



## Half-year report January-June 2013

Published on 18 July 2013

### Second quarter of 2013 – Another strong quarter

- Sales amounted to 2,060 MSEK (2,121).
- Operating profit rose 9 per cent to 312 MSEK (287).
- Operating margin improved to 15.1 per cent (13.5).
- Profit after tax increased 18 per cent to 228 MSEK (194).
- Earnings per share increased 18 per cent to 6.62 SEK (5.63).
- Operating cash flow amounted to 385 MSEK (351).

### First half of 2013 – Continued strong earnings development, our best results to date

- Sales amounted to 4,074 MSEK (4,263).
- Operating profit rose 9 per cent to 610 MSEK (559).
- Operating margin improved to 15.0 per cent (13.1).
- Profit after tax increased 18 per cent to 444 MSEK (375).
- Earnings per share increased 18 per cent to 12.90 SEK (10.89).
- Operating cash flow amounted to 625 MSEK (591).
- The US rubber compounding company, Robbins, which was acquired in November 2012, has been successfully integrated.

### President's comments

"The second quarter of 2013 was also a strong quarter for the HEXPOL Group, the best to date in terms of earnings. Our earnings per share rose significantly to 6.62 SEK (5.63), up 18 per cent. The operating margin improved further to 15.1 per cent (13.5) and our operating profit rose 9 per cent to 312 MSEK (287). Volumes improved but sales were negatively impacted by currency effects and that we once again noted a price reduction for our principal raw materials. Sales in the second quarter of 2013 were higher than during the first quarter. Operating cash flow remained strong and amounted to 385 MSEK (351).

The first half of 2013 was a period characterised by a strong earnings development. Our earnings per share rose 18 per cent to 12.90 SEK (10.89). During the first half of 2013, the US rubber compounding company Robbins was successfully integrated with a better earnings development than planned. Our balance sheet is strong and, with a net debt/equity multiple of 0.3 (0.4), we are well equipped for continued expansion."

*Georg Brunstam, President and CEO*

### Group summary

Key Figures MSEK	Apr-Jun		Jan-Jun		Full Year	Jul 12- Jun 13
	2013	2012	2013	2012	2012	
Sales	2 060	2 121	4 074	4 263	8 007	7 818
Operating profit, EBIT	312	287	610	559	1 069	1 120
Operating margin, %	15,1	13,5	15,0	13,1	13,4	14,3
Profit before tax	309	282	598	546	1 047	1 099
Profit after tax	228	194	444	375	753	822
Earnings per share, SEK	6,62	5,63	12,90	10,89	21,88	23,89
Equity/assets ratio, %			50,8	46,1	49,2	
Return on capital employed, %			25,3	26,0	24,0	24,0
Operating cash flow	385	351	625	591	1 209	1 243

HEXPOL is a world-leading polymers group with strong global positions in advanced rubber compounds (Compounding), gaskets for plate heat exchangers (Gasket), 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, the energy sector 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 2012 amounted to 8,007 MSEK. The HEXPOL Group has approximately 3,400 employees in ten countries. Further information is available at [www.hexpol.com](http://www.hexpol.com).

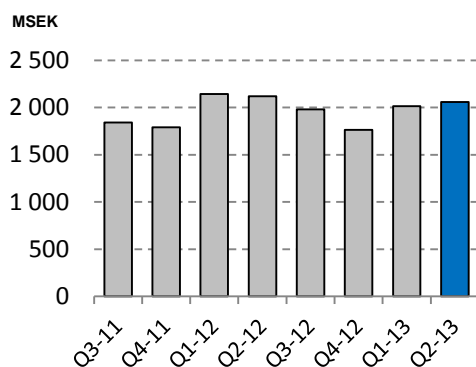
## Second quarter of 2013

The HEXPOL Group's sales during the second quarter of 2013 amounted to 2,060 MSEK (2,121). Currency effects had a negative impact of 99 MSEK on sales, primarily due to a weakening of the USD and the Euro. Sales were positively impacted by our most recent acquisition, Robbins (November 2012).

