



## Interim report January – March 2013

Published on 2 May 2013

### First quarter of 2013 – Another strong quarter – our best earnings to date

- Sales amounted to 2,014 MSEK (2,142).
- Operating profit rose 10 per cent to 298 MSEK (272).
- Operating margin improved to 14.8 per cent (12.7).
- Profit after tax rose 19 per cent to 216 MSEK (181).
- Earnings per share increased 19 per cent to 6.28 SEK (5.26).
- Operating cash flow amounted to 240 MSEK (240).
- The US rubber compounding company Robbins, which was acquired in November 2012, has been successfully integrated.

### President's comments

“The first quarter of 2013 was once again a strong quarter for the HEXPOL Group. In terms of earnings, it was our best quarter to date. Our earnings per share improved strongly to 6.28 SEK (5.26), up 19 per cent. The operating margin improved further to 14.8 per cent (12.7) and our operating profit rose 10 per cent to 298 MSEK (272). Sales were negatively impacted by a weak European market, negative currency effects and fewer workdays. Sales during the first quarter of 2013 were although significantly stronger than during the fourth quarter of 2012. During the first quarter of 2013, we noted once again a price reduction for our principal raw materials. Operating cash flow remained strong and amounted to 240 MSEK (240). During the quarter, the US rubber compounding company Robbins was successfully integrated with significantly better earnings development than plan. Our balance sheet is strong and, with a net debt/equity multiple of 0.3 (0.5), we are well equipped for continued expansion.”

*Georg Brunstam, President and CEO*

### Group summary

Key Figures	Jan-Mar		Full Year	Apr 12-
MSEK	2013	2012	2012	Mar 13
Sales	2 014	2 142	8 007	7 879
Operating profit, EBIT	298	272	1 069	1 095
Operating margin, %	14,8	12,7	13,4	13,9
Profit before tax	289	264	1 047	1 072
Profit after tax	216	181	753	788
Earnings per share, SEK	6,28	5,26	21,88	22,90
Equity/assets ratio, %	49,6	45,8	49,2	
Return on capital employed	24,5	25,3	24,0	24,0
Operating cash flow	240	240	1 209	1 209

*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, systems suppliers to the global automotive and engineering industries, the energy sector and medical equipment manufacturers. 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).*

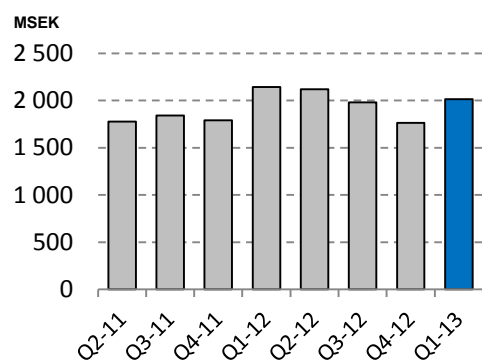
## First quarter of 2013

The HEXPOL Group's sales for the first quarter of 2013 amounted to 2,014 MSEK (2,142). Currency effects had a negative impact of 85 MSEK on sales. Our most recent acquisition, Robbins (Nov. 2012), had a positive impact on sales.

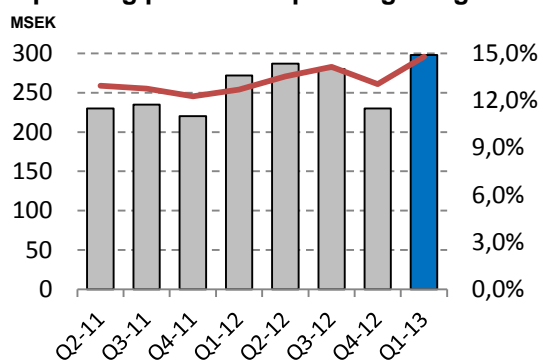
Organic growth (adjusted for currency effects and acquisitions) was minus 7 per cent, including the effects of lower prices for our principal raw materials, fewer workdays and weak sales in Europe. Sales in NAFTA in local currency, including the acquired Robbins, were higher year-on-year. In NAFTA, sales remained strong to automotive-related customers, while sales to the mining industry and export-related customers were weak. However, sales in Mexico remained strong in all segments. In Europe, sales remained weak, particularly to automotive-related customers.

