



Proposed distribution of the shares  
in Hexagon Polymers AB  
(being renamed Hexpol AB) to the  
shareholders of Hexagon AB (publ)

**Information brochure for Hexagon shareholders prior to  
resolution at the Annual General Meeting on 5 May 2008**

This information brochure is not a listing prospectus. It is to be used as decision-making documentation by Hexagon shareholders when resolving on the Board of Directors' proposed distribution of Hexpol AB. Assuming that such a distribution is resolved by the Annual General Meeting of Hexagon AB (publ) shareholders on 5 May 2008, a listing prospectus will be prepared in connection with an application for a listing of class B Hexpol shares on the OMX Nordic Exchange Stockholm.

The Board of Directors of Hexagon AB has proposed that the company's shareholders resolve at the Annual General Meeting on 5 May 2008 to transfer all of the shares of Hexagon Polymers AB (being renamed Hexpol AB) to the shareholders of Hexagon AB (publ) in the form of a dividend. This brochure, which contains information prior to this resolution, is being distributed to all of the shareholders in Hexagon. The brochure is also available in both Swedish and English at Hexagon's offices in Nacka Strand, Sweden, and on Hexagon's website, [www.hexagon.se](http://www.hexagon.se).

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### Annual General Meeting

The Annual General Meeting of Hexagon shareholders will be held on Monday 5 May 2008 at 5 p.m. at IVA, Grev Turegatan 16, Stockholm, Sweden.

Shareholders wishing to participate and vote at the Annual General Meeting must

- be registered as shareholders in the share register maintained by VPC no later than 28 April 2008.
- and notify Hexagon of their intention to attend the Annual General Meeting no later than 12 noon on 30 April 2008.

Notification of attendance should be indicated in one of the following ways:

- by e-mail to [bolagsstamma@hexagon.se](mailto:bolagsstamma@hexagon.se)
- in writing to Hexagon AB, "Annual General Meeting", P. O. Box 1112, SE-131 26 Nacka Strand, Sweden

**Questions pursuant to the Board of Directors' motion concerning the distribution to Hexagon shareholders of the shares in Hexpol can be directed by telephone to +46 8 601 26 27 or by e-mail to [ir@hexagon.se](mailto:ir@hexagon.se)**

Statements on future prospects in this brochure are made by the Board of Directors in Hexagon and are based on current market conditions. The relevant statements are carefully prepared, but the reader should be aware of that these, as any other forecast or prediction, are not without uncertainty.

The Hexpol Group has a worldwide business that is dependent upon the general global financial and political situation as well as circumstances that are unique for a certain country or region. As is the case for almost all business operations, the general economic situation has an influence on Hexpol's current and potential customers' willingness and ability to invest. A weak economic trend globally or in parts of the world may therefore entail a weaker market expansion than expected. There are also risks in relation to strategic and operational, legal, financial and stock market related conditions and such conditions which have a direct connection to Hexpol as well as such which lack such specific connection, but which affect the industry in which Hexpol operates.

# Background and reasons

The Board of Directors of Hexagon has proposed to Hexagon's Annual General Meeting on 5 May 2008 that the company's shareholders resolve to transfer all of the shares of Hexagon Polymers AB (being renamed as Hexpol AB and hereinafter referred to as Hexpol) to the shareholders of Hexagon in the form of a dividend. The intention is that the Hexpol shares will be listed on the OMX Nordic Exchange Stockholm, with 9 June 2008 as the first date of trading.

Such a separate listing of Hexpol is a natural step in the development of the operations of Hexagon and Hexpol. During recent years, Hexpol has evolved from a local Nordic player to a rapidly growing group of companies with global manufacturing and global customers. The company is currently a world leader in advanced rubber compounding and gaskets for plate heat exchangers, and is also one of the leading players in the global market for the manufacture of polyurethane, plastic and rubber wheels.