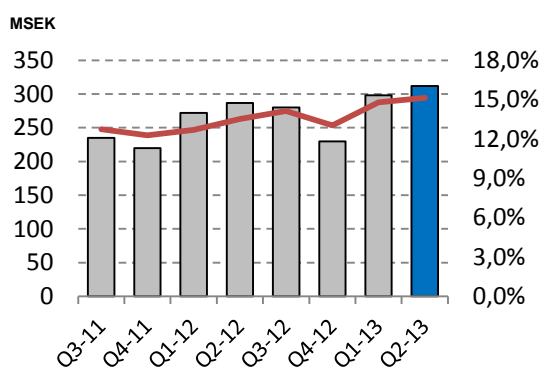
Organic growth (adjusted for currency effects and acquisitions) was a negative 2 per cent, which includes the effects of lower prices for our principal raw materials. However, the volume development was positive compared with the year-earlier quarter. Sales in NAFTA in local currency, including the acquired Robbins, were higher compared with the year-earlier quarter. In NAFTA, sales remained strong to automotive-related customers, while sales to the mining industry and export-related customers were weak even during the second quarter. However, sales in Mexico remained strong in all segments. In Europe, sales were weak, particularly to automotive-related customers.

Despite lower sales, operating profit increased 9 per cent to 312 MSEK (287), entailing an improvement in the operating margin to 15.1 per cent (13.5). Operating profit improved thanks to the acquisition of Robbins, and through continued efficiency enhancements in the operations. Exchange-rate fluctuations had a negative impact of 17 MSEK on operating profit for the quarter.

### Sales



### Operating profit & operating margin



The HEXPOL Compounding business area's sales during the quarter, including the acquired Robbins, amounted to 1,889 MSEK (1,931). Sales in NAFTA, including Robbins, rose in local currency compared with the year-earlier quarter. Sales remained strong to the energy, oil and gas sector, and the automotive segment in NAFTA, while sales in Europe were weak, particularly to automotive-related customers. The HEXPOL TPE Compounding product area continued its positive development, with higher sales and improved operating profit. Operating profit for the HEXPOL Compounding business area increased 11 per cent to 296 MSEK (267). The operating margin improved to 15.7 per cent (13.8), thanks to, among others, continued higher efficiency in the operations.

Robbins, a leading US manufacturer of rubber compounds, was acquired in late November 2012. The integration of the operation, which was implemented already in the first quarter, was more rapid and reported better earnings than planned.

The HEXPOL Engineered Products business area's sales during the quarter totalled 171 MSEK (190). In early April, a fire occurred at the HEXPOL Wheels facility in Laxå in Sweden, which impacted sales for the quarter. No personal injuries were reported and the facility is fully insured. Operating profit for the HEXPOL Engineered Products business area amounted to 16 MSEK (20), corresponding to an operating margin of 9.4 per cent (10.5).

In local currency, the HEXPOL Group's sales in NAFTA, including Robbins (acquired in November 2012) increased compared with the year-earlier quarter. Sales remained strong to energy, oil, gas and automotive-related customers, while sales to the mining industry and export-related customers remained weak. However, sales remained strong to all segments in Mexico.

The HEXPOL Group's sales in Europe were weak, particularly to automotive-related customers, and sales declined somewhat compared with the year-earlier quarter.

In Asia, Group sales remained largely unchanged, compared with the year-earlier quarter.

Prices for the Group's principal raw materials were once again lower in the quarter, compared with previous quarters, which entailed lower selling prices compared with the preceding quarter and the year-earlier quarter.

The Group's operating cash flow amounted to 385 MSEK (351). The Group's net financial items amounted to an expense of 3 MSEK (expense: 5), including positive translation differences.

Profit before tax rose to 309 MSEK (282) and profit after tax increased to 228 MSEK (194). Earnings per share increased 18 per cent to 6.62 SEK (5.63).

### **January-June 2013**

The HEXPOL Group's sales for the first half-year amounted to 4,074 MSEK (4,263). Currency effects had a negative impact of 184 MSEK on sales, primarily due to a weakening of the USD and the Euro. Sales were positively impacted by our most recent acquisition, Robbins (November 2012). Organic growth (adjusted for currency effects and acquisition) was a negative 5 per cent, which includes the effects of lower prices for our principal raw materials.

Operating profit rose 9 per cent to 610 MSEK (559), which improved the operating margin to 15.0 per cent (13.1). Currency effects had a negative impact of 36 MSEK on operating profit primarily due to the weakening of the USD and the Euro.

