US, Mexico and Eastern Europe.

Operating profit increased by 25 per cent till 287 MSEK (230), entailing a rise in operating margin to 13.5 per cent (13.0). The improvement in operating profit was attributable to higher productivity and favourable capacity utilisation in Group plants, higher sales, the acquisition of Müller Kunststoffe and a stable cost situation. Exchange-rate movements impacted positively on operating profit during the quarter in the amount of 38 MSEK.

Sales

Operating profit & operating margin

*excluding items affecting comparability



The HEXPOL Compounding business area's sales rose during the quarter thanks to continuing successes in Mexico, the US and China, as well as to the acquisition of Müller Kunststoffe. The sales increase was largely attributable to the engineering and automotive industries. However, the business area also sharply raised its sales to the energy sector, notably in the North American market. Sales increased by 22 per cent to 1,931 MSEK (1,586). Operating profit rose steeply by 27 per cent to 267 MSEK (211), representing an improvement in operating margin to 13.8 per cent (13.3). The improved operating profit was attributable to higher sales, the acquisition of Müller Kunststoffe, a stable cost base, combined with higher productivity and favourable capacity utilisation.

The HEXPOL Engineered Products business area's sales totalled 190 MSEK (190). Operating profit amounted to 20 MSEK (19), thereby improving the operating margin to 10.5 per cent (10.0). Operating margin improved thanks to a stable cost situation in all units.

The HEXPOL Group increased its sales in Europe from the preceding year as a result of the acquisition of Müller Kunststoffe. The increase was primarily attributable to the engineering and automotive industries. The Group's units in the TPE Compounding product area reported favourable sales growth during the second quarter.

The Group advanced its sales in NAFTA, which were particularly strong in Mexico. The increase occurred primarily in the automotive segment, where demand remained high. Sales also displayed a

sharp increase to customers in the engineering sector, in addition to the energy, oil and gas industries. Group sales in Asia rose 14 per cent from the preceding year.

Prices for the Group's primary raw materials were stable during the second quarter.

The Group's operating cash flow rose sharply to till 351 MSEK (201). The increase is attributable to the steep increase in operating profit and the efficient management of working capital. The Group's net financial items amounted to an expense of 5 MSEK (expense: 7).

Profit before tax increased sharply to 282 MSEK (223), while profit after tax advanced to 194 MSEK (158). Earnings per share rose 23 per cent till 5.63 SEK (4.58).

First half of 2012

During the first half of the year, HEXPOL Group sales, rose 20 per cent to 4,263 MSEK (3,562), of which 8 per cent was organic. Exchange-rate effects had a positive impact of 190 MSEK, primarily as a result of a stronger USD. Operating profit increased 27 per cent to 559 MSEK (440), corresponding to an operating margin of 13.1 per cent (12.4). The currency effects, mainly a stronger USD, had a positive effect on operating profit of 54 MSEK during the first half of the year.

Sales by the HEXPOL Compounding business area increased by 22 per cent to 3,882 MSEK (3,184), representing a steep improvement to 522 MSEK (407). Operating margin was 13.4 per cent (12.8). Most of the business area's markets continued to expand during the first six months and sales were notably strong in NAFTA, primarily in Mexico. Sales growth in the area pertains primarily to customers in the engineering, energy and automotive industries. The TPE Compounding product area progressed favourably, with sales rising during the first half of the year.

Sales by the HEXPOL Engineered Products business area totalled 381 MSEK (378). Operating profit increased to 37 MSEK (33), entailing an operating margin of 9.7 per cent (8.7). Sales of gaskets for plate heat exchangers reported a relatively weak sales trend; however, sales of wheels displayed a positive movement. The HEXPOL Engineered Products business area continued to experience price pressure for its products.

Once again, the Group's operating cash flow was highly strong, totalling 591 MSEK (344). The strong cash flow was achieved primarily through a sharp increase in operating profit and the continuing successful management of working capital.

The Group's net financial items amounted to an expense of 13 MSEK (expense: 21). Net financial items were charged with the financing of the acquisition of Müller Kunststoffe, which was completed in early January. Net financial items improved as a result of a reduction in net indebtedness, primarily as a result of the strong operating cash flow during the first six months.

Profit before tax increased steeply by 30 per cent 546 MSEK (419). Profit after tax rose to 375 MSEK (297), corresponding to earnings per share of 10.89 SEK (9.30). The increase was 26 per cent compared with the first six months of 2011 (8.63 SEK), based on the actual number of shares after the new share issue in March 2011.

