Year-end report 2012

Published on 7 February 2013

Fourth quarter of 2012 – Strong earnings with continued margin improvement

- Sales amounted to 1,764 MSEK (1,792).
- Operating profit increased to 230 MSEK (220). Excluding integration and transaction costs, operating profit rose 14 per cent to 250 MSEK (220).
- Integration and transaction costs for the acquisition of Robbins amounted to 20 MSEK.
- The operating margin improved to 13.0 per cent (12.3). Excluding integration and transaction costs, the operating margin improved to 14.2 per cent.
- Profit after tax rose to 186 MSEK (157).
- Earnings per share rose strongly to 5.41 SEK (4.55).
- Operating cash flow was strong and amounted to 323 MSEK (363).
- Acquisition of Robbins, a leading US manufacturer of rubber compounds.

Full-year 2012 – Growth with strong and improved margins – Best year so far

- Sales rose 11 per cent to 8,007 MSEK (7,197).
- Operating profit increased strongly by 19 per cent to 1,069 MSEK (895).
- The operating margin improved to 13.4 per cent (12.4).
- Profit after tax increased to 753 MSEK (619).
- Earnings per share increased to 21.88 SEK (18.65). The year-on-year increase was 22 per cent (17.98), based on the actual number of shares after the rights issue in March 2011.
- Operating cash flow was strong and rose to 1,209 MSEK (911).
- The Board of Directors proposes a dividend of 6.00 SEK per share (5.00).

President's comments

"The fourth quarter of 2012 was once again a strong quarter for the HEXPOL Group. Our earnings per share rose significantly to 5.41 SEK (4.55), up 19 per cent. The operating margin improved further to 13.0 per cent (12.3) and our operating profit amounted to 230 MSEK (220). Excluding integration and transaction costs, operating profit was 250 MSEK and the operating margin was 14.2 per cent. Sales were negatively impacted by currency effects and inventory adjustments made by customers at the end of the year. During the quarter, we noted yet another price reduction for our principal raw materials. The operating cash flow remained strong and amounted to 323 MSEK (363). During the quarter, we acquired the US rubber compounding company, Robbins, with annual sales of approximately 100 MUSD.

Our earnings for 2012 were the best so far for the HEXPOL Group. The growth and earnings trends were strong during 2012. Sales rose by more than 11 per cent to 8,007 MSEK (7,197) and operating profit increased 19 per cent to 1,069 MSEK (895). We increased earnings per share by 17 per cent to 21.88 SEK (18.65). The operating cash flow was once again strong and rose to 1,209 MSEK (911). During the year, we created a leading European TPE Compounding operation through the Müller Kunststoffe acquisition, and we strengthened our position in the US market through the acquisition of the US rubber compounding group, Robbins. Our balance sheet is strong and with a net debt/equity multiple of 0.4 (0.4) we are well equipped for continued expansion." Georg Brunstam, President and CEO

Group summary

Key figures	Oct-Dec		Jan-Dec	
MSEK	**2012**	**2011**	**2012**	**2011**
Sales	1,764	1,792	8,007	7,197
Operating profit, EBIT	230	220	1,069	895
Operating margin, %	13,0	12,3	13.4	12.4
Profit before tax	226	222	1,047	872
Profit after tax	186	157	753	619
Earnings per share, SEK	5.41	4.55	21.88	18.65
Equity/assets ratio, %			49.2	47.5
Return on capital employed, %			24.0	22.3
Operating cash flow	323	363	1,209	911

HEXPOL is a world-leading polymers group with strong global positions in advanced rubber 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 2012 amounted to 8,007 MSEK. The HEXPOL Group has approximately 3,300 employees in ten countries. Further information is available at www.hexpol.com.