The HEXPOL Compounding business area's sales amounted to 3,720 MSEK (3,882). Operating profit rose 11 per cent to 578 MSEK (522) and the operating margin improved to 15.5 per cent (13.4). Sales in NAFTA were strong to energy, oil, gas and automotive-related customers, while sales to the mining industry and export-related customers were weak. Sales in Europe were weak, primarily to automotive-related customers. The HEXPOL TPE Compounding business area reported a favourable development.

The HEXPOL Engineered Products business area's sales amounted to 354 MSEK (381). Operating profit amounted to 32 MSEK (37), entailing an operating margin of 9.0 per cent (9.7). Sales were relatively stable, except for the HEXPOL Wheels facility in Laxå in Sweden, which was affected by the fire that occurred in early April.

The Group's operating cash flow amounted to 625 MSEK (591). The Group's net financial items amounted to an expense of 12 MSEK (expense: 13).

Profit before tax increased to 598 MSEK (546) and profit after tax rose to 444 MSEK (375). Earnings per share increased 18 per cent to 12.90 SEK (10.89).

### **Profitability**

The return on average capital employed amounted to 25.3 per cent (26.0). The return on shareholders' equity was 29.0 per cent (29.3).

### **Financial position and liquidity**

The equity/assets ratio increased to 50.8 per cent (46.1). The Group's total assets amounted to 6,323 MSEK (5,754). Net debt amounted to 985 MSEK (1,142) and the net debt/equity multiple decreased to 0.3 (0.4). The dividend of 207 MSEK (172) resolved at the Annual General Meeting was paid by HEXPOL in May.

The Group has the following three credit agreements with Nordic banks:

- A five-year credit agreement with a limit of 100 MUSD that will fall due in October 2015.
- A five-year credit agreement with a limit of 125 MUSD that will fall due in February 2018.
- A three-year credit agreement with a limit of 750 MSEK that will fall due in February 2016.

The five-year credit agreement signed in May 2008 matured in May 2013 and was replaced by the above credit agreements.

## **Cash flow**

Operating cash flow amounted to 625 MSEK (591). Cash flow from operating activities amounted to 519 MSEK (531).

## **Investments, depreciation and amortisation**

The Group's investments amounted to 65 MSEK (45). Investments are primarily attributable to capacity investments, among others in China, and maintenance investments, mainly in the US. Depreciation and amortisation amounted to 78 MSEK (81).

## **Tax expenses**

The Group's tax expenses amounted to 154 MSEK (171), corresponding to a tax rate of 25.8 per cent (31.3). The lower tax rate was among others due to effects of a changed legal structure following acquisitions in recent years.

## **Personnel**

The number of employees at the end of the first half of the year was 3,357 (3,122). The number of employees increased through the acquisition of Robbins in November 2012.

## Business area HEXPOL Compounding

The HEXPOL Compounding business area is one of the world's leading suppliers in the development and manufacture of advanced high-quality polymer compounds (Compounding). Customers are manufacturers of polymer components who impose rigorous demands on performance, quality and global delivery capacity. The market is global and the largest end customer segments are the automotive and engineering industries. Other key segments are the construction and infrastructure industry, energy, oil and gas sector, cabling and water treatment industry, as well as medical technology.

	Apr-Jun		Jan-Jun		Full Year	Jul 12-
MSEK	2013	2012	2013	2012	2012	Jun 13
Sales	1 889	1 931	3 720	3 882	7 270	7 108
Operating profit	296	267	578	522	996	1 052
Operating margin, %	15,7	13,8	15,5	13,4	13,7	14,8

HEXPOL Compounding's sales during the second quarter, including acquired Robbins, totalled 1,889 MSEK (1,931). Operating profit rose 11 per cent to 296 MSEK (267). The operating margin improved to 15.7 per cent (13.8), thanks to, among others, continued efficiency enhancements in the operation.

Prices for the business area's principal raw materials during the quarter were once again lower, compared with the previous quarter, which meant lower selling prices compared with the preceding quarter and the year-earlier quarter. However, the volume development was positive compared with the year-earlier quarter.

In local currency, sales in NAFTA, including Robbins, rose compared with the year-earlier quarter. Sales remained strong to energy, oil, gas and automotive-related customers, while sales to the mining industry and export-related customers were weak. However, sales remained strong to all segments in Mexico. The approved investment in a third rubber compounding line in Aguascalientes, Mexico, is progressing as planned and production is scheduled to start in autumn 2013.