Profitability

The return on average capital employed rose sharply to 26.0 per cent (22.3). The improvement was primarily due to a substantial increase in profit and the continuing favourable management of working capital. The return on shareholders' equity was 29.3 per cent (33.1).

Financial position and liquidity

The equity/assets ratio was 46.1 per cent (40.7). The Group's total assets amounted to 5,754 MSEK (5,094). Net debt fell to 1,142 MSEK (1,422) and the net debt/equity ratio was a multiple of 0.4 (0.7) at the end of the period. HEXPOL conducted an approved dividend in May in the amount of SEK 172 MSEK (103). During May 2008, the Group concluded a five-year credit agreement covering 1.7 billion SEK with a number of Nordic banks. As part of the financing of the Excel Polymers Group in November 2010, an additional five-year agreement was concluded with a Nordic bank covering 100 MUSD, which falls due in October 2015.

Cash flow

Operating cash flow during the first half of the year increased sharply to 591 MSEK (344). Operating cash flow includes the effects of the favourable management of working capital and a substantial improvement in operating profit. Cash flow from operating activities totalled 531 MSEK (253).

Investments, depreciation and amortisation

Group investments amounted to 45 MSEK (38). Depreciation and amortisation totalled 81 MSEK (74). Investments pertained primarily to maintenance investments and capacity investments in China.

Tax expenses

The Group's tax expenses amounted to 171 MSEK (122), corresponding to a tax rate of 31.3 per cent (29.1).

Personnel

The number of employees at the end of the second quarter was 3,122 (3 072). The workforce essentially remained unchanged compared with the first quarter of 2012.

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 polymer products and components with stringent demands in terms of performance and global delivery capacity. The largest market segment is the automotive and engineering industries, followed by the construction industry. Other key segments are the medical technology, cabling, water treatment, pharmaceutical, energy, and oil industries.

| MSEK | Apr-June | | Jan-June | | Full year | July 11-June 12 |
|---------------------|----------|-------|----------|-------|-----------|-----------------|
| | 2012 | 2011 | 2012 | 2011 | 2011 | 2012 |
| Sales | 1 931 | 1 586 | 3 882 | 3 184 | 6 450 | 7 148 |
| Operating profit | 267 | 211 | 522 | 407 | 823 | 938 |
| Operating margin, % | 13.8 | 13.3 | 13.4 | 12.8 | 12.8 | 13.1 |

HEXPOL Compounding's sales increased 22 per cent during the second quarter to 1,931 MSEK (1,586). The increase was primarily attributable to the acquisition of Müller Kunststoffe, as well as to high sales growth in NAFTA to the energy, engineering and automotive industries.

Operating profit increased 27 per cent till 267 MSEK (211), representing an operating margin of 13.8 per cent (13.3). The higher operating profit was attributable to increased sales, the acquisition of Müller Kunststoffe, an improved margin and a stable cost base. In turn, the improved margin was mainly the result of high productivity and favourable capacity utilisation.

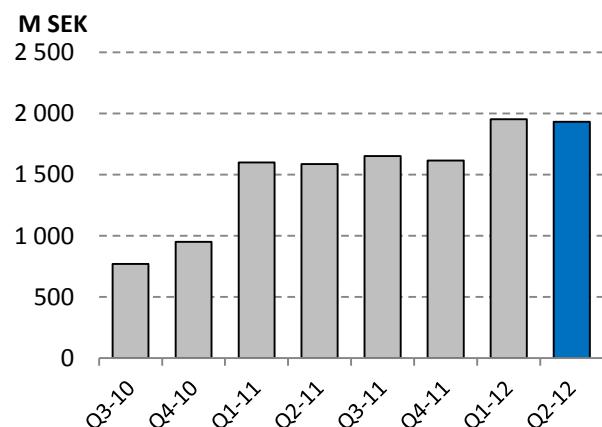
The business area's sales in Europe increased compared with the year-earlier period, thanks mainly to the acquisition of Müller Kunststoffe. Again, Europe displayed a rather mixed picture; however, most of our sales derive from Central and Eastern Europe, where sales were stable compared with the preceding quarter. The HEXPOL TPE Compounding product area raised its sales compared with the year-earlier period.