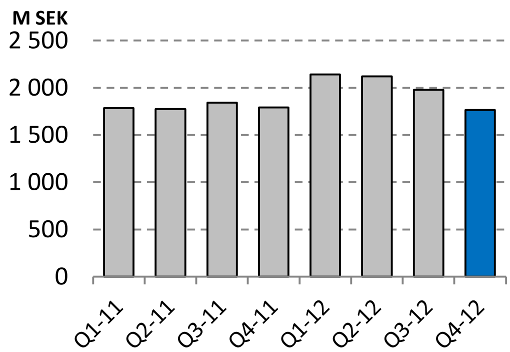
Fourth quarter of 2012

The HEXPOL Group's sales during the fourth quarter amounted to 1,764 MSEK (1,792), essentially unchanged year-on-year. Currency effects had a negative impact of 50 MSEK on sales. Sales were positively affected by our two most recent acquisitions, Müller Kunststoffe (Jan 2012) and Robbins (Nov 2012).

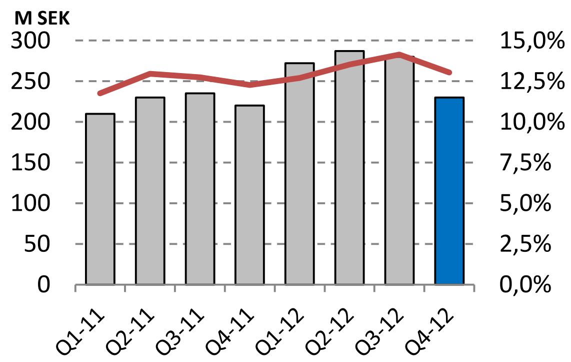
Organic growth (adjusted for currency effects and acquisitions) was minus 7 per cent, including the effects of lower prices for our principal raw materials. Sales were negatively impacted by inventory adjustments made by our customers at the end of the year. Sales including acquired operations were largely unchanged in both Europe and NAFTA. Sales in Mexico were strong to all segments and several of our facilities in NAFTA reported strong sales to automotive-related customers. In Europe, sales to automotive-related customers were weak. Sales to the engineering and energy sectors were stable, but inventories levels at these customers were also adjusted towards year-end.

In common with prior quarters in the year, operating profit rose year-on-year. Operating profit increased to 230 MSEK (220), resulting in an improved operating margin of 13.0 per cent (12.3). Integration and transaction costs for Robbins, which was acquired in late November, amounted to 20 MSEK. Excluding these costs, operating profit amounted to 250 MSEK and the operating margin to 14.2 per cent. Operating profit improved thanks to the acquisitions of Müller Kunststoffe and Robbins, as well as better margins due to higher efficiency. Exchange-rate fluctuations had a negative impact of 6 MSEK on operating profit for the quarter.

Sales



Operating profit and operating margin



The HEXPOL Compounding business area's sales during the quarter amounted to 1,587 MSEK (1,614) including the acquisitions of Müller Kunststoffe and Robbins. Sales remained strong to energy, oil/gas, engineering and automotive segments in NAFTA, while sales to the automotive industry in Europe were weak. However, all segments were impacted by inventory adjustments at the end of the year. The HEXPOL TPE Compounding product area continued its positive development. Operating profit for the business area rose 5 per cent to 213 MSEK (203), which improved the operating margin to 13.4 per cent (12.6). The improvement in the operating margin resulted from higher operational efficiency.

Robbins, a leading US manufacturer of rubber compounds, was acquired in late November. The company has annual sales of approximately 100 MUSD and three production units in the US. Integration of the operation is progressing as planned, which includes closure of one of the facilities. The volumes will be relocated to the business area's other facilities in NAFTA.

The HEXPOL Engineered Products business area's sales totalled 177 MSEK (178). Operating profit amounted to 17 MSEK (17), corresponding to an operating margin of 9.6 per cent (9.6).

The HEXPOL Group's sales in Europe remained unchanged compared with the year-earlier period, including the acquisition of Müller Kunststoffe. However, excluding Müller Kunststoffe, sales declined.

The year closed on a weak note, with inventory adjustments in all segments and primarily at automotive-related customers.

The Group's sales in NAFTA, including sales in acquired Robbins for December, were essentially unchanged compared with the year-earlier period. Sales remained strong in all segments in Mexico, and also to automotive-related customers in NAFTA. Other segments closed the year on a weak note due to inventory adjustments made by customers.

In Asia, the Group's sales were slightly lower year-on-year.

Raw material prices for the Group's principal raw materials were lower in the fourth quarter, compared with the previous quarter.