The reason for a separate listing of the polymer operations is that Hexpol has reached a size and level of profitability that makes the business attractive as an independent listed company. The spin-off will enable the management and Board of Directors of both Hexagon and Hexpol to capitalize on the

operational and strategic opportunities that arise in each company, including increased potential to continue to grow via the establishment of new operations and the acquisition of companies. Hexpol has been assigned sufficient resources in terms of management, administration, operational control and business development, and is thus ready to continue to develop as an independent company.

As a listed company, Hexpol will apply a focused and well-adapted growth strategy, with an organization and capital structure that supports this growth.

In the opinion of the Board of Directors of Hexagon, the long-term value for the shareholders will increase through a spin-off of the operation and the distribution of the shares in Hexpol. A separate market listing of Hexpol shares will also enable both current and new shareholders to decide to invest directly in Hexpol.

In the opinion of the Board of Directors of Hexagon, a distribution of the Hexpol shares and a separate listing of Hexpol will highlight the value of the company and create value for the shareholders of Hexagon, who will thus also become direct owners of Hexpol.

Stockholm, Sweden, April 2008

Hexagon AB (publ)  
Board of Directors

# How the distribution of Hexpol shares will be implemented

## Resolution regarding distribution

Assuming that the Annual General Meeting of Hexagon on 5 May 2008 resolves in accordance with the Board of Directors' proposal to distribute all of the shares in the wholly owned subsidiary Hexpol, persons who on the record date set for the receipt of such a dividend are registered as shareholders of Hexagon will be entitled to be allotted Hexpol shares. Apart from being registered as a Hexagon shareholder, no actions need to be taken in order to obtain Hexpol shares. Terms, conditions and instructions concerning the proposed distribution are presented below.

## Terms, conditions and instructions

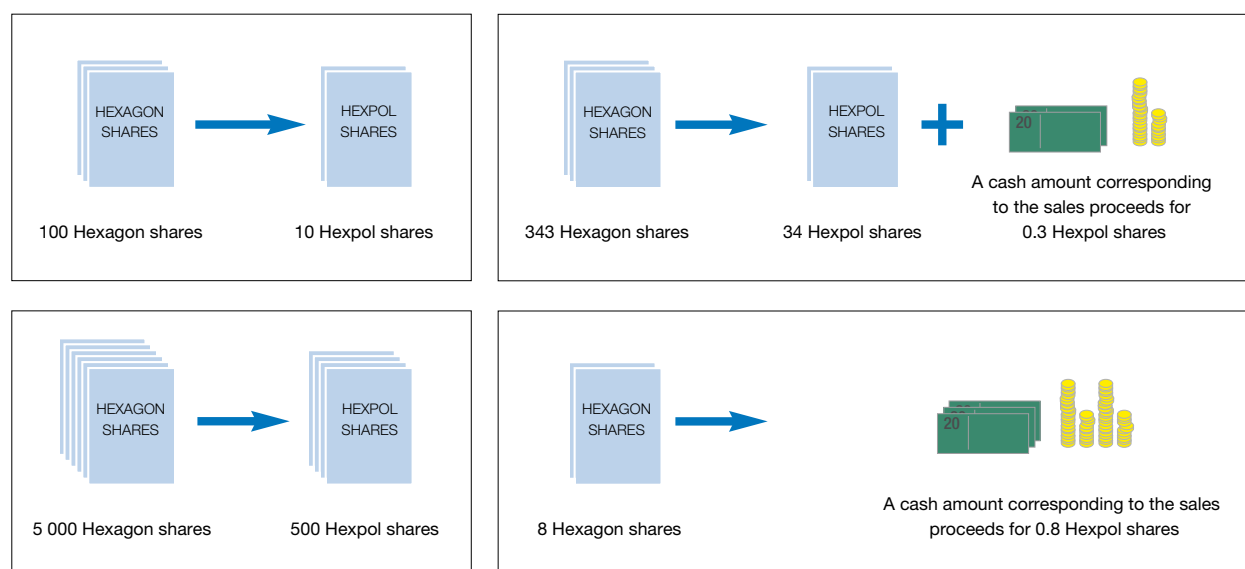
In accordance with the "Lex ASEA" rules, the intention is that the shares in Hexpol will be distributed to the Hexagon shareholders in proportion to their current shareholding in

