



## Half-Year Report January – June 2009

published on 23 July 2009

### Second quarter of 2009 – Favourable earnings and margins with low volumes in a continued weak market

- Net sales declined by 28 percent to 607 MSEK (846)
- Operating profit amounted to 54 MSEK (88)
- Profit after tax amounted to 32 MSEK (54)
- Earnings per share amounted to 1.20 SEK (2.04)
- Operating cash flow was strong and totalled 174 MSEK (46)

### First half of 2009 – Lower volumes and major cost adjustments in a weak market

- Net sales declined by 26 percent to 1,254 MSEK (1,698)
- Operating profit, excluding items affecting comparability, amounted to 100 MSEK (171). Including these items, profit amounted to a loss of 2 MSEK (171)
- Result after tax amounted to a loss of 23 MSEK (profit: 104)
- Earnings per share, excluding items affecting comparability, amounted to 2.18 SEK (3.92). Including these items, earnings per share amounted to a loss of 0.87 SEK (profit: 3.92)
- Operating cash flow totalled 207 MSEK (137) excluding items affecting comparability
- Restructuring costs amounted to 98 MSEK, recognized in the first quarter

### President's comments

“As expected, the second quarter was also very challenging, with continued weak demand. We continued to respond quickly and forcefully in adapting our costs to the new market situation with significantly lower volumes. Although sales declined by 28 percent, operating profit nonetheless developed positively and amounted to 54 MSEK with an operating margin of 8.9 percent. In addition, operating cash flow was strong and totalled 174 MSEK.

Overall, the first half of the year showed sharply reduced demand. Sales declined by 26 percent and operating profit amounted to 100 MSEK with an operating margin of 8.0 percent (excluding items affecting comparability). The restructuring project, which primarily comprises closure of our compounding plant in Canada, is proceeding favourably. At the same time, we are working actively to improve our market positions under very uncertain market conditions.”

Georg Brunstam, President and CEO

### Group total

Key ratios MSEK	April-June		Jan.-June		Full year	July 08-
	2009	2008	2009	2008	2008	June 09
Net sales	607	846	1 254	1 698	3 190	2 746
Operating profit, EBIT	54	88	2	171	310	141
Operating margin, %	8.9	10.4	0.2	10.1	9.7	5.1
Profit/loss before tax	45	76	-16	147	258	95
Profit/loss after tax	32	54	-23	104	183	56
Earnings per share, SEK	1,20	2,04	-0,87	3,92	6,89	2,10
Equity/assets ratio, %			39,0	31,6	36,1	
Return on capital employed, %			neg	15,3	13,2	6,0

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 applications (Wheels). Customers are primarily OEM manufacturers of plate heat exchangers and trucks, as well as global systems suppliers to the automotive industry. The Group is organised in two business areas, HEXPOL Compounding and HEXPOL Engineered Products, and has about 1,700 employees in nine countries. In 2008, HEXPOL had sales of about 3,200 MSEK. Read more at [www.hexpol.com](http://www.hexpol.com).

## Group total (cont.)

Key ratios excluding items affecting comparability	April-June		Jan.-June		Full year	July 08- June 09
	2009	2008	2009	2008	2008	
Operating profit, EBIT, MSEK	54	88	100	171	310	239
Operating margin, %	8.9	10.4	8.0	10.1	9.7	8.7
Earnings per share, SEK	1.20	2.04	2.18	3.92	6.89	5.15
Return on capital employed, %			7.4	15.3	13.2	9,9
Operating cash flow, MSEK	174	46	207	137	411	481

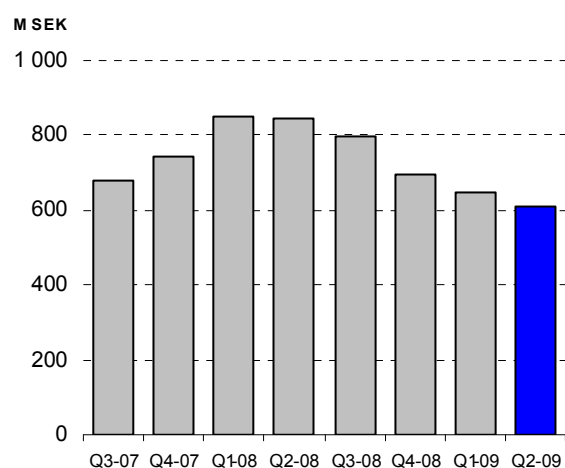
## Second quarter of 2009

The Group's sales declined during the second quarter by 28 percent to 607 MSEK (846). Exchange-rate fluctuations had a positive impact of 101 MSEK on sales, primarily due to the weakening of the Swedish krona (SEK) against the US dollar and the euro.