Sales in the Asian market increased from the year-earlier period. The approved expansion of rubber-compounding capacity in Qingdao, China, developed as planned and is expected to be completed by year-end 2012.

Sales in NAFTA rose sharply compared with the year-earlier period. The increase derived from higher demand from the energy segment, combined with continuing strong sales to the automotive and engineering segments. Growth in the Mexican market was particularly sharp. As part of efforts to handle demand, a decision was made to invest in a third rubber-compounding plant in Aguascalientes, Mexico. The investment amounts to approximately 4.5 MUSD and production start-up is scheduled for autumn 2013.

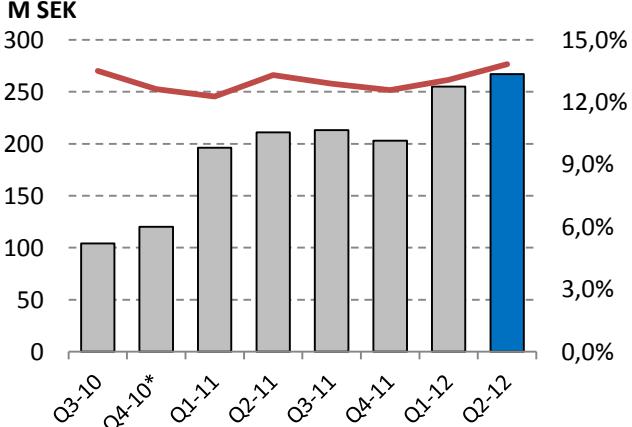
Prices of the business area's primary raw materials remained stable during the quarter

Sales



Operating profit & operating margin

* Excluding 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 the production of rubber, plastic and polyurethane products.

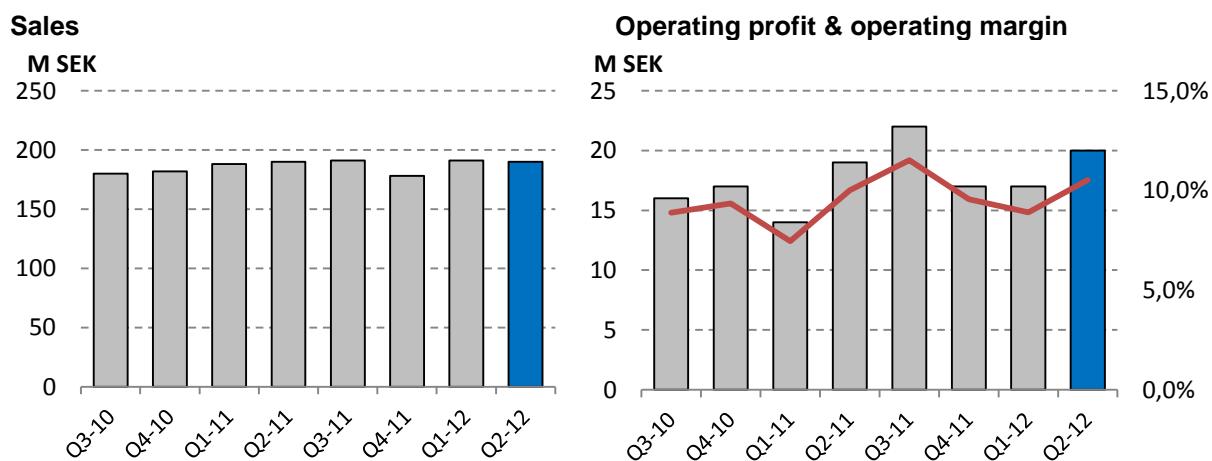
| MSEK | Apr-June | | Jan-June | | Full year | July 11-June 12 |
|---------------------|----------|------|----------|------|-----------|-----------------|
| | 2012 | 2011 | 2012 | 2011 | 2011 | 2012 |
| Sales | 190 | 190 | 381 | 378 | 747 | 750 |
| Operating profit | 20 | 19 | 37 | 33 | 72 | 76 |
| Operating margin, % | 10.5 | 10.0 | 9.7 | 8.7 | 9.6 | 10.1 |

Sales of the HEXPOL Engineered Products in the second quarter totalled 190 MSEK (190). Operating profit amounted to 20 MSEK (19), corresponding to an operating margin of 10.5 per cent (10.0). Operating margin improved thanks to internal action programmes throughout all units.