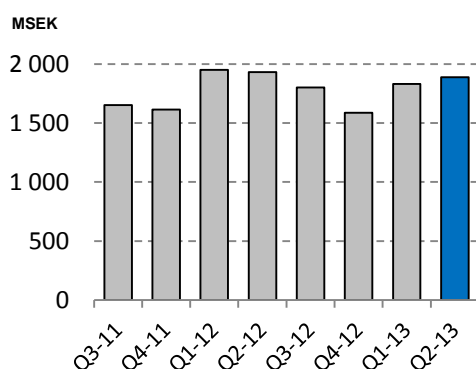
Sales in Europe were weak, particularly to automotive-related customers.

Sales in the Asian markets were comparable to the year-earlier quarter. The customer project portfolio is strong and the capacity expansion for the rubber compounds in Qingdao, China, was commissioned as planned already during the first quarter.

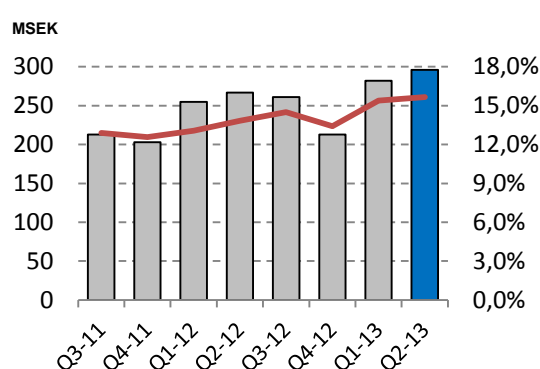
The HEXPOL TPE Compounding product area continued its positive development, with higher sales mainly in consumer-related applications. Müller Kunststoffe, the company that was acquired in early 2012, continued to develop positively.

Robbins, a leading US manufacturer of rubber compounds and a global leader of moulded products for gaskets and the vulcanisation of tires particularly for trucks, construction equipment and aircraft, was acquired in late November 2012. The company had three production units in the US: Muscle Shoals in Alabama, Findlay in Ohio and Tallapoosa in Georgia. Integration of the operation has progressed more rapidly and better than planned in terms of earnings. The facility in Tallapoosa was closed during the first quarter and the volumes were relocated to the other facilities in NAFTA. The sales development for Robbins was weaker than planned, primarily to mining-industry related customers.

### Sales



### Operating profit & operating margin



## Business area HEXPOL Engineered Products

The HEXPOL Engineered Products business area is one of the world's leading suppliers of advanced products, such as gaskets for plate heat exchangers (Gaskets) and wheels for truck and castor wheel applications (Wheels). The market for gaskets and wheels is global. Gasket customers include manufacturers of plate heat exchangers and wheel customers are manufacturers of trucks and castors.

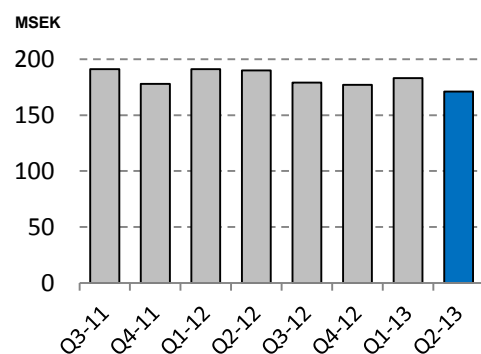
	Apr-Jun		Jan-Jun		Full Year	Jul 12-
MSEK	2013	2012	2013	2012	2012	Jun 13
Sales	171	190	354	381	737	710
Operating profit	16	20	32	37	73	68
Operating margin, %	9,4	10,5	9,0	9,7	9,9	9,6

HEXPOL Engineered Products reported sales during the second quarter of 171 MSEK (190). Operating profit totalled 16 MSEK (20), corresponding to an operating margin of 9.4 per cent (10.5).