The Group's operating cash flow was once again strong and amounted to 323 MSEK (363).

The Group's net financial items amounted to an expense of 4 MSEK (income: 2).

Profit before tax rose to 226 MSEK (222) and profit after tax increased to 186 MSEK (157). Earnings per share increased 19 per cent to 5.41 SEK (4.55).

January – December 2012

The HEXPOL Group's sales rose 11 per cent during the year to 8,007 MSEK (7,197), of which 2 per cent was organic. Operating profit rose strongly by 19 per cent to 1,069 MSEK (895), resulting in the operating margin improving to 13.4 per cent (12.4). Higher operational efficiency improved the operating margin. Operating profit was also positively impacted by the successful acquisitions during the year.

Currency effects had a positive impact of 153 MSEK on sales and 51 MSEK on operating profit during the year, with the main factors being a strengthening of the USD (positive impact) and a weakening of the euro (negative impact).

Sales in the HEXPOL Compounding business area rose 13 per cent to 7,270 MSEK (6,450), which also resulted in strongly improved operating profit of 996 MSEK (823). The operating margin increased to 13.7 per cent (12.8). Sales increased in most of the business area's markets and were particularly strong in NAFTA, mainly Mexico. In Europe, demand declined gradually, but customers in Central and Eastern Europe, where demand was relatively better, accounted for most of the sales. The HEXPOL TPE Compounding product area performed well and sales rose strongly during the year.

Sales in the HEXPOL Engineered Products business area amounted to 737 MSEK (747). Operating profit amounted to 73 MSEK (72), resulting in an operating margin of 9.9 per cent (9.6). A stable trend was noted for sales of gaskets for plate heat exchangers and sales of wheels. However, HEXPOL Engineered Products continued to experience price pressure for the business area's products. Sales from the business area's operations in China had a positive development.

The Group's operating cash flow was once again very strong and amounted to 1,209 MSEK (911). The cash flow was achieved primarily through a substantial increase in operating profit and continued successful management of working capital.

The Group's net financial items amounted to an expense of 22 MSEK (expense: 23). Net financial items were charged with financing expenses for the acquisition of Müller Kunststoffe, which was finalised in January, and the acquisition of Robbins, which was finalised in late November. Net financial items improved primarily thanks to the strong operating cash flow during the year.

Profit before tax increased 20 per cent to 1,047 MSEK (872). Profit after tax rose to 753 MSEK (619), corresponding to earnings per share of 21.88 SEK (18.65). The year-on-year increase was 22 per cent (17.98) based on the actual number of shares after the rights issue in March 2011.

Profitability

The return on average capital employed rose to 24.0 per cent (22.3). The improvement was primarily attributable to the strong increase in profit and the continuing favourable management of working capital. The return on shareholders' equity was 28.0 per cent (30.4).

Financial position and liquidity

The equity/assets ratio increased to 49.2 per cent (47.5). The Group's total assets amounted to 5,907 MSEK (5,208). Net debt increased to 1,215 MSEK (1,096) and the net debt/equity multiple was 0.4 (0.4). In May, HEXPOL paid the approved dividend of 172 MSEK (103).

In 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 acquisition of the Excel Polymers Group in November 2010, an additional five-year agreement was concluded with a Nordic bank in an amount of 100 MUSD, which falls due in October 2015.Since the five-year credit agreement, which was signed in May 2008, will fall due in May 2013, HEXPOL signed bilateral loan agreements in early February 2013 with two Nordic banks. One of the loans is a five-year agreement with a limit of 125 MUSD and the second loan is a three-year agreement with a limit of 750 MSEK.

Cash flow

Operating cash flow rose strongly during the year to 1,209 MSEK (911). The operating cash flow includes effects of the favourable management of working capital and a strong improvement in operating profit. Cash flow from operating activities amounted to 1,115 MSEK (726).

Investments, depreciation and amortisation

The Group's investments amounted to 177 MSEK (103). Depreciation and amortisation totalled 152 MSEK (150). Investments pertained primarily to capacity investments in China and Mexico, and to maintenance investments.