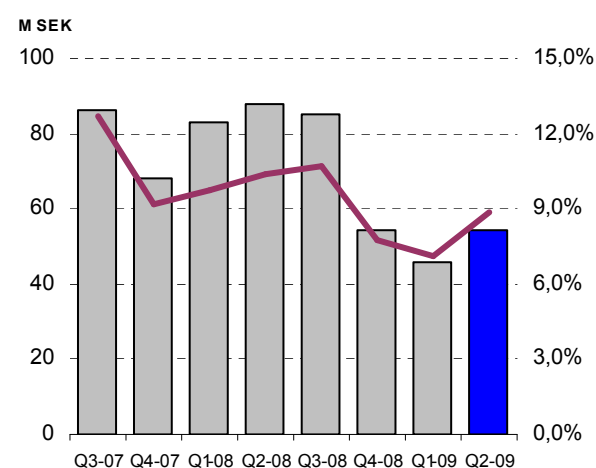
The second quarter showed continued weak demand, although some improvement was noted from automotive-related customers in Europe toward the end of the quarter. Compared with the first quarter, volumes increased slightly mainly in this segment, while other customer segments showed continued weak or declining demand.

The operating result amounted to a profit of 54 MSEK (88), corresponding to an operating margin of 8.9 percent (10.4). During the quarter, implementation of cost-saving measures continued, and the workforce was reduced, primarily within business area HEXPOL Engineered Products. During the quarter, the number of employees was reduced by a total of 182 persons. At the same time, the operating margin increased from 7.1 percent to 8.9 percent sequentially. The weaker Swedish krona (SEK) had a positive impact of 8 MSEK on operating profit during the quarter compared to second quarter last year.

### Net sales



### Operating profit and operating margin



Considering the extremely weak market conditions, business area HEXPOL Compounding showed a good development during the quarter as a result of reduced costs and a strong global market position. Nonetheless, sales declined by 28 percent and amounted to 467 MSEK (648), while operating profit amounted to 49 MSEK (63), corresponding to an operating margin of 10.5 percent (9.7). Compared with the first quarter, the business area's sales declined by 3 percent due to price and exchange-rate fluctuations, while volumes increased. Operating profit improved sequentially by 26 percent. Despite weak volume and price pressure, it was possible to improve the margin through forceful actions to

adapt costs and capacity utilization. The effects of the first quarter's restructuring package were largely realised.

Sales in business area HEXPOL Engineered Products declined by 29 percent to 140 MSEK (198), while operating profit declined to 5 MSEK (25), corresponding to an operating margin of 3.6 percent (12.6). The lower profit within the business area was due in part to lower volumes and the resulting low capacity utilisation, but also the continued profitability problems in the Wheels product area. Compared with the first quarter, sales declined by 16 percent, resulting in lower operating profit and margins. Volumes were low during the quarter in all product areas included in the business area and price pressure was strong.

Demand was continued weak in the European market during the quarter, and capacity utilisation remained low. The greatest decrease in volumes was in Eastern Europe, although volumes in the rest of Europe were significantly lower than in the corresponding period of the preceding year. The restructuring measures announced during the first quarter were implemented according to plan.

During the quarter, the Group's volumes within NAFTA declined. The trend with relatively better volumes outside the automotive industry continued.

In Asia, the Group's plants in China showed a continued favourable volume trend in which deliveries were higher than in the corresponding period of the preceding year.

Reductions in the workforce also continued during the second quarter, and adjustments were made due to the lower volumes. The number of employees was reduced by 182 persons during the quarter, with most reductions within Engineered Products. New termination notices were issued for a total of 21 persons. The Group continued to use the government-subsidised layoff system offered in Belgium, Germany and the Czech Republic, whereby 48 persons were temporarily laid off.

Raw materials prices declined at the beginning of the quarter due to lower world market prices but then increased during the latter part of the quarter. The Group's products are under price pressure, meaning on the whole, that raw materials prices did not have any impact on the Group's margins.

The Group's operating cash flow during the second quarter totalled 174 MSEK (46). Continued focused measures have resulted in lower inventory levels. Net financial items during the second quarter amounted to an expense of 9 MSEK (12). The decline was attributable to lower market interest rates for the Group's financing needs.