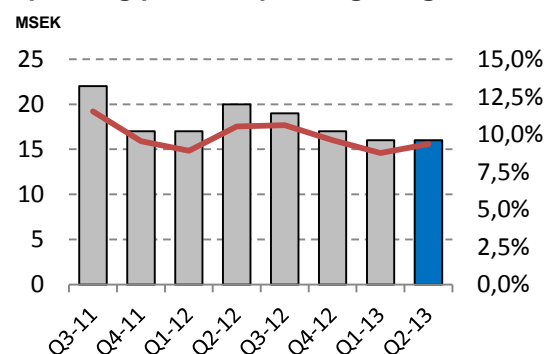
Sales in the HEXPOL Gaskets product area were relatively stable during the second quarter, but remained weak in Europe and to project-related operations. As before, the market was generally characterised by pressure on prices and uncertainty in terms of demand. Sales from the operation in China increased.

Sales in the HEXPOL Wheels product area were impacted by the fire that occurred in the facility in Laxå, Sweden, in early April. No personal injuries were reported and the facility is fully insured. The investment in a new production line has commenced, but the project is time-consuming and may take up to a year before everything has been restored. Sales in other units have been relatively stable and the US operation continued to perform well. Production of polyurethane wheels for the Chinese market commenced in late 2012 and with this investment, HEXPOL Wheels is a global partner for global OEM manufacturers of trucks.

### Sales



### Operating profit & operating margin



## Parent Company

The Parent Company's profit after tax amounted to 113 MSEK (91), which includes dividends from subsidiaries. Shareholders' equity amounted to 2,988 MSEK (1,858).

## Risk factors

The Group's and the Parent Company's business risks and risk management, as well as the management of financial risks, are described in detail in the 2012 Annual Report. No significant events have occurred during the year that could affect or change the aforementioned description 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 Financial Reporting Standards (IFRS), as adopted by the EU. 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. The half-year report was prepared in accordance with IAS 34, Interim Financial Reporting. The accounting and assessment policies applied in the 2012 Annual Report have also been applied in this half-year report. No new or revised IFRS that gained legal force in 2013 have any significant impact on the Group other than the statement below.

The revised IAS 19, Employee Benefits, has been applied since 1 January 2013, retroactively. The most significant change is the discontinuation of the option to postpone actuarial gains and losses according to the corridor method and that these are to be recognised continuously in the other comprehensive income. Consequently, the pension liability has increased by approximately 3 MSEK and shareholders' equity reduced by approximately 2 MSEK in 2013. The impact in 2012 was marginal and as such no adjustments have been made.

## Ownership structure

HEXPOL AB (publ), with Corporate Registration Number 556108-9631, is the Parent Company of the HEXPOL Group. HEXPOL's Series B shares are listed on the NASDAQ OMX Nordic in the Stockholm Mid-Cap segment. HEXPOL had 7,749 shareholders on 30 June 2013. The largest shareholder is Melker Schörling AB, with 26 per cent of the capital and 47 per cent of the votes. The 20 largest shareholders own 64 per cent of the capital and 74 per cent of the votes.

## Invitation to the presentation of the report

This report will be presented through a telephone conference on 18 July at 1:00 p.m CET. The presentation, as well as information concerning participation, is available at [www.hexpol.com](http://www.hexpol.com).

## Calendar for financial information

HEXPOL AB will publish financial information on the following dates:

- |   |                 |
|---|-----------------|
| ▪ Interim report January-September 2013 | 24 October 2013 |
| ▪ Year-end report 2013                  | 6 February 2014 |
| ▪ Interim report January-March 2014     | 7 May 2014      |

Financial information is also available in Swedish and English on HEXPOL AB's website – [www.hexpol.com](http://www.hexpol.com).

## Board assurance

The half-year report provides a fair view of the Parent Company's and the Group's operation, financial position and results. It also describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

This half-year report has not been subject to any particular review by the company's auditors.

Malmö, 18 July 2013  
HEXPOL AB (publ)

Melker Schörling,  
Chairman of the Board

Ulrik Svensson

Alf Göransson

Malin Persson

Jan-Anders Månson

Georg Brunstam,  
President and CEO

### For more information, please contact:

- Georg Brunstam, President and CEO  
Tel: +46 708 55 12 51
- Karin Gunnarsson, Chief Financial Officer/ Investor Relations Manager  
Tel: +46 705 55 47 32

Address: Skeppsbron 3  
SE-211 20 Malmö, Sweden

Corporate Registered Number 556108–9631

Tel: +46 40-25 46 60

Fax: +46 40-25 46 89

Website: [www.hexpol.com](http://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.