Tax expenses

The Group's tax expenses amounted to 294 MSEK (253), corresponding to a tax rate of 28.1 per cent (29.0). Tax expenses for the year were impacted by positive effects including the changes in Swedish Corporate Tax, which had an impact of 6 MSEK in the fourth quarter.

Personnel

The number of employees at the end of the year was 3,332 (3,020). The number of employees increased during the year through the acquisitions of the Müller Kunststoffe and Robbins operations.

Business area HEXPOL Compounding

The HEXPOL Compounding business area is a world leader in the development and manufacture of high-quality advanced polymer compounds (Compounding). Customers are manufacturers of rubber products and components 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, energy and oil industries.

	Oct-Dec		Jan-Dec	
MSEK	**2012**	**2011**	**2012**	**2011**
Sales	1,587	1,614	7,270	6,450
Operating profit	213	203	996	823
Operating margin, %	13.4	12.6	13.7	12.8

HEXPOL Compounding's fourth-quarter sales totalled 1,587 MSEK (1,614), including the acquired operations Müller Kunststoffe and Robbins. Sales to the energy, oil/gas, engineering and automotive segments in NAFTA remained strong, while sales to the automotive industry in Europe were weak. However, sales in all segments were impacted by inventory adjustments at the end of the year. The HEXPOL TPE Compounding product area continued its positive trend. Raw material prices for the business area's primary raw materials were lower during the quarter, compared with the previous quarter.

Operating profit rose 5 per cent to 213 MSEK (203), resulting in an improvement of the operating margin to 13.4 per cent (12.6). Excluding transaction and integration costs for Robbins, operating profit amounted to 233 MSEK. Higher operational efficiency improved the operating margin.

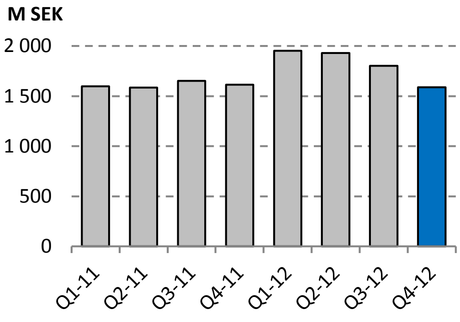
The Group's sales in Europe remained unchanged compared with the year-earlier period, including the acquisition of Müller Kunststoffe. However, excluding Müller Kunststoffe, sales declined. The year closed on a weak note with inventory adjustments in all segments, primarily at automotive-related customers. In Europe, demand declined gradually, but most of the sales were to customers in Central and Eastern Europe, where demand was relatively better.

Sales in Asian markets declined slightly compared with the year-earlier period due to postponements and changes in customer projects. The lower growth also impacted HEXPOL but the customer project portfolio is strong and the approved capacity expansion for rubber compounds in Qingdao, China, is proceeding as planned and will be placed on stream during the first quarter of 2013.

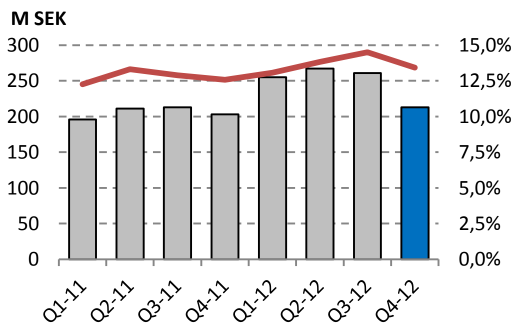
Sales in NAFTA, including the December sales of newly acquired Robbins, were essentially unchanged compared with the year-earlier period. Sales remained strong in all segments in Mexico and also to automotive-related customers in NAFTA. Other segments noted a weak close to the year due to inventory adjustments made by customers. The approved investment in a third rubber compound line in Aguascalientes, Mexico, is progressing according to plan and production start is scheduled for autumn 2013.

Robbins, a leading US rubber compounder and a global leader in molded envelopes and curing tubes for especially truck, heavy equipment and airplane tires, was acquired in late November. The acquisition is an excellent complement to the business area and broadens its presence within rubber compounds in end user market like agriculture, mining, oil and gas. It also brings a global leadership in molded envelopes and curing tubes to the tire industry. The company has annual sales of approximately 100 MUSD and three production units in the US; Muscle Shoals in Alabama, Findlay in Ohio and Tallapoosa in Georgia. The integration of the operation is progressing as planned, which includes the closure of the facility in Tallapoosa. The volumes will be relocated to Robbins' two other facilities and to the business area's other facilities in NAFTA.