Despite lower sales, operating profit rose 10 per cent to 298 MSEK (272), entailing an improvement in the operating margin to 14.8 per cent (12.7). Operating profit improved thanks to the acquisition of Robbins, and to continued efficiency enhancements in the operations. Exchange-rate fluctuations had a negative impact of 19 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 1,831 MSEK (1,951), including the acquisition of Robbins. Sales in NAFTA, including Robbins, rose in local currency compared with the year-earlier period. Sales remained strong to the energy, oil and gas sector, and the automotive segment in NAFTA, while sales in Europe remained weak, particularly to automotive-related customers. The HEXPOL TPE Compounding product area continued its positive development. Operating profit for the business area rose 11 per cent to 282 MSEK (255). The operating margin improved to 15.4 per cent (13.1), thanks to 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 has progressed more rapidly and in terms of earnings significantly better than plan.

The HEXPOL Engineered Products business area's sales for the quarter totalled 183 MSEK (191). Operating profit amounted to 16 MSEK (17), corresponding to an operating margin of 8.7 per cent (8.9).

In local currency, the HEXPOL Group's sales in NAFTA, including Robbins, increased compared with the year-earlier period. 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 HEXPOL Group's sales in Europe remained weak, particularly to automotive-related customers.

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

Prices for the Group's principal raw materials were once again lower in the quarter, compared with the previous quarter which meant lower sales prices compared to both previous quarter and corresponding quarter last year.

The Group's operating cash flow amounted to 240 MSEK (240).

The Group's net financial items amounted to an expense of 9 MSEK (expense: 8), including negative translation differences.

Profit before tax rose to 289 MSEK (264) and profit after tax increased to 216 MSEK (181). Earnings per share increased 19 per cent to 6.28 SEK (5.26).

## **Profitability**

The return on average capital employed amounted to 24.5 per cent (25.3). The return on shareholders' equity was 28.8 per cent (28.6).

## **Financial position and liquidity**

The equity/assets ratio increased to 49.6 per cent (45.8). The Group's total assets amounted to 6,223 MSEK (5,654). Net debt amounted to 1,013 MSEK (1,199) and the net debt/equity multiple decreased to 0.3 (0.5).

In May 2008, the Group signed a five-year credit agreement in an amount of 1.7 billion SEK with a number of Nordic banks. As part of the financing of the acquisition of 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 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 amounted to 240 MSEK (240). Cash flow from operating activities amounted to 214 MSEK (238).

## **Investments, depreciation and amortisation**

The Group's investments amounted to 21 MSEK (25) and were mainly attributable to maintenance. Depreciation and amortisation amounted to 38 MSEK (40).

## **Tax expenses**

The Group's tax expenses amounted to 73 MSEK (83), corresponding to a tax rate of 25.3 per cent (31.4). 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 quarter was 3,357 (3,129). The number of employees increased through the acquisition of Robbins.

## Business area HEXPOL Compounding

The HEXPOL Compounding business area is one of the world's leading supplier in the development and manufacture of advanced high-quality polymer compounds (Compounding). Customers are manufacturers of rubber products and components with stringent demands in terms of 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, energy, oil and gas sector, cable and water treatment industries, as well as medical equipment.

MSEK	Jan-Mar	Full Year	Apr 12-
	2013		
Sales	1 831	1 951	7 150
Operating profit	282	255	1 023
Operating margin, %	15,4	13,1	14,3

HEXPOL Compounding's sales totalled 1,831 MSEK (1,951), including acquired Robbins. Operating profit rose 11 per cent to 282 MSEK (255). The operating margin improved to 15.4 per cent (13.1), thanks to continued efficiency improvements in the operation.

Prices for the business area's principal raw materials were once again lower in the quarter, compared with the previous quarter which meant lower sales prices compared to both previous quarter and corresponding quarter last year.

In local currency, sales in NAFTA, including Robbins, were higher than in the year-earlier period. Sales remained strong to energy, oil, gas and automotive-related customers while sales to mining industry and export related customer were weak. In Mexico, however sales remained strong to all segments. The approved investment in a third rubber compound line in Aguascalientes, Mexico, is progressing as planned and production start is scheduled for autumn 2013.

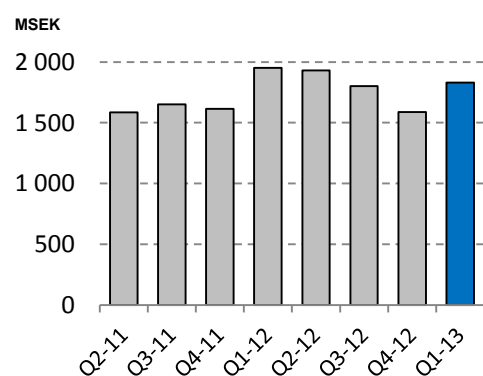
Sales in Europe remained weak, particularly to automotive-related customers.