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 18 July 2013 at 12:00 p.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.



**Condensed consolidated income statement**

	<b>Apr-Jun</b>		<b>Jan-Jun</b>		<b>Full Year</b>	<b>Jul 12-</b>
<b>MSEK</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2012</b>	<b>Jun 13</b>
Sales	2 060	2 121	4 074	4 263	8 007	7 818
Cost of goods sold	-1 644	-1 719	-3 250	-3 476	-6 485	-6 259
<b>Gross profit</b>	<b>416</b>	<b>402</b>	<b>824</b>	<b>787</b>	<b>1 522</b>	<b>1 559</b>
Selling and administrative cost, etc.	-104	-115	-214	-228	-453	-439
<b>Operating profit</b>	<b>312</b>	<b>287</b>	<b>610</b>	<b>559</b>	<b>1 069</b>	<b>1 120</b>
Financial income and expenses	-3	-5	-12	-13	-22	-21
<b>Profit before tax</b>	<b>309</b>	<b>282</b>	<b>598</b>	<b>546</b>	<b>1 047</b>	<b>1 099</b>
Tax	-81	-88	-154	-171	-294	-277
<b>Profit after tax</b>	<b>228</b>	<b>194</b>	<b>444</b>	<b>375</b>	<b>753</b>	<b>822</b>
- of which, attributable to Parent Company shareholders	228	194	444	375	753	822
Earnings per share, SEK	6,62	5,63	12,90	10,89	21,88	23,89
Shareholders' equity per share, SEK			93,29	76,99	84,51	
Average number of shares, 000s	34 420	34 420	34 420	34 420	34 420	34 420
Depreciation, amortisation and impairment	-40	-41	-78	-81	-152	-149

**Condensed statement of comprehensive income**

	<b>Apr-Jun</b>		<b>Jan-Jun</b>		<b>Full Year</b>	<b>Jul 12-</b>
<b>MSEK</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2012</b>	<b>Jun 13</b>
Profit after tax	228	194	444	375	753	822
<b>Items that will not be reclassified to the income statement</b>						
Remeasurements of defined benefit pension plans	0	0	-3	0	0	-3
Income tax relating to items that will not be reclassified to the income statement	0	0	1	0	0	1
<b>Items that may be reclassified to the income statement</b>						
Cash-flow hedges	0	0	0	0	0	0
Income tax relating to cash-flow hedges	0	0	0	0	0	0
Translation differences	104	38	67	-26	-145	-52
<b>Comprehensive income</b>	<b>332</b>	<b>232</b>	<b>509</b>	<b>349</b>	<b>608</b>	<b>768</b>
- of which, attributable to Parent Company's shareholders	332	232	509	349	608	768

**Condensed consolidated balance sheet**

	Jun 30		Dec 31
MSEK	2013	2012	2012
Intangible fixed assets	2 763	2 495	2 718
Tangible fixed assets	1 250	1 097	1 227
Financial fixed assets	1	1	1
Deferred tax asset	20	7	25
<b>Total fixed assets</b>	<b>4 034</b>	<b>3 600</b>	<b>3 971</b>
Inventories	471	487	536
Accounts receivable	943	950	671
Other receivables	201	111	152
Prepaid expenses and accrued income	38	19	13
Cash and cash equivalents	636	587	564
<b>Total current assets</b>	<b>2 289</b>	<b>2 154</b>	<b>1 936</b>
<b>Total assets</b>	<b>6 323</b>	<b>5 754</b>	<b>5 907</b>
Attributable to Parent Company's shareholders	3 211	2 650	2 909
<b>Total shareholders' equity</b>	<b>3 211</b>	<b>2 650</b>	<b>2 909</b>
Interest-bearing liabilities	1 617	108	228
Provision for deferred tax	170	129	181
Provision for pensions	16	12	13
<b>Total non-current liabilities</b>	<b>1 803</b>	<b>249</b>	<b>422</b>
Interest-bearing liabilities	38	1 651	1 581
Accounts payable	814	820	665
Other liabilities	187	143	105
Accrued expenses, prepaid income, provisions	270	241	225
<b>Total current liabilities</b>	<b>1 309</b>	<b>2 855</b>	<b>2 576</b>
<b>Total shareholders' equity and liabilities</b>	<b>6 323</b>	<b>5 754</b>	<b>5 907</b>