Sales



Operating profit and operating margin



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 polymer expertise and the production of rubber, plastic and polyurethane products.

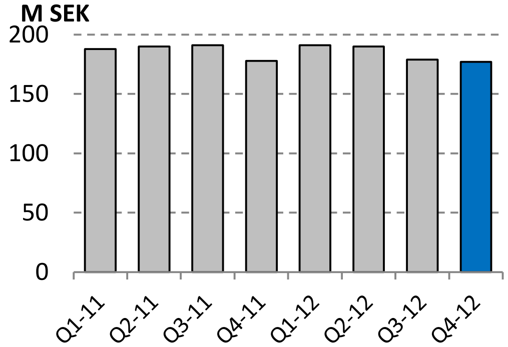
	Oct-Dec		Jan-Dec	
MSEK	**2012**	**2011**	**2012**	**2011**
Sales	177	178	737	747
Operating profit	17	17	73	72
Operating margin, %	9.6	9.6	9.9	9.6

Sales of HEXPOL Engineered Products in the fourth quarter totalled 177 MSEK (178). Operating profit amounted to 17 MSEK (17), corresponding to an operating margin of 9.6 per cent (9.6).

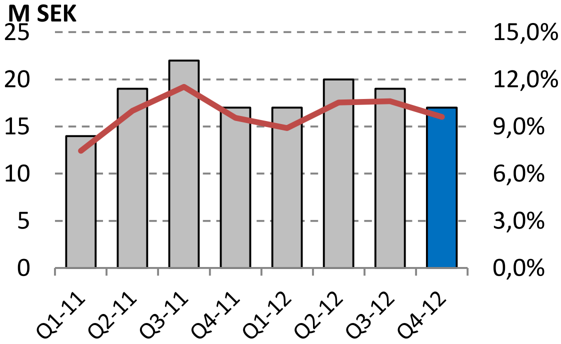
The HEXPOL Gaskets product area was relatively stable in all markets, but sales to project-related operations remained weak. The market was generally characterised by pressure on prices, and uncertainty in terms of demand. Sales from the operation in China increased and the expansion of moulding capacity in China for the expanding domestic market was completed.

Sales in the HEXPOL Wheels product area were also relatively stable in all markets. Production of polyurethane wheels for the Chinese market commenced at the end of the year and this investment will make HEXPOL Wheels a global partner to global OEM manufacturers of trucks. Sales and profit in the US operation developed well.

Sales



Operating profit and operating margin



Parent Company

The Parent Company's profit after tax amounted to 1,314 MSEK (352). Earnings include capital gains from intra-Group sales of subsidiaries, as well as dividends from subsidiaries. Shareholders' equity amounted to 3,081 MSEK (1,939).

Risk factors

The Group's and Parent Company's business risks and risk management, as well as the management of financial risks, are described in detail in the 2011 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 year-end report have been prepared in compliance with International Financial 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. The year-end 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 year-end report. No new or revised IFRS that gained legal force in 2012 have any significant impact on the Group.

The revised IAS 19, Employee Benefits, has been applied from 1 January 2013. The most significant amendment is the discontinuation of the option to postpone actuarial gains and losses according to the corridor method and these shall be recorded in other comprehensive income. Consequently, the pension liability will increase by approximately 3 MSEK and shareholders' equity will reduce by approximately 2 MSEK.

Ownership structure

HEXPOL AB (publ), Corporate Registration Number 556108-9631, is the Parent Company of the HEXPOL Group. HEXPOL's Class B shares are listed on the Stockholm Mid-Cap industrial segment of the NASDAQ OMX Nordic exchange. HEXPOL had 7,917 shareholders as of 31 December 2012. The largest shareholder is Melker Schörling AB with 26 per cent of the capital and 47 per cent of the votes. The 20 largest owners own 64 per cent of the capital and 74 per cent of the votes.