Profit before tax amounted to 45 MSEK (76). Profit after tax amounted to 32 MSEK (54), corresponding to earnings per share of 1.20 SEK (2.04).

## **First half of 2009**

The Group's sales declined during the first half of the year by 26 percent to 1,254 MSEK (1,698). Exchange-rate fluctuations had a positive impact of 209 MSEK, primarily due to a weakening of the Swedish krona (SEK) against the US dollar and the euro. Operating profit declined to 100 MSEK (171), adjusted for items affecting comparability. This corresponded to an operating margin of 8.0 percent (10.1). The effects of the weaker Swedish krona (SEK) had a positive impact of 10 MSEK on profit.

Sales in business area HEXPOL Compounding declined by 27 percent to 948 MSEK (1,296), while operating profit declined to 88 MSEK (118), adjusted for items affecting comparability. The operating margin amounted to 9.3 percent (9.1). Demand in the business area was generally weak during the first half of the year. In Europe, demand from customers in the automotive industry resulted in lower

volumes, particularly in Eastern Europe. Also within NAFTA, volumes declined in a weak market. In Asia, operations in Qingdao, China experienced a gradual increase in volumes.

Sales in business area HEXPOL Engineered Products declined by 24 percent to 306 MSEK (402). Operating profit amounted to 12 MSEK (53), adjusted for items affecting profitability. The operating margin amounted to 3.9 percent (13.2). Gaskets for plate heat exchangers showed declining volumes during the first half of the year. In general, the market was characterised by lower activity, fewer major projects and postponed deliveries. Significantly lower demand for polyurethane and rubber wheels resulted in a weak trend in the Wheels product area.

The Group's operating cash flow during the first half of the year totalled 207 MSEK (137). This strong cash flow was achieved by reducing working capital, primarily through inventory reductions, and a lower rate of investment. Net financial items during the first half of the year amounted to an expense of 18 MSEK (24).

The result before tax declined to a loss of 16 MSEK (profit: 147). The loss after tax amounted to 23 MSEK (profit: 104), corresponding to a loss per share of 0.87 SEK (profit: 3.92). Earnings per share adjusted for items affecting comparability amounted to 2.18 SEK (3.92) during the first half of the year.

## **Profitability**

Return on average capital employed after adjustments for items affecting comparability amounted to 7.4 percent (15.3). Return on shareholders' equity after adjustments for items affecting comparability amounted to 10.0 percent (21.2).

## **Financial position and liquidity**

The equity/assets ratio was 39.0 percent (31.6). The Group's total assets amounted to 3,010 MSEK (2,969). Consolidated net debt amounted to 975 MSEK (1,268), and the net debt/equity ratio was a multiple of 0.8 (1.4). In May 2008, the Group entered a five-year credit agreement totalling 1.7 billion SEK with a number of Nordic banks.

## **Cash flow**

Cash flow from operations during the period totalled 207 MSEK (137), excluding items affecting comparability. Operating cash flow included positive effects of inventory reductions and a lower rate of investment.

## **Investments, depreciation and amortisation**

The Group's net investments during the period amounted to 18 MSEK (63). Investments during the period consisted mainly of concluding investments in ongoing projects in China. Depreciation, amortisation and impairment loss amounted to 80 MSEK (46), of which 37 MSEK pertained to impairment loss.

## **Tax expenses**

The Group's tax expenses during the period amounted to 7 MSEK (43). After adjustments for capitalisation of loss carry-forwards on restructuring costs, the tax expense amounts to 24 MSEK, corresponding to a tax rate of 28.7 percent (29.3). Tax expenses are impacted by a significant portion of profit being generated by subsidiaries in countries where tax rates differ from that in Sweden.

## **Personnel**

The number of employees at the close of the period was 1,704 (2,360), compared with 2,230 at year-end 2008. During the period, the number of employees declined by 526, of which most pertained to operations in Sri Lanka, Sweden and Canada. In addition, 48 employees were laid off temporarily and 21 were terminated.