**Consolidated changes in shareholders' equity**

	Jun 30, 2013		Jun 30, 2012		Dec 31, 2012	
	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity
MSEK						
Opening equity	2 909	2 909	2 473	2 473	2 473	2 473
Comprehensive income	509	509	349	349	608	608
Dividend	-207	-207	-172	-172	-172	-172
<b>Closing Equity</b>	<b>3 211</b>	<b>3 211</b>	<b>2 650</b>	<b>2 650</b>	<b>2 909</b>	<b>2 909</b>

**Changes in number of shares**

	Total number of Class A shares	Total number of Class B share	Total number of shares
Number of shares at January 1	1 476 562	32 943 566	34 420 128
<b>Number of shares at the end of the period</b>	<b>1 476 562</b>	<b>32 943 566</b>	<b>34 420 128</b>

**Condensed consolidated cash-flow statement**

	Apr-Jun		Jan-Jun		Full Year	Jul 12-
MSEK	2013	2012	2013	2012	2012	Jun 13
Cash flow from operating activities before changes in working capital	228	253	517	540	955	932
Non-recurring items	0	-3	0	-5	-5	0
Changes in working capital	77	43	2	-4	165	171
<b>Cash flow from operating activities</b>	<b>305</b>	<b>293</b>	<b>519</b>	<b>531</b>	<b>1 115</b>	<b>1 103</b>
Acquisitions	0	0	-3	-344	-926	-585
Cash flow from other investing activities	-44	-20	-65	-45	-177	-197
Dividend	-207	-172	-207	-172	-172	-207
Cash flow from other financing activities	-156	-82	-184	60	205	-39
<b>Change in cash and cash equivalents</b>	<b>-102</b>	<b>19</b>	<b>60</b>	<b>30</b>	<b>45</b>	<b>75</b>
Cash and cash equivalents at January 1	724	550	564	557	557	587
Exchange-rate differences in cash and cash equivalents	14	18	12	0	-38	-26
<b>Cash and cash equivalents at the end of the period</b>	<b>636</b>	<b>587</b>	<b>636</b>	<b>587</b>	<b>564</b>	<b>636</b>

**Operating cash flow, Group**

	Apr-Jun		Jan-Jun		Full Year	Jul 12-
MSEK	2013	2012	2013	2012	2012	Jun 13
Operating profit	312	287	610	559	1 069	1 120
Depreciation/amortisation	40	41	78	81	152	149
Change in working capital	77	43	2	-4	165	171
Investments	-44	-20	-65	-45	-177	-197
<b>Operating Cash flow</b>	<b>385</b>	<b>351</b>	<b>625</b>	<b>591</b>	<b>1 209</b>	<b>1 243</b>

**Other key figures, Group**

	Apr-Jun		Jan-Jun		Full Year	Jul 12-
	2013	2012	2013	2012	2012	Jun 13
Profit margin before tax, %	15,0	13,3	14,7	12,8	13,1	14,1
Return on shareholders' equity, %			29,0	29,3	28,0	28,0
Interest-coverage ratio, multiple			55,4	43,0	44,6	51,0
Net debt, MSEK			985	1 142	1 215	
Net debt ratio, multiple			0,3	0,4	0,4	
Cash flow per share, SEK	8,86	8,52	15,08	15,43	32,39	32,04
Cash flow per share before change in working capital, SEK	6,62	7,35	15,02	15,69	27,75	27,08

**Financial instruments recognized at fair value in the Balance Sheet**

	Jun 30
MSEK	2013
<b>Other current receivables</b>	
Currency derivatives	62
<b>Other current liabilities</b>	
Currency derivatives	130

Derivatives consist of currency forward contracts and are used primarily for hedging purposes and are measured at the level 2.