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

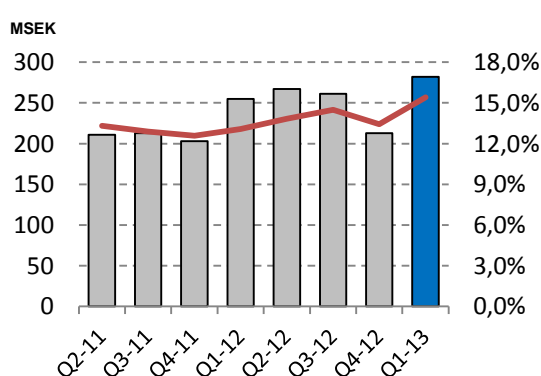
Sales in Asian markets were comparable to the year-earlier period. The customer project portfolio is strong and the capacity expansion for the rubber compounds in Qingdao, China, was commissioned as planned during the first quarter.

Robbins, a leading US manufacturer of rubber compounding and a global leader in molded envelopes and curing tubes for especially truck, heavy equipment and airplane tires, was acquired in late November 2012. The acquisition is an excellent complement to the business area and broadens its presence within rubber compounds in such end-customer segments as agriculture, mining, oil and gas. It will also result in a leading global position for molded envelopes and curing tubes to the tire industry. 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 in terms of earnings better than plan. The facility in Tallapoosa was closed as planned and the volumes were relocated to the other facilities in NAFTA. However, the sales trend for Robbins was weaker than expected, primarily to mining-industry related customers.

### Sales



### Operating profit and operating margin



## Business area HEXPOL Engineered Products

The HEXPOL Engineered Products business area is one of the world's leading supplier 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.

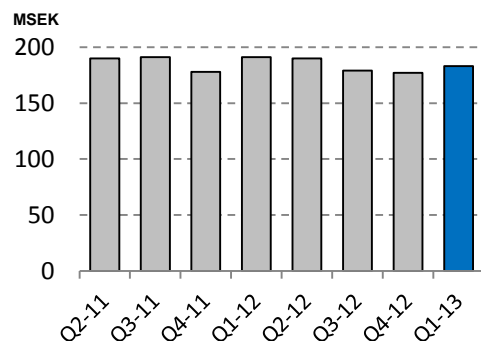
MSEK	Jan-Mar	Full Year		Apr 12-
	2013	2012	2012	Mar 13
Sales	183	191	737	729
Operating profit	16	17	73	72
Operating margin, %	8,7	8,9	9,9	9,9

HEXPOL Engineered Products reported sales of 183 MSEK (191). Operating profit totalled 16 MSEK (17), corresponding to an operating margin of 8.7 per cent (8.9).

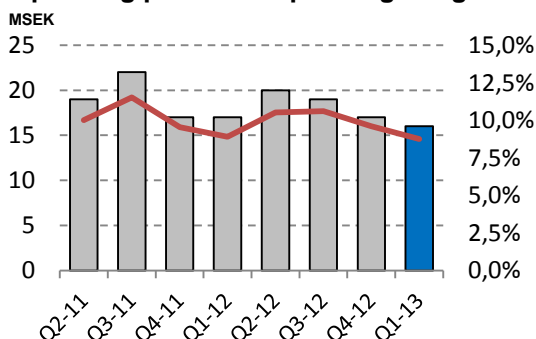
Sales in the HEXPOL Gaskets product area were relatively stable, but weaker in Europe and to project-related operations. The market was generally characterised by pressure on prices and uncertainty in terms of demand. Sales from the operation in China increased and the expansion of moulding capacity implemented in late 2012 was deployed in the first quarter.

Sales in the HEXPOL Wheels product area were relatively stable in all markets. Production of polyurethane wheels for the Chinese market commenced in late 2012 and deliveries were made during the quarter. With this investment, HEXPOL Wheels will become a global partner for global OEM manufacturers of trucks. Sales and profit in the US operation continued to develop well. In early April, there was a fire at HEXPOL Wheels' facility in Laxå, Sweden, where a polyurethane line was damaged. No personal injuries were reported and the facility is fully insured.

### Sales



### Operating profit and operating margin



## **Parent Company**

The Parent Company reported a loss after tax of 6 MSEK (profit: 17). Shareholders' equity amounted to 3,075 MSEK (1,956).