Sales of the HEXPOL Gaskets product area declined somewhat and sales to project-related operations were relatively weak. However, the product area increased its sales slightly in the Asian market during the second quarter. The market was generally characterised by pressure on prices, combined with uncertainty in terms of market trends.

The HEXPOL Wheels product area increased its sales during the second quarter. Sales of wheels progressed positively in all markets, notably in NAFTA and Asia. Markets for wheels were subject to pressure on prices, making it difficult to adjust for changes in raw material prices.

The previously approved capacity investments in China for gaskets and wheels are proceeding as planned and will be completed at year-end 2012.



Parent Company

The Parent Company's profit after tax amounted to 91 MSEK (148). Shareholders' equity totalled 1,858 MSEK (1,732).

Risk factors

The Group's Parent Company's business risks and risk management and management of financial risks are described in detail in the 2011 Annual Report. No significant events occurred during the year that affect or change the aforementioned descriptions of the Group's or Parent Company's risks and their management.

Accounting policies

The consolidated financial statements in this interim report have been prepared in compliance with International Reporting Standards (IFRS), as adopted by the EU, and 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 Board's recommendation RFR 2, Reporting for Legal Entities. This interim report was prepared in accordance with IAS 34, Interim Financial Reporting. The accounting and assessment policies applied in the 2011 Annual Report have also been applied in this interim report. No new or revised IFRS that gained force in 2012 have any significant impact on the Group.

Ownership structure

HEXPOL AB (publ), Corporate Registration Number 556108-9631, is the Parent Company in 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 8,200 shareholders as of 30 June 2012. The major shareholder is Melker Schörling AB, with 26 per cent of the capital and 47 per cent of the voting rights. The 20 largest shareholders own 70 per cent of the capital and 78 per cent of the voting rights.

Invitation to the presentation of the report

This report will be presented in a telephone conference on 19 July at 1:00 pm. The presentation, as well as information to participants, is available on www.hexpol.com.

Calendar for financial information

HEXPOL AB will publish financial information on the following dates:

| Event | Date |
|--------------------------------------|-----------------|
| ▪ Nine-month report, 2012 | 23 October 2012 |
| ▪ Year-end report, 2012 | 7 February 2013 |
| ▪ Interim report, first quarter 2013 | 2 May 2013 |
| ▪ Half-year report, 2013 | 18 July 2013 |

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

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Board assurance

The interim report provides a fair view of the Parent Company's and Group's operations, financial position and results of operations. In addition, it describes the 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, 19 July 2012
HEXPOL AB (publ)

Melker Schörling,
Chairman of the Board

Ulrik Svensson

Alf Göransson

Malin Persson

Jan-Anders Månsen

Georg Brunstam,
President and CEO

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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. 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.

The report consists of information that HEXPOL AB (publ) is obliged to disclose in accordance with the Swedish Securities Market Act and/or the Financial Trading Instruments Act. The information was submitted to the media for publication on 19 July 2012 at 12:00 noon. 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.

Condensed consolidated income statement

| MSEK | Apr-June | | Jan-June | | Full year | July 11-June 12 |
|---|------------|------------|------------|------------|--------------|-----------------|
| | 2012 | 2011 | 2012 | 2011 | 2011 | |
| Sales | 2 121 | 1 776 | 4 263 | 3 562 | 7 197 | 7 898 |
| Costs of goods sold | -1 719 | -1 450 | -3 476 | -2 915 | -5 900 | -6 461 |
| Gross profit | 402 | 326 | 787 | 647 | 1 297 | 1 437 |
| Selling and administration cost, etc. | -115 | -96 | -228 | -207 | -402 | -423 |
| Operating profit | 287 | 230 | 559 | 440 | 895 | 1 014 |
| Financial income and expenses | -5 | -7 | -13 | -21 | -23 | -15 |
| Profit before tax | 282 | 223 | 546 | 419 | 872 | 999 |
| Tax | -88 | -65 | -171 | -122 | -253 | -302 |
| Profit after tax | 194 | 158 | 375 | 297 | 619 | 697 |
| - of which, attributable to Parent Company shareholders | 194 | 158 | 375 | 297 | 619 | 697 |
| - of which, attributable to minority interests | - | - | - | 0 | 0 | - |
| Earnings per share, SEK | 5.63 | 4.58 | 10.89 | 9.30 | 18.65 | 20.24 |
| Shareholders' equity per share, SEK | | | 76.99 | 60.26 | 71.85 | |
| Average number of shares, 000s | 34 420 | 34 420 | 34 420 | 31 937 | 33 189 | 34 420 |
| Depreciation, amortisation and impairment | -41 | -36 | -81 | -74 | -150 | -157 |