## Business area HEXPOL Compounding

*Business area HEXPOL Compounding is a world leader in the development and manufacture of high-quality advanced rubber compounds (Compounding). Customers are manufacturers of rubber products with stringent demands on performance and global delivery capacity. The largest market segment is the automotive industry, followed by the construction industry. Other key segments are the cabling, water treatment, pharmaceutical, energy and oil industries.*

MSEK	April-June		Jan.-June		Full year	July 08- June 09
	2009	2008	2009	2008	2008	
Net sales	467	648	948	1 296	2 425	2 077
Operating profit	49	63	8	118	224	114
Operating margin, %	10.5	9.7	0.8	9.1	9.2	5.5
<i>excluding items affecting comparability</i>						
Operating profit	49	63	88	118	224	194
Operating margin, %	10.5	9.7	9.3	9.1	9.2	9.3

Sales during the second quarter declined by 28 percent and amounted to 467 MSEK (648). Operating profit amounted to 49 MSEK (63), resulting in an increase in the operating margin to 10.5 percent. (9.7). Operating profit was affected by a weak volume trend in both Europe and NAFTA during the quarter. The business area's cost-reduction programme, which was charged against the first quarter, proceeded according to plan, and it was largely possible to achieve the expected savings.

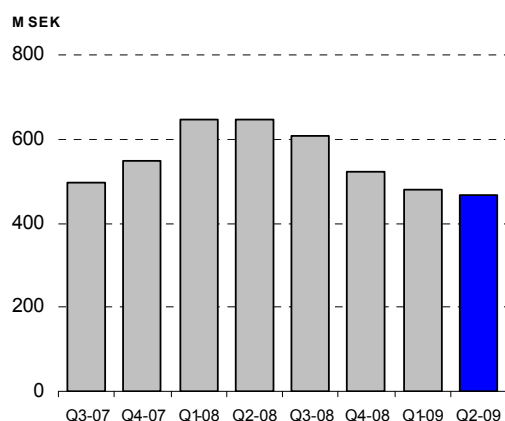
Demand in the European market was weak during the quarter. Some improvement was noted from automotive-related customers in Europe toward the end of the quarter. Other customer segments, however, continued to show weak demand.

Within NAFTA, the business area experienced lower delivery volumes during the quarter. The trend towards relatively better volumes in segments outside the automotive industry continued. The closure of the Canadian plant is in the final phase, and production volumes are gradually being transferred to other plants in NAFTA. This process is expected to be completed in its entirety during the third quarter.

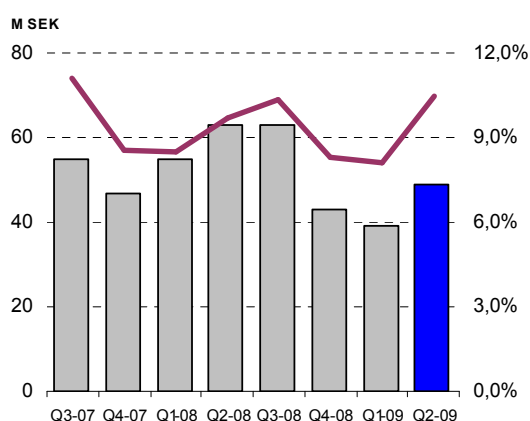
In Asia, the business area's plant in China showed a favourable volume trend in which deliveries were higher than in the corresponding period of the preceding year.

Raw materials prices declined during the quarter due to lower world market prices but rose again toward the end of the period. The business area's products are under price pressures due to the weak market and excess capacity. Raw materials prices did not have any effect on the business area's margins.

### Net sales



### Operating profit and operating margin



## Business area HEXPOL Engineered Products

*Business area HEXPOL Engineered Products, through its considerable expertise in polymers and the production of rubber, plastic and polyurethane products, has gained a world-leading position as a supplier of advanced products, such as gaskets for plate heat exchangers (Gaskets) and wheels for truck and castor wheel applications (Wheels).*

MSEK	April-June		Jan.-June		Full year	July 08-
	2009	2008	2009	2008	2008	June 09
Net sales	140	198	306	402	765	669
Operating profit	5	25	-6	53	86	27
Operating margin, %	3.6	12.6	neg	13.2	11.2	4.0
<i>excluding items affecting comparability</i>						
Operating profit	5	25	12	53	86	45
Operating margin, %	3.6	12.6	3.9	13.2	11.2	6.7

