

Mr. Chairman, esteemed shareholders and AGM participants,

2012 was the HEXPOL Group's best year – to date!

I will now relatively briefly describe what we achieved in 2012: our growth, our strategies for growth with strong margins and a strong operating cash flow, as well as our future priorities. In conclusion, I would also like to present our report for the first quarter of 2013, which we published today 12.00 CET.

As I said – 2012 was our best year – so far!

We increased our sales by 11 per cent to over 8 billion SEK from about 7.2 billion in the preceding year. We experienced strong growth with further improved margins and an operating profit amounting to 1,069 MSEK.

We also have a very strong balance sheet with an equity/assets ratio of a full 49.2 per cent, which, of course, is gratifying considering the turbulent global financial situation and our acquisition agenda. We experienced strong operating cash flows as a result of favorable management of our working capital. Our earnings per share rose substantially to 21.88 SEK per share.

I am relatively pleased with and proud of our earnings, but the most important aspect is that we further improved our market positions in 2012. We are the undisputed global leader in external rubber compounds and we are now a strong European player in TPE compounds. Here, we have further broadened our compounding operations with new, exciting materials and end-users. We also cemented our top global position in gaskets for plate heat exchangers. We are also the only global manufacturer of wheels for truck manufacturers. All within our core businesses! Our strategy also includes growth in the emerging markets – which we have achieved. We are also continuing our efforts with capacity expansion in Mexico and China.

During 2012, we made two major acquisitions in our core area Compounding, namely Müller Kunststoffe and Robbins. Müller Kunststoffe is a leading Central European developer and manufacturer of thermoplastic elastomer compounds (TPE Compounding). Robbins is a leading U.S. manufacturer of rubber compounds against end-user segments such as agriculture, mining, oil and gas.

HEXPOL is growing. As mentioned, we bolstered our sales by 11 per cent in 2012. Our strategy is to grow organically and through acquisitions in familiar areas, but always with favorable margins and strong operating cash flows. In 2001, we generated sales of nearly 500 MSEK and now, in 2012, our sales reached over 8 billion SEK. We experienced strong growth both organically and through acquisitions in areas that we know. We also improved our margins while achieving this growth.

We have a strong business concept and business model, and a vision to support this. For example, we coped well with the automotive and financial crisis in 2009 and generated an operating margin in 2009 of 10.0 per cent (EBIT adjusted for items affecting comparability).

We also have a vision that provides guidance. This vision remains unchanged and the term market leader is pivotal to us. Our markets are highly fragmented with many local competitors, thus providing us with many opportunities.

As I mentioned, we have strong global positions and we also have a favorable distribution of sales and production.

In addition, we are active in growing customer segments. The automotive industry is experiencing substantial growth on a global basis although Europe appears weak. We have also noted strong growth in the engineering industry and particularly in the oil/gas/energy sector. Moreover, we foresee strong demand for products for the material management industry and, as mentioned, for the energy sector, which when combined also benefits demand for our wheels and gaskets. Our HEXPOL Wheels unit is also one of very few global players in its market. In TPE compounds, we also foresee many attractive and growing applications, such as in hygiene products and medical technology.

HEXPOL is an international Group that generates about 95 per cent of its sales outside Sweden and has production operations in 33 locations in nine countries (in addition to sales offices in a few more markets). Our industrial history traces its roots back to Gislaved AB in the province of Småland where we (Hexagon) purchased the Tekniskt Gummi Division (Technical Rubber Division) in 1994, which subsequently became Gislaved Gummi AB. The Tekniskt Gummi Division conducted operations in three product areas – rubber compounds, gaskets and wheels. We subsequently globalized these three product areas through acquisitions and organic growth (“Greenfield”) and created today’s HEXPOL Group.

As I said, 2012 was a very favorable year for us. We surpassed our financial targets, both in terms of margins and growth. As I mentioned, we are experiencing substantial growth, although we are constantly maintaining strong margins and a strong operating cash flow, and we are acquiring companies that we are familiar with, in areas that we know.

Our figures for the past five years demonstrate this.

Our growth with healthy margins and strong cash flows is the basis for the Board’s proposal of a dividend of SEK 6.00/share (5.00), which is an increase of 20 per cent.

Today, the HEXPOL Group has 3,400 skilled employees in ten countries and we are organized in two business areas and a number of product and market areas. Our headquarters are located here in Malmö, a few blocks from here. We are a high-quality supplier/development partner of technological intermediate goods and components with advanced proprietary technology in materials, processes and applications.

Sustainable development is included in HEXPOL's strategic work and is a prioritized area. HEXPOL has a strategy that entails a proactive environmental effort, as well as a social responsibility to contribute to the sustainable development of our society. We have compiled all of our strategies and all of our outcomes and measures in a comprehensive and transparent manner in our Sustainability report, which is available on our website. During the year, we

focused on such aspects as energy conservation and we continued to implement certified environmental management systems. We also report, as earlier years, our performance in sustainable development in accordance with a globally accepted “reporting standard,” known as GRI, at the B level.

Allow me to also comment on the priorities that I announced one year ago. I promised that we would continue to focus on acquisitions, continue to focus on margins, intelligently integrate our acquisitions and continue our sustainable development efforts. I think we have succeeded!

In 2013, we will continue our focus on acquisitions (Robbins in the end of 2012), continue to focus on customer-development projects, focus on margins, capacity expansion only in emerging markets, and continue our sustainable development efforts. In addition, we will, and have already, increase the pace of our skills development program.

I would like to conclude by commenting on our earnings for the first quarter of 2013, which we published at noon today. A strong quarter – the best result to date!

In conclusion, I would once again like to thank all of our employees for their extraordinary efforts in 2012, and thank our customers, suppliers and, in particular, our shareholders for your confidence and strong teamwork in 2012. We are determined and we promise to work hard, both strategically and operationally, to continue to advance the HEXPOL Group in a positive direction. We have a strong platform for the future.

THANK YOU!