## **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 interim 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 interim 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 with retrospective application. The most significant change is the discontinuation of the option to postpone actuarial gains and losses according to the corridor method and these shall be recognised against other comprehensive income. Consequently, the pension liability has increased by approximately 3 MSEK and shareholders' equity reduced by approximately 2 MSEK during 2013. The 2012 impact was marginal and no adjustment has therefore been made.

## **Ownership structure**

HEXPOL AB (publ), Corporate Registration Number 556108-9631, is the Parent Company of the HEXPOL Group. HEXPOL's Series B shares are listed on the Stockholm Mid-Cap industrial segment of the NASDAQ OMX Nordic. HEXPOL had 7,756 shareholders as of 31 March 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 owners own 64 per cent of the capital and 74 per cent of the votes.

## **Annual General Meeting, 2 May 2013**

The Annual General Meeting will be held on 2 May 2013, at 3:00 p.m. CET in Malmö, Sweden (Börshuset, Skeppsbron 2). The 2012 Annual Report is available on HEXPOL's website and at the head office.

## **Proposal for dividend**

As announced earlier, the Board proposes that the Annual General Meeting on 2 May approve a dividend of 6.00 SEK (5.00) per share, up 20 per cent.

## **Proposal from the Nomination Committee**

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

## **Invitation to the presentation of the report**

This report will be presented through a telephone conference on 2 May at 1:00 p.m. CET. The presentation, as well as information concerning participation, is available on [www.hexpol.com](http://www.hexpol.com).

## Calendar for financial information

HEXPOL AB will publish financial information on the following dates:

- |   |                 |
|---|-----------------|
| ▪ Annual General Meeting                | 2 May 2013      |
| ▪ Six-month report for 2013             | 18 July 2013    |
| ▪ Interim report, third quarter of 2013 | 24 October 2013 |

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

The interim report for January – March 2013 has not been audited by HEXPOL AB's auditors.

Malmö, 2 May 2013  
HEXPOL AB (publ)

Georg Brunstam  
President and CEO

### For more information, please contact:

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This report may contain forward-looking statements. When used in this report, words such as “anticipate”, “believe”, “estimate”, “expect”, “intend”, “plan” and “project” are intended to identify forward-looking statements. They may involve risks and uncertainties, including product demand, market acceptance, the effect of economic conditions, the impact of competitive products and pricing, foreign currency exchange rates and other risks. These forward-looking statements reflect the views of HEXPOL's management as of the date made with respect to future events and are subject to risks and uncertainties. All of these forward-looking statements are based on estimates and assumptions made by HEXPOL's management and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results or experience could differ materially from the forward-looking statements. HEXPOL disclaims any intention or obligation to update these forward-looking statements.

The report consists of information that HEXPOL AB (publ) is obliged to disclose in accordance with the Swedish Securities Market Act and/or the Financial Trading Instruments Act. The information was submitted for publication on 2 May 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**

MSEK	Jan-Mar		Full Year	Apr 12-
	2013	2012	2012	Mar 13
Sales	2 014	2 142	8 007	7 879
Cost of goods sold	-1 606	-1 757	-6 485	-6 334
<b>Gross profit</b>	<b>408</b>	<b>385</b>	<b>1 522</b>	<b>1 545</b>
Selling and administrative cost, etc.	-110	-113	-453	-450
<b>Operating profit</b>	<b>298</b>	<b>272</b>	<b>1 069</b>	<b>1 095</b>
Financial income and expenses	-9	-8	-22	-23
<b>Profit before tax</b>	<b>289</b>	<b>264</b>	<b>1 047</b>	<b>1 072</b>
Tax	-73	-83	-294	-284
<b>Profit after tax</b>	<b>216</b>	<b>181</b>	<b>753</b>	<b>788</b>
- of which, attributable to Parent Company shareholders	216	181	753	788
Earnings per share, SEK	6,28	5,26	21,88	22,90
Shareholders' equity per share, SEK	89,66	75,25	84,51	
Average number of shares, 000s	34 420	34 420	34 420	34 420
Depreciation, amortisation and impairment	-38	-40	-152	-150