Acquisitions

Effective 1 January 2012, HEXPOL acquired Horst Müller Kunststoffe GmbH & Co. KG from the German Rowa Group. Müller Kunststoffe is a leading Central European developer and manufacturer of thermoplastic elastomer compounds (TPE Compounding). In 2011, Müller Kunststoffe had sales of 46 MEUR and 90 employees. The acquisition price was adjusted for the acquired net debt of 39 MEUR. The acquired surplus value amounted to approximately 23 MEUR. The surplus value that arose from the acquisition is attributable to goodwill and customer relations, which are amortised annually. Transaction costs for the acquisition amounted to about 2 MSEK. The Group's shareholding is 100 per cent.

As of 27 November 2012, HEXPOL acquired Robbins Holding Inc including Robbins LLC, a leading US manufacturer of rubber compounds. Robbins reported annual sales of approximately 100 MUSD in 2012. The company has three production facilities in the US: Muscle Shoals in Alabama, Findlay in Ohio and Tallapoosa in Georgia. The acquisition price was 89.2 MUSD, debt-free. Earlier announced integration and transaction costs amounted to 20 MSEK. The acquired surplus value amounted preliminarily to about 51 MUSD and is attributable to goodwill and customer relations, which are amortised annually. The Group's shareholding is 100 per cent.

Annual General Meeting, 2 May 2013

The Annual General Meeting will be held on 2 May 2013, at 3:00 p.m. in Malmö, Sweden (Börshuset, Skeppsbron 2). The Annual Report for 2012 will be available on HEXPOL's website and the head office no later than 11 April 2013 and will be distributed to shareholders no later than in the week beginning with Monday 15 April. Shareholders who wish to participate in the Annual General Meeting must be registered in Euroclear Sweden AB's share register no later than 25 April 2013 and register participation to HEXPOL's head office no later than 29 April. Shareholders whose shares are registered in the name of a nominee must re-register their shares in their own names through the nominee before 25 April to be entitled to participate in the Annual General Meeting.

Proposal for dividend

The Board of Directors proposes that the Annual General Meeting on 2 May approve a dividend of 6.00 SEK (5.00) per share.

Events after the end of balance-sheet date

Since the five-year credit agreement that was signed in May 2008 falls due in May 2013, HEXPOL signed bilateral loan agreements in early February 2013 with two Nordic banks. One of the loans is a five-year agreement with a limit of 125 MUSD and the other loan is a three-year agreement with a limit of 750 MSEK.

Invitation to the presentation of the report

This report will be presented at SEB Enskilda's office, Kungsträdgårdsgatan 8, Stockholm. Sweden at 12:30 p.m. CET on 7 February. The presentation, as well as information concerning participation, is available at www.hexpol.com.

Calendar for financial information

HEXPOL AB will publish financial information on the following dates:

▪ Interim report, first quarter 2013	2 May 2013
▪ Annual General Meeting	2 May 2013
▪ Half-year report 2013	18 July 2013
▪ Interim report, third quarter 2013	24 October 2013

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

The year-end report for 2012 has not been audited by HEXPOL AB's auditors.

For more information, please contact:

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Malmö, Sweden, 7 February 2013
HEXPOL AB (publ)

Georg Brunstam,
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Condensed consolidated income statement

	Oct-Dec		Jan-Dec	
MSEK	**2012**	**2011**	**2012**	**2011**
Sales	1,764	1,792	8,007	7,197
Costs of goods sold	-1,431	-1,468	-6,485	-5,900
Gross profit	**333**	**324**	**1,522**	**1,297**
Selling and administrative cost, etc.	-103	-104	-453	-402
Operating profit	**230**	**220**	**1,069**	**895**
Financial income and expenses	-4	2	-22	-23
Profit before tax	**226**	**222**	**1,047**	**872**
Tax	-40	-65	-294	-253
Profit after tax	**186**	**157**	**753**	**619**
- of which, attributable to Parent Company shareholders	**186**	**157**	**753**	**619**
- of which, attributable to minority interests	-	-	-	0
Earnings per share, SEK	5.41	4.55	21.88	18.65
Shareholders' equity per share, SEK			84.51	71.85
Average number of shares, 000s	34,420	34,420	34,420	33,189
Depreciation, amortisation and impairment	-36	-39	-152	-150

