



Press release, Malmö, Sweden, December 1, 2014

HEXPOL acquires Portage Precision Polymers, a well-known U.S. Rubber Compounder

HEXPOL has acquired the business of Portage Precision Polymers Inc. from the founder Mr. Doug Hartley and his family. Doug Hartley started Portage Precision Polymers in 2002 and Portage Precision is today a well-known Rubber Compounder in the US market.

"The acquisition is a very good complement to HEXPOL Compounding in the US and broadens and strengthens our presence in rubber compounding. Portage Precision expands our capabilities and capacities to serve our customers in a more efficient way. Portage Precision has also a silicon rubber mixing unit in Mogadore, OH, which complements and expands our existing product portfolio."

Tracy Garrison, President and CEO HEXPOL Compounding NAFTA

Portage Precision Polymers, with two manufacturing facilities in Ohio (Ravenna and Mogadore), US, had a turnover of 29 MUSD in 2013. The Ravenna facility is not included in the transaction and its business will be transferred to other HEXPOL facilities.

The acquired business has an EBITDA margin below the HEXPOL Group and is expected to give a minor positive impact on earnings per share from start.

"This is a further step in expanding and strengthening the HEXPOL Group with a further acquisition within our core business. Portage Precision Polymer product portfolio and customer base will fit nicely into the HEXPOL Group."

Georg Brunstam, CEO HEXPOL Group

The acquisition price amounts to approximately 13.2 MUSD on a cash and debt free basis and was funded by a combination of cash and existing bank facilities. The business will be consolidated from December 2014.

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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 2013 amounted to 8,036 MSEK. The HEXPOL Group has approximately 3,700 employees in eleven countries. Further information is available at www.hexpol.com.

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