Hexagon. For each multiple of ten class A or class B shares, one share of the corresponding class of Hexpol shares will be received. If holdings of class B shares are not equally divisible by ten, fractions of a share will be received. Such fractions of Hexpol shares will be combined into complete Hexpol shares, which will then be sold on the OMX Nordic Exchange under the auspices of Swedbank. Settlement amounts, with no deductions for brokerage, will be paid via VPC to each particular shareholder.

## Record date

The record date at VPC for receipt of Hexpol shares is 5 June 2008. The final date for trading in Hexagon shares including rights to the distribution of Hexpol shares is 2 June 2008. The shares in Hexagon will be traded excluding rights to Hexpol shares as of 3 June 2008.

## Examples



### Receipt of shares

Those persons who on the record date are registered in the share register of shareholders in Hexagon maintained by VPC will receive Hexpol shares without having to take any action. On the day after the record date, the Hexpol shares will be available in the shareholders' VP accounts (or in the VP accounts belonging to those that in some other manner are entitled to distribution). Subsequently, VPC will send a VP notice stating the number of shares that are registered in the recipient's VP account.

### Nominee-registered shareholdings

Shareholders whose holdings in Hexagon are nominee-registered by a bank or other nominee will receive no issue report. Instead, notification will be sent in accordance with the directions of the respective nominee.

### Listing

The Board of Directors of Hexpol intends to apply for a listing of the company's class B share on the OMX Nordic Exchange

in Stockholm. The first date of trading is expected to be 9 June 2008. Hexpol does not intend to apply for a listing of the Hexpol share on any other exchange or marketplace. Nor does the company intend to register the shares under the United States Securities Act of 1933 or any other foreign equivalent, or take any actions that would subject Hexpol to the reporting requirements of the SEC (United States Securities and Exchange Commission).

### Right to dividend

The Hexpol shares carry entitlement to dividends as of the 2008 financial year. Payment of any dividend will be executed by VPC or, if the shares are nominee-registered, in accordance with the procedures of the particular nominee.

### Advisor

In connection with the distribution of shares in Hexpol, Swedbank Markets served as the issue institution and financial advisor to Hexagon and Hexpol.

## Important dates

2 June 2008	Final date for trading in Hexagon shares including rights to the distribution of Hexpol shares
3 June 2008	Hexagon shares traded ex-rights to Hexpol shares
5 June 2008	Record date for receipt of Hexpol shares
5 June 2008	Publication of listing prospectus
9 June 2008	Estimated date for the listing of class B Hexpol shares on OMX Nordic Exchange in Stockholm, Sweden

# Tax considerations

## Summary

**The distribution of Hexpol shares is intended to be made under the Lex ASEA provisions and will thus not result in any immediate tax consequences. The tax basis of the shares in Hexagon giving entitlement to the distribution shall be allocated between these shares and the Hexpol shares received.**

Below follows a summary of certain Swedish tax provisions that apply in conjunction with Hexagon's distribution and listing of class B Hexpol shares for shareholders who are unconditionally resident in Sweden for tax purposes, unless otherwise stated below. The summary is based on prevailing legislation and is intended as general information only.

The summary below does not cover situations where the shares in Hexagon or Hexpol are held for business purposes or as current assets in business operations or by a partnership. Special rules apply for certain categories of tax payers. The tax implications for each shareholder depend in part on the shareholder's specific circumstances. Accordingly, each shareholder should consult a tax advisor as to the tax consequences relating to his or her particular circumstances, including the applicability and effect of foreign rules and tax treaties.