Consolidated statement of comprehensive income

	Oct-Dec		Jan-Dec	
MSEK	**2012**	**2011**	**2012**	**2011**
Profit after tax	186	157	753	619
Cash-flow hedging, net after tax	0	0	0	-2
Translation differences	2	-25	-145	27
Comprehensive income	**188**	**132**	**608**	**644**
- of which, attributable to Parent Company shareholders	**188**	**132**	**608**	**644**
- of which, attributable to minority interests	-	-	-	0

Condensed consolidated balance sheet

MSEK	31 Dec 2012	31 Dec 2011
Intangible fixed assets	2,718	2,291
Tangible fixed assets	1,227	1,069
Financial fixed assets	1	1
Deferred tax assets	25	4
Total fixed assets	**3,971**	**3,365**
Inventories	536	477
Accounts received	671	718
Other receivables	152	73
Prepaid expenses and accrued income	13	18
Cash and cash equivalents	564	557
Total current assets	**1,936**	**1,843**
Total assets	**5,907**	**5,208**
Attributable to Parent Company's shareholders	2,909	2,473
Total shareholders' equity	**2,909**	**2,473**
Interest-bearing liabilities	228	1,630
Deferred tax liabilities	181	117
Provision for pensions	13	13
Total non-current liabilities	**422**	**1,760**
Interest-bearing liabilities	1,581	68
Accounts payable	665	666
Other liabilities	105	38
Accrued expenses, prepaid income, provisions	225	203
Total current liabilities	**2,576**	**975**
Total shareholders' equity and liabilities	**5,907**	**5,208**

Consolidated changes in shareholders' equity

	31 Dec 2012		**31 Dec 2011**		
MSEK	**Attributable to Parent Company shareholders**	**Total equity**	**Attributable to Parent Company shareholders**	**Attributable to minority interests**	**Total equity**
Opening equity	**2,473**	**2,473**	**1,318**	**9**	**1,327**
Comprehensive income	608	608	644	0	644
Dividend	-172	-172	-103	-	-103
Acquisition of minority interest	-	-		-9	-9
New share issue	-	-	543	-	543
New share issue, exercise of warrants	-	-	71	-	71
Closing equity	**2,909**	**2,909**	**2,473**	**-**	**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 the end of the year	1,476,562	32,943,566	34,420,128

Condensed consolidated cash-flow statement

	Oct-Dec		Jan-Dec	
MSEK	**2012**	**2011**	**2012**	**2011**
Cash flow from operating activities before changes in working capital	173	188	955	802
Non-recurring items	0	-22	-5	-45
Changes in working capital	133	154	165	-31
Cash flow from operating activities	**306**	**320**	**1 115**	**726**
Acquisitions	-582	-	-926	1
Cash flow from other investing activities	-76	-50	-177	-103
Dividend	-	-	-172	-103
New share issue	-	-	-	539
Exercise of warrants	-	-	-	71
Cash flow from other financing activities	369	-218	205	-897
Change in cash and cash equivalents	**17**	**52**	**45**	**234**
Cash and cash equivalents at 1 January	541	514	557	318
Exchange-rate differences in cash and cash equivalents	6	-9	-38	5
Cash and cash equivalents at the end of the period	**564**	**557**	**564**	**557**

Operating cash flow, Group

	Oct-Dec		Jan-Dec	
MSEK	**2012**	**2011**	**2012**	**2011**
Operating profit	230	220	1,069	895
Depreciation/amortisation	36	39	152	150
Change in working capital	133	154	165	-31
Investments	-76	-50	-177	-103
Operating cash flow	**323**	**363**	**1,209**	**911**

Other key figures

	Oct-Dec		Jan-Dec	
	2012	**2011**	**2012**	**2011**
Profit margin before tax, %	12.8	12.4	13.1	12.1
Return on shareholders' equity, %			28.0	30.4
Interest-coverage ratio, multiple			44.6	28.3
Net debt, MSEK			1,215	1,096
Net debt ratio, multiple			0.4	0.4
Cash flow per share, SEK	8.89	9.48	32.39	21.87
Cash flow per share before change in working capital, SEK	5.03	5.43	27.75	24.16