## Quarterly data, Group

### Sales per business area

MSEK	2013		2012				Full-	Jul 12-	2011				Full-
	Q1	Q2	Q1	Q2	Q3	Q4	Year	Jun 13	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	1 831	1 889	1 951	1 931	1 801	1 587	7 270	7 108	1 598	1 586	1 652	1 614	6 450
HEXPOL Engineered Products	183	171	191	190	179	177	737	710	188	190	191	178	747
<b>Group total</b>	<b>2 014</b>	<b>2 060</b>	<b>2 142</b>	<b>2 121</b>	<b>1 980</b>	<b>1 764</b>	<b>8 007</b>	<b>7 818</b>	<b>1 786</b>	<b>1 776</b>	<b>1 843</b>	<b>1 792</b>	<b>7 197</b>

### Sales per geographic area

MSEK	2013		2012				Full-	Jul 12-	2011				Full-
	Q1	Q2	Q1	Q2	Q3	Q4	Year	Jun 13	Q1	Q2	Q3	Q4	Year
Europe	655	642	749	691	632	581	2 653	2 510	615	636	604	576	2 431
NAFTA	1 261	1 309	1 292	1 316	1 243	1 085	4 936	4 898	1 082	1 040	1 130	1 106	4 358
Asia	98	109	101	114	105	98	418	410	89	100	109	110	408
<b>Group total</b>	<b>2 014</b>	<b>2 060</b>	<b>2 142</b>	<b>2 121</b>	<b>1 980</b>	<b>1 764</b>	<b>8 007</b>	<b>7 818</b>	<b>1 786</b>	<b>1 776</b>	<b>1 843</b>	<b>1 792</b>	<b>7 197</b>

### Operating profit per business area

MSEK	2013		2012				Full-	Jul 12-	2011				Full-
	Q1	Q2	Q1	Q2	Q3	Q4	Year	Jun 13	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	282	296	255	267	261	213	996	1 052	196	211	213	203	823
HEXPOL Engineered Products	16	16	17	20	19	17	73	68	14	19	22	17	72
<b>Group total</b>	<b>298</b>	<b>312</b>	<b>272</b>	<b>287</b>	<b>280</b>	<b>230</b>	<b>1 069</b>	<b>1 120</b>	<b>210</b>	<b>230</b>	<b>235</b>	<b>220</b>	<b>895</b>

### Operating margin per business area

%	2013		2012				Full-	Jul 12-	2011				Full-
	Q1	Q2	Q1	Q2	Q3	Q4	Year	Jun 13	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	15,4	15,7	13,1	13,8	14,5	13,4	13,7	14,8	12,3	13,3	12,9	12,6	12,8
HEXPOL Engineered Products	8,7	9,4	8,9	10,5	10,6	9,6	9,9	9,6	7,4	10,0	11,5	9,6	9,6
<b>Group total</b>	<b>14,8</b>	<b>15,1</b>	<b>12,7</b>	<b>13,5</b>	<b>14,1</b>	<b>13,0</b>	<b>13,4</b>	<b>14,3</b>	<b>11,8</b>	<b>13,0</b>	<b>12,8</b>	<b>12,3</b>	<b>12,4</b>

## Condensed income statement, Parent Company

MSEK	Apr-Jun		Jan-Jun		Full Year
	2013	2012	2013	2012	2012
Sales	9	9	17	17	30
Administrative costs, etc.	-12	-15	-24	-25	-50
<b>Operating loss</b>	<b>-3</b>	<b>-6</b>	<b>-7</b>	<b>-8</b>	<b>-20</b>
Financial income and expenses	121	83	117	108	1 349
<b>Profit/loss after net financial items</b>	<b>118</b>	<b>77</b>	<b>110</b>	<b>100</b>	<b>1 329</b>
Appropriations	-	-	-	-	-8
<b>Profit/loss before tax</b>	<b>118</b>	<b>77</b>	<b>110</b>	<b>100</b>	<b>1 321</b>
Tax	1	-3	3	-9	-7
<b>Profit/loss after tax</b>	<b>119</b>	<b>74</b>	<b>113</b>	<b>91</b>	<b>1 314</b>

## Condensed balance sheet, Parent company

MSEK	Jun 30		Dec 31
	2013	2012	2012
Total fixed assets	4 938	3 609	5 010
Total current assets	1 128	1 137	960
<b>Total assets</b>	<b>6 066</b>	<b>4 746</b>	<b>5 970</b>
Total shareholders' equity	2 988	1 858	3 081
Total untaxed reserves	8	-	8
Total non-current liabilities	1 617	108	228
Total current liabilities	1 453	2 780	2 653
<b>Total shareholders' equity and liabilities</b>	<b>6 066</b>	<b>4 746</b>	<b>5 970</b>

## Financial definitions

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