Consolidated statement of comprehensive income

| MSEK | Apr-June | | Jan-June | | Full year | July 11-June 12 |
|---|------------|------------|------------|------------|------------|-----------------|
| | 2012 | 2011 | 2012 | 2011 | 2011 | |
| Profit after tax | 194 | 158 | 375 | 297 | 619 | 697 |
| Cash-flow hedging, net after tax | 0 | -1 | 0 | -2 | -2 | 0 |
| Translation differences | 38 | 36 | -26 | -46 | 27 | 47 |
| Comprehensive income | 232 | 193 | 349 | 249 | 644 | 744 |
| - of which, attributable to Parent Company shareholders | 232 | 193 | 349 | 249 | 644 | 744 |
| - of which, attributable to minority interests | - | - | - | 0 | 0 | - |

Condensed consolidated balance sheet

| | 30 June 2012 | 30 June 2011 | 31 Dec 2011 |
|---|-----------------|-----------------|----------------|
| MSEK | | | |
| Intangible fixed assets | 2 495 | 2 193 | 2 291 |
| Tangible fixed assets | 1 097 | 1 036 | 1 069 |
| Financial fixed assets | 1 | 1 | 1 |
| Deferred tax assets | 7 | 27 | 4 |
| Total fixed assets | 3 600 | 3 257 | 3 365 |
| Inventories | 487 | 557 | 477 |
| Accounts receivable | 950 | 828 | 718 |
| Other receivables | 111 | 26 | 73 |
| Prepaid expenses and accrued income | 19 | 23 | 18 |
| Cash and cash equivalents | 587 | 403 | 557 |
| Total current assets | 2 154 | 1 837 | 1 843 |
| Total assets | 5 754 | 5 094 | 5 208 |
| Attributable to Parent Company shareholders | 2 650 | 2 074 | 2 473 |
| Total shareholders' equity | 2 650 | 2 074 | 2 473 |
| Interest-bearing liabilities | 108 | 1 755 | 1 630 |
| Deferred tax liabilities | 129 | 75 | 117 |
| Provision for pensions | 12 | 12 | 13 |
| Total non-current liabilities | 249 | 1 842 | 1 760 |
| Interest-bearing liabilities | 1 651 | 101 | 68 |
| Accounts payable | 820 | 753 | 666 |
| Other liabilities | 143 | 62 | 38 |
| Accrued expenses, prepaid income, provisions | 241 | 262 | 203 |
| Total current liabilities | 2 855 | 1 178 | 975 |
| Total shareholders' equity and liabilities | 5 754 | 5 094 | 5 208 |

Consolidated changes in shareholders' equity

| MSEK | 30 June 2012 | | 30 June 2011 | | | 31 Dec 2011 | | |
|---------------------------------------|--|-----------------|--|--|-----------------|--|--|-----------------|
| | Attributable to Parent Company shareholders | Total equity | Attributable to Parent Company shareholders | Attributable to minority interests | Total equity | Attributable to Parent Company shareholders | Attributable to minority interests | Total equity |
| Opening equity | 2 473 | 2 473 | 1 318 | 9 | 1 327 | 1 318 | 9 | 1 327 |
| Comprehensive income | 349 | 349 | 249 | 0 | 249 | 644 | 0 | 644 |
| Dividend | -172 | - 172 | - 103 | - | -103 | -103 | - | - 103 |
| Acquisition of minority interest | - | - | - | -9 | -9 | - | -9 | -9 |
| New share issue | - | - | 539 | - | 539 | 543 | - | 543 |
| New share issue, exercise of warrants | - | - | 71 | - | 71 | 71 | - | 71 |
| Closing equity | 2 650 | 2 650 | 2 074 | 0 | 2 074 | 2 473 | 0 | 2 473 |

Changes in number of shares

| | Total number of class A shares | Total number of Class B shares | Total number of shares |
|---------------------------------------|---|---|------------------------------|
| Number of shares at 1 January | 1 476 562 | 32 943 566 | 34 420 128 |
| Number of shares at period-end | 1 476 562 | 32 943 566 | 34 420 128 |