**Condensed statement of comprehensive income**

MSEK	Jan-Mar		Full Year	Apr 12-
	2013	2012	2012	Mar 13
Profit after tax	216	181	753	788
<b>Items that will not be reclassified to the income statement</b>				
Remeasurements of defined benefit pension plans	-3	0	0	-3
Income tax relating to items that will not be reclassified to the income statement	1	0	0	1
<b>Items that may be reclassified to the income statement</b>				
Cash-flow hedges	0	0	0	0
Income tax relating to cash-flow hedges	0	0	0	0
Translation differences	-37	-64	-145	-118
<b>Comprehensive income</b>	<b>177</b>	<b>117</b>	<b>608</b>	<b>668</b>
- of which, attributable to Parent Company's shareholders	177	117	608	668



**Condensed consolidated balance sheet**

MSEK	Mar 31		Dec 31
	2013	2012	2012
Intangible fixed assets	2 673	2 443	2 718
Tangible fixed assets	1 211	1 088	1 227
Financial fixed assets	1	1	1
Deferred tax asset	28	7	25
<b>Total fixed assets</b>	<b>3 913</b>	<b>3 539</b>	<b>3 971</b>
Inventories	491	515	536
Accounts receivable	899	940	671
Other receivables	172	90	152
Prepaid expenses and accrued income	24	20	13
Cash and cash equivalents	724	550	564
<b>Total current assets</b>	<b>2 310</b>	<b>2 115</b>	<b>1 936</b>
<b>Total assets</b>	<b>6 223</b>	<b>5 654</b>	<b>5 907</b>
Attributable to Parent Company's shareholders	3 086	2 590	2 909
<b>Total shareholders' equity</b>	<b>3 086</b>	<b>2 590</b>	<b>2 909</b>
Interest-bearing liabilities	65	1 740	228
Provision for deferred tax	175	122	181
Provision for pensions	16	12	13
<b>Total non-current liabilities</b>	<b>256</b>	<b>1 874</b>	<b>422</b>
Interest-bearing liabilities	1 706	41	1 581
Accounts payable	772	834	665
Other liabilities	169	114	105
Accrued expenses, prepaid income, provisions	234	201	225
<b>Total current liabilities</b>	<b>2 881</b>	<b>1 190</b>	<b>2 576</b>
<b>Total shareholders' equity and liabilities</b>	<b>6 223</b>	<b>5 654</b>	<b>5 907</b>

**Consolidated changes in shareholders' equity**

MSEK	Mar 31 2013		Mar 31 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
<b>Opening equity</b>	<b>2 909</b>	<b>2 909</b>	<b>2 473</b>	<b>2 473</b>	<b>2 473</b>	<b>2 473</b>
Comprehensive income	177	177	117	117	608	608
Dividend	-	-	-	-	-172	-172
<b>Closing Equity</b>	<b>3 086</b>	<b>3 086</b>	<b>2 590</b>	<b>2 590</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 shares	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

MSEK	Jan-Mar	Full Year	Apr 12-	
	2013	2012	Mar 13	
Cash flow from operating activities before changes in working capital	289	287	955	957
Non-recurring items	0	-2	-5	-3
Changes in working capital	-75	-47	165	137
<b>Cash flow from operating activities</b>	<b>214</b>	<b>238</b>	<b>1 115</b>	<b>1 091</b>
Acquisitions	-3	-344	-926	-585
Cash flow from other investing activities	-21	-25	-177	-173
Dividend	-	-	-172	-172
Cash flow from other financing activities	-28	142	205	35
<b>Change in cash and cash equivalents</b>	<b>162</b>	<b>11</b>	<b>45</b>	<b>196</b>
Cash and cash equivalents at January 1	564	557	557	550
Exchange-rate differences in cash and cash equivalents	-2	-18	-38	-22
<b>Cash and cash equivalents at the end of the period</b>	<b>724</b>	<b>550</b>	<b>564</b>	<b>724</b>

## Operating cash flow, Group

MSEK	Jan-Mar	Full Year	Apr 12-	
	2013	2012	Mar 13	
Operating profit	298	272	1 069	1 095
Depreciation/amortisation	38	40	152	150
Change in working capital	-75	-47	165	137
Investments	-21	-25	-177	-173
<b>Operating Cash flow</b>	<b>240</b>	<b>240</b>	<b>1 209</b>	<b>1 209</b>

## Other key figures, Group

	Jan-Mar	Full Year	Apr 12-	
	2013	2012	Mar 13	
Profit margin before tax, %	14,3	12,3	13,1	13,6
Return on shareholders' equity, %	28,8	28,6	28,0	27,8
Interest-coverage ratio, multiple	58,8	38,7	44,6	49,7
Net debt, MSEK	1 013	1 199	1 215	
Net debt ratio, multiple	0,3	0,5	0,4	
Cash flow per share, SEK	6,22	6,91	32,39	31,70
Cash flow per share before change in working capital, SEK	8,40	8,34	27,75	27,81