## Taxation of the distribution of Hexpol shares

The distribution of Hexpol shares is intended to be made under the Lex ASEA provisions, which means it will not result in any immediate tax consequences. Hexagon has requested that the Swedish Tax Agency confirm this. In connection with the distribution of Hexpol shares, the tax basis of the shares in Hexagon giving entitlement to the distribution shall be allocated between these shares and the Hexpol shares received.

The allocation of the tax basis will be based on the change in value of the shares in Hexagon due to the distribution of the Hexpol shares. Hexagon will request guidelines from the Swedish Tax Agency on the allocation of the tax basis. Information regarding the guidelines will be published as soon as possible on the websites of Hexagon, Hexpol and the Swedish Tax Agency.

## Taxation on the disposal of shares or share fractions in Hexpol

Capital gains taxation arises upon the disposal of Hexpol shares. The same applies to shareholders who receive fractions of Hexpol shares that are sold on their behalf. The capital gain or capital loss on quoted shares is computed as the difference between the sales proceeds, after deduction for sales costs, and the tax basis (acquisition expense). The tax basis of the Hexpol shares received through the distribution is to be determined on the basis of the guidelines that the Swedish Tax Agency will render. The tax basis for every fraction of a share in Hexpol should amount to the corresponding part of the tax basis of one Hexpol share, as determined pursuant to the Swedish Tax Agency's guidelines. When the capital gain or the capital loss is computed, the tax basis of all shares of the same class and type in Hexpol are added together and computed collectively under

the “average method”. Since the class B Hexpol shares will be listed, the tax basis may alternatively be determined to be 20 per cent of the net sales revenue under the “standard rule”.

For *individuals*, a capital gain is normally taxed in the capital income category at a rate of 30 per cent. A capital loss on quoted shares may be fully offset against taxable capital gains on shares and other listed securities that are taxed as shares and other publicly traded participatory rights, except for shares in investment funds containing only receivables denominated in Swedish currency<sup>1</sup>. A capital loss that cannot be offset will be deductible from other income from capital at 70 per cent. Should a deficit arise in the capital income category, such deficit may reduce municipal or national income tax as well as property tax and municipal property charges. The tax reduction is granted at 30 per cent of a deficit that does not exceed 100 000 SEK and at 21 per cent for any remaining part. Deficits may not be saved for a later taxation year.

For *limited companies*, capital gains on shares that are not held for business purposes are taxed as income from business operations at a rate of 28 per cent. Capital losses on such shares are normally only deductible against taxable capital gains on shares and other participatory rights. Such a capital loss may also, if certain conditions are fulfilled, be offset against capital gains on shares and participatory rights in companies within the same group. Capital losses that have not been utilized within a certain year may be carried forward and be offset against capital gains on shares and participatory rights in future years without limitation in time.

### **Taxation of dividends from Hexpol**

Dividends from Hexpol are taxed in the capital income category for individuals at 30 per cent and as income from business operations at a rate of 28 per cent for limited companies. For individuals resident in Sweden, a preliminary tax of 30 per cent is withheld. The preliminary tax is generally withheld by VPC or, for nominee-registered shares, by the nominee.

### **Wealth tax**

The Wealth Tax Act was abolished as of the 2007 tax year.

### **Taxation of shareholders not resident in Sweden**

For shareholders who are not fiscally resident and who receive dividends from Swedish limited companies, Swedish withholding tax is generally payable. However, the distribution of Hexpol shares is exempt from Swedish withholding tax under the “Lex ASEA provisions”. The distribution may, however, entail tax consequences in the shareholder’s country of residence.