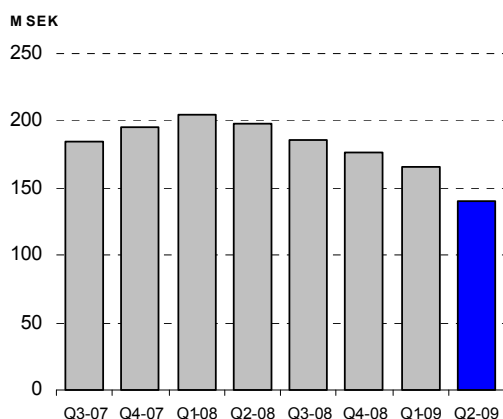
Sales during the second quarter declined by 29 percent to 140 MSEK (198), while operating profit declined to 5 MSEK (25), corresponding to an operating margin of 3.6 percent (12.6). The lower profit in the business area was in part due to lower volumes and the resulting low capacity utilization, but also because of continued profitability problems within the Wheels operation, which nonetheless stabilised toward the end of the reporting period. An extensive action programme was initiated during the first quarter that included reductions of the workforce, and during the quarter, new management was appointed in the US. The number of employees declined by 118 persons during the quarter.

The Gaskets product area showed lower demand and reported reduced sales during the second quarter. The market is generally weak, with fewer project orders and postponed deliveries. Capacity was adapted in the product area's plants in Gislaved, Sweden and Sri Lanka through new workforce reductions. The start-up of the plant in China is proceeding according to plan with delivery of gaskets for plate heat exchanges expected during the second half of the year.

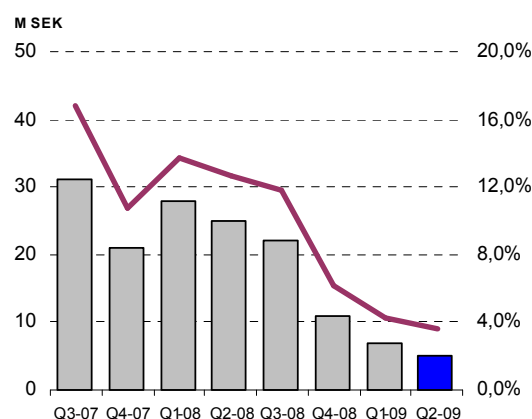
The Wheels product area's markets showed a relatively weak trend during the quarter. Demand for polyurethane wheels from the OEM segment in particular resulted in lower volumes.

The business area is active in a market with a very weak volume trend and price pressures.

### Net sales



### Operating profit and operating margin



## Parent Company

The Parent Company reported a loss after tax of 10 MSEK (18). Shareholders' equity amounted to 353 MSEK (382).

## Outlook

Given the major uncertainties currently prevailing in the global economy, HEXPOL is not providing an assessment of the outlook.

## Risk factors

The Group's and Parent Company's business risks, risk management and management of financial risks are described in detail in the Annual Report for 2008. No events of significant importance occurred during the period that could affect or change these descriptions of the Group's or the Parent Company's risks and their management.

## Accounting principles

This interim report was prepared in accordance with IAS 34 Interim Reporting. The accounting and valuation principles applied in the Annual Report have also been used in this interim report. The following, recently issued standards relative to HEXPOL's accounts have been used in the preparation of this interim report:

- IFRS 8 Operating segments. The Group's previously reported primary segments coincide with the definitions of operating segments.
- IFRS 1 Presentation of financial reports.

## Owners and legal 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 8,739 shareholders on 30 June 2009. The largest owner is Melker Schörling AB, with 27 percent of the total capital and 48 percent of voting rights. The 20 largest shareholders own 76 percent of the capital and 83 percent of voting rights.

## Invitation to presentation of the report

A presentation of this report will take place via a telephone conference on 23 July at 1:00 p.m. The presentation, as well as information regarding participation, is available at [www.hexpol.com](http://www.hexpol.com).

## Financial information

HEXPOL AB will publish financial information on the following dates:

<b>Event</b>	<b>Date</b>
▪ Interim report, January – September 2009	23 October 2009
▪ Year-end report 2009	11 February 2010
▪ Annual General Meeting and Interim report, January – March, 2010	7 May 2010

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

## For additional information, contact:

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- Urban Ottosson, CFO and Investor Relations  
Tel: +46 767 85 51 44

## Assurance by the Board of Directors

The Board of Directors and the CEO declare their assurance that the interim report on the first six months gives a fair view of the Company's and the Group's operations, position and earnings, and describes the significant risks and uncertainty factors to which the Parent Company and the companies included in the Group are exposed.

This interim report was not reviewed by the Company's auditors.