## Financial instruments recognized at fair value in the statement of financial position

MSEK	Mar 31
	2013
<b>Other current receivables</b>	
Currency derivatives	122
<b>Other current liabilities</b>	
Currency derivatives	132

Derivatives consist of currency derivative 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-	Apr 12-	2011				Full-
	Q1	Q1	Q2	Q3	Q4	Year	Mar 13	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	1 831	1 951	1 931	1 801	1 587	7 270	7 150	1 598	1 586	1 652	1 614	6 450
HEXPOL Engineered Products	183	191	190	179	177	737	729	188	190	191	178	747
<b>Group total</b>	<b>2 014</b>	<b>2 142</b>	<b>2 121</b>	<b>1 980</b>	<b>1 764</b>	<b>8 007</b>	<b>7 879</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-	Apr 12-	2011				Full-
	Q1	Q1	Q2	Q3	Q4	Year	Mar 13	Q1	Q2	Q3	Q4	Year
Europe	655	749	691	632	581	2 653	2 559	615	636	604	576	2 431
NAFTA	1 261	1 292	1 316	1 243	1 085	4 936	4 905	1 082	1 040	1 130	1 106	4 358
Asia	98	101	114	105	98	418	415	89	100	109	110	408
<b>Group total</b>	<b>2 014</b>	<b>2 142</b>	<b>2 121</b>	<b>1 980</b>	<b>1 764</b>	<b>8 007</b>	<b>7 879</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-	Apr 12-	2011				Full-
	Q1	Q1	Q2	Q3	Q4	Year	Mar 13	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	282	255	267	261	213	996	1 023	196	211	213	203	823
HEXPOL Engineered Products	16	17	20	19	17	73	72	14	19	22	17	72
<b>Group total</b>	<b>298</b>	<b>272</b>	<b>287</b>	<b>280</b>	<b>230</b>	<b>1 069</b>	<b>1 095</b>	<b>210</b>	<b>230</b>	<b>235</b>	<b>220</b>	<b>895</b>

### Operating margin per business area

%	2013	2012				Full-	Apr 12-	2011				Full-
	Q1	Q1	Q2	Q3	Q4	Year	Mar 13	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	15,4	13,1	13,8	14,5	13,4	13,7	14,3	12,3	13,3	12,9	12,6	12,8
HEXPOL Engineered Products	8,7	8,9	10,5	10,6	9,6	9,9	9,9	7,4	10,0	11,5	9,6	9,6
<b>Group total</b>	<b>14,8</b>	<b>12,7</b>	<b>13,5</b>	<b>14,1</b>	<b>13,0</b>	<b>13,4</b>	<b>13,9</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	Jan-Mar		Full Year
	2013	2012	2012
Sales	8	8	30
Administrative costs, etc.	-12	-10	-50
<b>Operating loss</b>	<b>-4</b>	<b>-2</b>	<b>-20</b>
Financial income and expenses	-4	25	1 349
<b>Profit/loss after net financial items</b>	<b>-8</b>	<b>23</b>	<b>1 329</b>
Appropriations	-	-	-8
<b>Profit/loss before tax</b>	<b>-8</b>	<b>23</b>	<b>1 321</b>
Tax	2	-6	-7
<b>Profit/loss after tax</b>	<b>-6</b>	<b>17</b>	<b>1 314</b>

## Condensed balance sheet, Parent company

MSEK	Mar 31		Dec 31
	2013	2012	2012
<b>Total fixed assets</b>	<b>4 923</b>	<b>3 545</b>	<b>5 010</b>
<b>Total current assets</b>	<b>1 198</b>	<b>1 066</b>	<b>960</b>
<b>Total assets</b>	<b>6 121</b>	<b>4 611</b>	<b>5 970</b>
<b>Total shareholders' equity</b>	<b>3 075</b>	<b>1 956</b>	<b>3 081</b>
<b>Total untaxed reserves</b>	<b>8</b>	<b>-</b>	<b>8</b>
<b>Total non-current liabilities</b>	<b>65</b>	<b>1 739</b>	<b>228</b>
<b>Total current liabilities</b>	<b>2 973</b>	<b>916</b>	<b>2 653</b>
<b>Total shareholders' equity and liabilities</b>	<b>6 121</b>	<b>4 611</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.