Quarterly data, Group

Sales per business area	2012					2011				
MSEK	**Jan-Mar**	**Apr-Jun**	**Jul-Sep**	**Oct-Dec**	**Full-year**	**Jan-Mar**	**Apr-Jun**	**Jul-Sep**	**Oct-Dec**	**Full-year**
HEXPOL Compounding	1,951	1,931	1,801	1,587	**7,270**	1,598	1,586	1,652	1,614	**6,450**
HEXPOL Engineered Products	191	190	179	177	**737**	188	190	191	178	**747**
Group total	**2,142**	**2,121**	**1,980**	**1,764**	**8,007**	**1,786**	**1,776**	**1,843**	**1,792**	**7,197**

Sales per geographic area	2012					2011				
MSEK	**Jan-Mar**	**Apr-Jun**	**Jul-Sep**	**Oct-Dec**	**Full-year**	**Jan-Mar**	**Apr-Jun**	**Jul-Sep**	**Oct-Dec**	**Full-year**
Europe	749	691	632	581	**2,653**	615	636	604	576	**2,431**
NAFTA	1,292	1,316	1,243	1,085	**4,936**	1,082	1,040	1,130	1,106	**4,358**
Asia	101	114	105	98	**418**	89	100	109	110	**408**
Group total	**2,142**	**2,121**	**1,980**	**1,764**	**8,007**	**1,786**	**1,776**	**1,843**	**1,792**	**7,197**

Operating profit per business area	2012					2011				
MSEK	**Jan-Mar**	**Apr-Jun**	**Jul-Sep**	**Oct-Dec**	**Full-year**	**Jan-Mar**	**Apr-Jun**	**Jul-Sep**	**Oct-Dec**	**Full-year**
HEXPOL Compounding	255	267	261	213	**996**	196	211	213	203	**823**
HEXPOL Engineered Products	17	20	19	17	**73**	14	19	22	17	**72**
Group total	**272**	**287**	**280**	**230**	**1,069**	**210**	**230**	**235**	**220**	**895**

Operating margin per business area	2012					2011				
%	**Jan-Mar**	**Apr-Jun**	**Jul-Sep**	**Oct-Dec**	**Full-year**	**Jan-Mar**	**Apr-Jun**	**Jul-Sep**	**Oct-Dec**	**Full-year**
HEXPOL Compounding	13.1	13.8	14.5	13.4	**13.7**	12.3	13.3	12.9	12.6	**12.8**
HEXPOL Engineered Products	8.9	10.5	10.6	9.6	**9.9**	7.4	10.0	11.5	9.6	**9.6**
Group total	**12.7**	**13.5**	**14.1**	**13.0**	**13.4**	**11.8**	**13.0**	**12.8**	**12.3**	**12.4**

Condensed income statement, Parent Company

MSEK	Oct-Dec 2012	Oct-Dec 2011	Jan-Dec 2012	Jan-Dec 2011
Sales	5	7	30	31
Administrative costs, etc.	-12	-11	-50	-44
Operating loss	**-7**	**-4**	**-20**	**-13**
Financial income and expenses	3	197	1,349	372
Profit/loss after net financial items	**-4**	**193**	**1,329**	**359**
Appropriations	-8	-	**-8**	**-**
Profit/loss before tax	**-12**	**193**	**1,321**	**359**
Tax	3	-1	-7	-7
Profit/loss after tax	**-9**	**192**	**1,314**	**352**

Condensed balance sheet, Parent Company

MSEK	31 Dec 2012	31 Dec 2011
Total fixed assets	**5,010**	**3,602**
Total current assets	**960**	**754**
Total assets	**5,970**	**4,356**
Total shareholders' equity	**3,081**	**1,939**
Total untaxed reserves	**8**	**-**
Total non-current liabilities	**228**	**1,638**
Total current liabilities	**2,653**	**779**
Total shareholders' equity and liabilities	**5,970**	**4,356**

Financial definitions

Return on equity	Net profit attributable to the 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 divided by shareholders' equity.
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.