Malmö, 23 July 2009  
HEXPOL AB (publ)

Melker Schörling,  
Chairman of the Board of Directors

Ulrik Svensson

Alf Göransson

Malin Persson

Jan-Anders Månson

Georg Brunstam,  
President and CEO

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**Tel:** +46 40-25 46 60  
**Fax:** + 46 40-25 46 89  
**Web site:** [www.hexpol.com](http://www.hexpol.com)

This is the type of information that HEXPOL AB is obliged to disclose in accordance with the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted to the media for publication at 12:00 noon on 23 July 2009. This report has been prepared in both Swedish and English. In case of variation in the content of the two versions, the Swedish version shall take precedence.



**Group's income statement**

<b>MSEK</b>	<b>April-June</b>		<b>Jan.-June</b>		<b>Full year</b>	<b>July 08-</b>
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>	<b>June 09</b>
Net sales	607	846	1 254	1 698	3 190	2 746
Cost of goods sold 1)	-498	-708	-1 117	-1 422	-2 655	-2 350
<b>Gross profit</b>	<b>109</b>	<b>138</b>	<b>137</b>	<b>276</b>	<b>535</b>	<b>396</b>
Selling and administration costs, etc. 2)	-55	-50	-135	-105	-225	-255
<b>Operating profit/loss</b>	<b>54</b>	<b>88</b>	<b>2</b>	<b>171</b>	<b>310</b>	<b>141</b>
Financial income and expenses	-9	-12	-18	-24	-52	-46
<b>Profit/loss before tax</b>	<b>45</b>	<b>76</b>	<b>-16</b>	<b>147</b>	<b>258</b>	<b>95</b>
Tax	-13	-22	-7	-43	-75	-39
<b>Net profit/loss for the period</b>	<b>32</b>	<b>54</b>	<b>-23</b>	<b>104</b>	<b>183</b>	<b>56</b>
- of which attributable to Parent Company shareholders	32	54	-23	104	183	56
Earnings per share, SEK	1,20	2,04	-0,87	3,92	6,89	2,10
Earnings per share excluding items affecting comparability, SEK	1,20	2,04	2,18	3,92	6,89	5,15
Shareholders' equity per share, SEK			44,22	35,33	43,57	44,22
Average number of shares, thousands	26 552	26 552	26 552	26 552	26 552	26 552
Depreciation, amortisation and impairment included in an amount of	-21	-23	-80	-46	-93	-127
1) of which, items affecting comparability	-	-	-77	-	-	-77
2) of which, items affecting comparability	-	-	-21	-	-	-21

**Group's reports of comprehensive income**

<b>MSEK</b>	<b>April-June</b>		<b>Jan.-June</b>		<b>Full year</b>	<b>July 08-</b>
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>	<b>June 09</b>
Profit/loss for the period	32	54	-23	104	183	56
Cash-flow hedging, net after tax	7	5	15	5	-19	-9
Currency translation differences	-4	58	25	-15	151	191
<b>Comprehensive income</b>	<b>35</b>	<b>117</b>	<b>17</b>	<b>94</b>	<b>315</b>	<b>238</b>
- of which attributable to Parent Company shareholders	35	117	17	94	315	238

**Group's balance sheet**

<b>MSEK</b>	<b>30 June 2009</b>	<b>30 June 2008</b>	<b>31 Dec. 2008</b>
Intangible fixed assets	1 294	1 128	1 279
Tangible fixed assets	784	732	843
Financial fixed assets	1	2	1
Deferred tax receivables	34	0	44
<b>Total fixed assets</b>	<b>2 113</b>	<b>1 862</b>	<b>2 167</b>
Inventories	229	360	340
Accounts receivable	292	443	310
Other receivables	36	43	21
Prepaid expenses and accrued income	14	26	21
Cash and cash equivalents	326	235	342
<b>Total current assets</b>	<b>897</b>	<b>1 107</b>	<b>1 034</b>
<b>Total assets</b>	<b>3 010</b>	<b>2 969</b>	<b>3 201</b>
Attributable to Parent Company shareholders	1 174	938	1 157
<b>Total shareholders' equity</b>	<b>1 174</b>	<b>938</b>	<b>1 157</b>
Interest-bearing liabilities	1 216	1 403	1 372
Provision for deferred tax	26	21	27
Provision for pensions	11	9	11
<b>Total non-current liabilities</b>	<b>1 253</b>	<b>1 433</b>	<b>1 410</b>
Interest-bearing liabilities	148	100	163
Accounts payable	250	315	305
Other liabilities	45	53	33
Accrued expenses, prepaid income, provisions	140	130	133
<b>Total current liabilities</b>	<b>583</b>	<b>598</b>	<b>634</b>
<b>Total shareholders' equity and liabilities</b>	<b>3 010</b>	<b>2 969</b>	<b>3 201</b>