Condensed consolidated cash flow statements

| MSEK | Apr-June | | Jan-June | | Full year | July 11-June 12 |
|---|------------|------------|------------|------------|------------|-----------------|
| | 2012 | 2011 | 2012 | 2011 | 2011 | |
| Cash flow from operating activities before changes in working capital | 253 | 180 | 540 | 398 | 802 | 944 |
| Non-recurring items | -3 | -7 | -5 | -13 | -45 | -37 |
| Changes in working capital | 43 | -44 | -4 | -132 | -31 | 97 |
| Cash flow from operating activities | 293 | 129 | 531 | 253 | 726 | 1 004 |
| Acquisitions | 0 | 0 | -344 | 1 | 1 | -344 |
| Cash flow from other investing activities | -20 | -21 | -45 | -38 | -103 | -110 |
| Dividend | -172 | -103 | -172 | -103 | -103 | -172 |
| New share issue | - | -2 | - | 539 | 539 | - |
| Exercise of warrants | - | - | - | 71 | 71 | - |
| Cash flow from other financing activities | -82 | -83 | 60 | -625 | -897 | -212 |
| Change in cash and cash equivalents | 19 | -80 | 30 | 98 | 234 | 166 |
| Cash and cash equivalents at 1 January | 550 | 480 | 557 | 318 | 318 | 403 |
| Exchange-rate differences in cash and cash equivalents | 18 | 3 | 0 | -13 | 5 | 18 |
| Cash and cash equivalents at period end | 587 | 403 | 587 | 403 | 557 | 587 |

Operating cash flow, Group

| MSEK | Apr-June | | Jan-June | | Full year | July 11-June 12 |
|----------------------------|------------|------------|------------|------------|------------|-----------------|
| | 2012 | 2011 | 2012 | 2011 | 2011 | |
| Operating profit | 287 | 230 | 559 | 440 | 895 | 1 014 |
| Depreciation/amortisation | 41 | 36 | 81 | 74 | 150 | 157 |
| Change in working capital | 43 | -44 | -4 | -132 | -31 | 97 |
| Investments | -20 | -21 | -45 | -38 | -103 | -110 |
| Operating cash flow | 351 | 201 | 591 | 344 | 911 | 1 158 |

Other key figures

| | Apr-June | | Jan-June | | Full year | July 11-June 12 |
|---|----------|------|----------|-------|-----------|-----------------|
| | 2012 | 2011 | 2012 | 2011 | 2011 | |
| Profit margin before tax, % | 13.3 | 12.6 | 12.8 | 11.8 | 12.1 | 12.6 |
| Return on shareholders' equity, % | | | 29.3 | 33.1 | 30.4 | 29.5 |
| Interest-coverage ratio, multiple | | | 43.0 | 22.0 | 28.3 | 41.0 |
| Net debt, MSEK | | | 1 142 | 1 422 | 1 096 | |
| Net debt ratio, multiple | | | 0.4 | 0.7 | 0.4 | |
| Cash flow per share, SEK | 8.52 | 3.71 | 15.43 | 7.92 | 21.87 | 29.38 |
| Cash flow per share before change in working capital, SEK | 7.35 | 5.05 | 15.69 | 12.46 | 24.16 | 27.39 |

Quarterly data, Group

| Sales per business area MSEK | 2012 | | 2011 | | | | | Full year | July 11- Jun 12 |
|---------------------------------|---------------|--------------|---------------|--------------|---------------|--------------|--------------|--------------|--------------------|
| | Jan- March | Apr- June | Jan- March | Apr- June | July- Sept | Oct- Dec | | | |
| HEXPOL Compounding | 1 951 | 1 931 | 1 598 | 1 586 | 1 652 | 1 614 | 6 450 | 7 148 | |
| HEXPOL Engineered Products | 191 | 190 | 188 | 190 | 191 | 178 | 747 | 750 | |
| Group total | 2 142 | 2 121 | 1 786 | 1 776 | 1 843 | 1 792 | 7 197 | 7 898 | |

| Sales per geographic area MSEK | 2012 | | 2011 | | | | | Full year | July 11- June 12 |
|-----------------------------------|---------------|--------------|---------------|--------------|---------------|--------------|--------------|--------------|---------------------|
| | Jan- March | Apr- June | Jan- March | Apr- June | July- Sept | Oct- Dec | | | |
| Europe | 749 | 691 | 615 | 636 | 604 | 576 | 2 431 | 2 620 | |
| NAFTA | 1 292 | 1 316 | 1 082 | 1 040 | 1 130 | 1 106 | 4 358 | 4 844 | |
| Asia | 101 | 114 | 89 | 100 | 109 | 110 | 408 | 434 | |
| Group total | 2 142 | 2 121 | 1 786 | 1 776 | 1 843 | 1 792 | 7 197 | 7 898 | |

| Operating profit per business area MSEK | 2012 | | 2011 | | | | | Full year | July 11- June 12 |
|--|---------------|--------------|---------------|--------------|--------------|-------------|------------|--------------|---------------------|
| | Jan- March | Apr- June | Jan- March | Apr- June | Jul- Sept | Oct- Dec | | | |
| HEXPOL Compounding | 255 | 267 | 196 | 211 | 213 | 203 | 823 | 938 | |
| HEXPOL Engineered Products | 17 | 20 | 14 | 19 | 22 | 17 | 72 | 76 | |
| Group total | 272 | 287 | 210 | 230 | 235 | 220 | 895 | 1 014 | |

| Operating margin per business area, % | 2012 | | 2011 | | | | | Full year | July 11- June 12 |
|---------------------------------------|---------------|--------------|---------------|--------------|---------------|-------------|-------------|--------------|---------------------|
| | Jan- March | Apr- June | Jan- March | Apr- June | July- Sept | Oct- Dec | | | |
| HEXPOL Compounding | 13.1 | 13.8 | 12.3 | 13.3 | 12.9 | 12.6 | 12.8 | 13.1 | |
| HEXPOL Engineered Products | 8.9 | 10.5 | 7.4 | 10.0 | 11.5 | 9.6 | 9.6 | 10.1 | |
| Group total | 12.7 | 13.5 | 11.8 | 13.0 | 12.8 | 12.3 | 12.4 | 12.8 | |

Condensed income statement, Parent Company

| MSEK | Apr-June | | Jan-June | | Full year |
|-------------------------------|-----------|-----------|------------|------------|------------|
| | 2012 | 2011 | 2012 | 2011 | 2011 |
| Sales | 9 | 8 | 17 | 16 | 31 |
| Administration costs, etc. | -15 | -13 | -25 | -24 | -44 |
| Operating loss | -6 | -5 | -8 | -8 | -13 |
| Financial income and expenses | 83 | 76 | 108 | 159 | 372 |
| Profit before tax | 77 | 71 | 100 | 151 | 359 |
| Tax | -3 | -2 | -9 | -3 | -7 |
| Profit after tax | 74 | 69 | 91 | 148 | 352 |

Condensed balance sheet, Parent Company

| MSEK | 30 June | 30 June | 31 Dec |
|---|--------------|--------------|--------------|
| | 2012 | 2011 | 2011 |
| Total fixed assets | 3 609 | 3 466 | 3 602 |
| Total current assets | 1 137 | 594 | 754 |
| Total assets | 4 746 | 4 060 | 4 356 |
| Total shareholders' equity | 1 858 | 1 732 | 1 939 |
| Total non-current liabilities | 108 | 1 760 | 1 638 |
| Total current liabilities | 2 780 | 568 | 779 |
| Total shareholders' equity and liabilities | 4 746 | 4 060 | 4 356 |

Financial definitions

| | |
|---------------------------------------|--|
| Return on equity | Net profit attributable to Parent Company shareholders as a percentage of average shareholders' equity, excluding minority interests. |
| Return on capital employed | Profit before tax, plus interest expenses, as a percentage of average capital employed. |
| EBITDA | Operating profit before depreciation, amortisation and impairment |
| EBIT | Operating profit after depreciation, amortisation and impairment |
| Shareholders' equity per share | Shareholders' equity attributable to Parent Company shareholders divided by the number of shares at the end of the period |
| Investments | Purchases less sales of intangible and tangible fixed assets, excluding those included in acquisitions and divestments of subsidiaries. |
| Cash flow | Cash flow from operating activities after changes in working capital. |
| Cash flow per share | Cash flow from operating activities after changes 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. |
| Operating cash flow | Operating profit, excluding items affecting comparability, less depreciation/amortisation and investments, and after changes in working capital. |
| Earnings per share | Profit after tax, attributable to Parent Company shareholders, divided by the average number of shares. |
| Operating margin | Operating profit as a percentage of 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 sales for the period. |