## Group's changes in shareholders' equity

MSEK	30 June 2009	30 June 2008	31 Dec. 2008
<b>Opening shareholders' equity</b>	<b>1 157</b>	<b>1 025</b>	<b>1 025</b>
Comprehensive income	17	94	315
Dividend	-	-181	-181
Stock option payment	-	-	7
Expenses in conjunction with stock listing	-	-	-9
<b>Closing shareholders' equity</b>	<b>1 174</b>	<b>938</b>	<b>1 157</b>

## 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
Number of shares at close of period	1 181 250	25 370 727	26 551 977

### Incentive programme 2008/2011

At the Extraordinary General Meeting on 18 August 2008, it was resolved to offer a warrant programme to senior executives totalling 1,325,000 warrants. Each warrant entitles the holder to subscribe for one share. The redemption period is March 2011 to September 2011. The redemption price is 65.70 SEK. During 2008, 933,250 warrants were subscribed by senior executives. The price for each warrant was 8 SEK.

**Group's cash flow statement**

<b>MSEK</b>	<b>Jan.-June</b>		<b>Full year</b>
	<b>2009</b>	<b>2008</b>	<b>2008</b>
Cash flow from operations before change in working capital	102	150	280
Utilisation of structural reserves	-22	-	-
Change in working capital	82	-17	113
<b>Cash flow from operations</b>	<b>162</b>	<b>133</b>	<b>393</b>
Cash flow from investment activities	-18	-63	-105
Cash flow from financing activities	-162	-63	-194
<b>Change in cash and cash equivalents</b>	<b>-18</b>	<b>7</b>	<b>94</b>
Cash and cash equivalents at 1 January	342	228	228
Exchange-rate differences in cash and cash equivalents	2	0	20
Cash and cash equivalents at close of period under review	326	235	342

**Operating cash flow, Group**

<b>MSEK</b>	<b>Jan.-June</b>		<b>Full year</b>
	<b>2009</b>	<b>2008</b>	<b>2008</b>
Operating profit excl. items affecting comparability	100	171	310
Depreciation/amortisation	43	46	93
Change in working capital	82	-17	113
Investments	-18	-63	-105
<b>Operating cash flow</b>	<b>207</b>	<b>137</b>	<b>411</b>

**Other key figures**

	April-June		Jan.-June		Full year	July 08-
	2009	2008	2009	2008	2008	June 09
Profit margin before tax, %	7,4	9,0	neg.	8,7	8,1	3,5
Profit margin before tax, excl. items affecting comparability, %	7,4	9,0	6,5	8,7	8,1	7,0
Return on shareholders' equity, %			neg.	21,2	16,8	5,3
Return on shareholders' equity, excl. items affecting comparability, %			10,0	21,2	16,8	13,0
Interest-coverage ratio, multiple			neg	4,8	4,2	2,8
Net debt, MSEK			975	1 268	1 193	
Net debt ratio, multiple			0,8	1,4	1,0	
Cash flow per share, SEK	5,91	1,85	6,10	5,01	14,80	15,89
Cash flow per share before change in working capital, SEK	2,41	2,98	3,84	5,65	10,55	8,74

## Quarterly data, Group

<b>Sales per business area</b>	<b>2009</b>		<b>2008</b>					
<b>MSEK</b>	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jul-Sep</b>	<b>Oct-Dec</b>	<b>Full year</b>	<b>Jul 08-Jun 09</b>
HEXPOL Compounding	481	467	648	648	609	520	2 425	2 077
HEXPOL Engineered Products	166	140	204	198	186	177	765	669
Group total	647	607	852	846	795	697	3 190	2 746

<b>Sales per geographic area</b>	<b>2009</b>		<b>2008</b>					
<b>MSEK</b>	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jul-Sep</b>	<b>Oct-Dec</b>	<b>Full year</b>	<b>Jul 08-Jun 09</b>
Europe	317	294	535	531	449	349	1 864	1 409
NAFTA	297	280	284	276	309	318	1 187	1 204
Asia	33	33	33	39	37	30	139	133
Group total	647	607	852	846	795	697	3 190	2 746

<b>Operating profit per business area</b>	<b>2009</b>		<b>2008</b>					
<b>MSEK</b>	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jul-Sep</b>	<b>Oct-Dec</b>	<b>Full year</b>	<b>Jul 08-Jun 09</b>
HEXPOL Compounding	-41	49	55	63	63	43	224	114
HEXPOL Engineered Products	-11	5	28	25	22	11	86	27
Group total	-52	54	83	88	85	54	310	141

<b>Operating profit per business area</b>	<b>2009</b>		<b>2008</b>					
<i>Excluding items affecting comparability</i>								
<b>MSEK</b>	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jul-Sep</b>	<b>Oct-Dec</b>	<b>Full year</b>	<b>Jul 08-Jun 09</b>
HEXPOL Compounding	39	49	55	63	63	43	224	194
HEXPOL Engineered Products	7	5	28	25	22	11	86	45
Group total	46	54	83	88	85	54	310	239

<b>Operating margin per business area</b>	<b>2009</b>		<b>2008</b>					
<i>Excluding items affecting comparability</i>								
<b>%</b>	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jul-Sep</b>	<b>Oct-Dec</b>	<b>Full year</b>	<b>Jul 08-Jun 09</b>
HEXPOL Compounding	8,1	10,5	8,5	9,7	10,3	8,3	9,2	9,3
HEXPOL Engineered Products	4,2	3,6	13,7	12,6	11,8	6,2	11,2	6,7
Group total	7,1	8,9	9,7	10,4	10,7	7,7	9,7	8,7

**Parent Company income statement**

<b>MSEK</b>	<b>April-June</b>		<b>Jan.-June</b>		<b>Full year</b>
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>
Net sales	8	7	16	15	30
Sales and administration costs, etc.	-9	-8	-18	-17	-33
<b>Operating profit</b>	<b>-1</b>	<b>-1</b>	<b>-2</b>	<b>-2</b>	<b>-3</b>
Financial income and expenses	-4	-13	-12	-23	-54
<b>Loss before tax</b>	<b>-5</b>	<b>-14</b>	<b>-14</b>	<b>-25</b>	<b>-57</b>
Tax	2	4	4	7	8
<b>Net loss for the period</b>	<b>-3</b>	<b>-10</b>	<b>-10</b>	<b>-18</b>	<b>-49</b>

**Parent Company balance sheet**

<b>MSEK</b>	<b>30 June</b>	<b>30 June</b>	<b>31 Dec.</b>
	<b>2009</b>	<b>2008</b>	<b>2008</b>
<b>Total fixed assets</b>	<b>1 482</b>	<b>1 482</b>	<b>1 480</b>
<b>Total current receivables</b>	<b>588</b>	<b>644</b>	<b>675</b>
<b>Total assets</b>	<b>2 070</b>	<b>2 126</b>	<b>2 155</b>
<b>Total shareholders' equity</b>	<b>353</b>	<b>382</b>	<b>363</b>
<b>Total non-current liabilities</b>	<b>1 103</b>	<b>1 404</b>	<b>1 254</b>
<b>Total current liabilities</b>	<b>614</b>	<b>340</b>	<b>538</b>
<b>Total shareholders' equity and liabilities</b>	<b>2 070</b>	<b>2 126</b>	<b>2 155</b>

## Financial definitions

<b>Capital employed</b>	Total assets less non-interest-bearing liabilities.
<b>Cash flow</b>	Cash flow from operating activities after change in working capital.
<b>Cash flow per share</b>	Cash flow from operating activities after change in working capital, divided by average number of shares.
<b>Earnings per share</b>	Net profit divided by average number of shares.
<b>Equity/assets ratio</b>	Shareholders' equity as a percentage of total assets.
<b>Interest-coverage ratio</b>	Profit before tax plus interest expenses divided by interest expenses.
<b>Investments</b>	Purchases less sales of tangible and intangible fixed assets, excluding those included in acquisitions and divestments of subsidiaries.
<b>Net debt</b>	Interest-bearing liabilities less cash, cash equivalents and interest-bearing assets
<b>Net debt/equity ratio</b>	Interest-bearing liabilities less cash, cash equivalents and interest-bearing assets divided by shareholders' equity.
<b>Operating margin</b>	Operating profit as a percentage of net sales for the period.
<b>Profit margin before tax</b>	Profit before tax as a percentage of net sales for the period.
<b>Return on capital employed</b>	Profit before tax plus interest expenses as a percentage of average capital employed.
<b>Return on equity</b>	Net profit as a percentage of average shareholders' equity.
<b>Shareholders' equity per share</b>	Shareholders' equity divided by the number of shares at period end.