For shareholders who are conditionally resident in Sweden for tax purposes, Swedish withholding tax will normally be payable on dividends paid by Hexpol. The tax rate is 30 per cent, which is normally reduced by tax treaties that Sweden has concluded with other countries for the avoidance of double taxation. Accordingly, most of Sweden’s tax treaties enable a reduction of the Swedish tax to the tax rate stipulated in the treaty immediately on the dividend-payment date, if requisite details of the domicile of the person entitled to the dividend are known. However, this does not apply to the tax treaty with Switzerland. In Sweden, the withholding tax is normally withheld by VPC or, for nominee-registered shares, by the nominee. In cases where the 30 per cent tax on dividends is withheld in connection with payment to a person who is entitled to be taxed at a lower rate, or if the tax on dividends has otherwise been withheld in an excessive amount, a refund may be requested from the Swedish Tax Agency prior to the end of the fifth calendar year following the distribution.

Shareholders who are not fiscally resident in Sweden and are not conducting business operations from a fixed place or a permanent establishment in Sweden are generally exempt from capital gains taxation in Sweden on the disposal of shares, although such shareholders may be liable for tax in their countries of residence. According to a special tax provision, however, individuals who are conditionally resident in Sweden for tax purposes may be subject to capital gains taxation in Sweden in connection with, for example, the disposal of Swedish shares or fractions of such shares, if such an individual has been resident or lived permanently in Sweden at any time during the calendar year of the sale or the ten calendar years immediately preceding the year of the sale. In several cases, this rule has been limited by tax treaties that Sweden has concluded with other countries.

<sup>1</sup> Known as interest funds.

# Statement by the CEO of Hexagon

Hexpol is the new name of Hexagon's business area Hexagon Polymers. The operations were originally started in Svenska Gummifabriks AB, which was formed in Gislaved and whose Technical Products Division provided the platform for a niche-based growth strategy in the field of polymer products. Growth has been very strong under Hexagon's ownership. In 2000, the operations reported sales of 482 MSEK, while seven years later, annualized sales had risen to slightly more than 3 100 MSEK, corresponding to average annual growth of 30 per cent.

Business growth has been created through a strong organic growth rate and successful acquisitions. From its origins as a Swedish business, Hexpol is now a global group of companies with about 2 300 employees in nine countries and 90 per cent of sales outside Sweden. Growth has been achieved with a continued strong cash flow, and the Hexpol Group currently has 15 modern and well-invested production units in nine countries, including China, Mexico, Sri Lanka and the Czech Republic.

Hexpol has now reached a size, market position and level of profitability that make the operations attractive and enable it to generate business growth on an independent basis. Accordingly, Hexagon's Board of Directors has decided to propose to the Annual General Meeting of Hexagon to distribute the shares in Hexpol to Hexagon's shareholders. Subsequently,

Hexpol's Board of Directors intends to apply for a listing of the Hexpol shares on the OMX Nordic Exchange, with the first day of trading being 9 June 2008.

The affiliation with Hexagon has provided Hexpol with strong growth and a profitability-oriented corporate culture based on expertise and a speedy and flexible organization. I am convinced that this heritage will prove to be a foundation for Hexpol's continued success during its exciting journey as a publicly listed company.

The listing will facilitate Hexpol's continued growth, both organically and through acquisitions. At the same time, the listing of Hexpol will transform Hexagon from June 2008 into a dedicated measurement technologies company that, in future years, will focus with full force on expansion of its measurement technologies business in new, exciting and rapidly growing segments of the measurement technologies market. The listing of Hexpol will create value for Hexagon's shareholders through growth and strong profitability in two highly focused listed companies.

Ola Rollén  
*President and CEO*  
Hexagon AB



# Brief description of Hexpol

## Group summary

Hexpol is a world leading global polymer group with strong market positions that enable it to offer innovative solutions and products within rubber compounding, gaskets for plate heat exchangers and wheels made of polyurethane, plastic and rubber materials for trucks and castor wheel applications.

The Group is organized in two business areas: Hexpol Compounding and Hexpol Engineered Products, and has production units in nine countries. The business areas operate in separate market segments, and Hexpol utilizes distinct synergies in the areas of technology, purchasing and production. Customers outside Sweden account for about 90 per cent of sales, and seven of the Group's production units are situated in the expansive regions comprising Asia, Mexico and Eastern Europe. The total number of employees is approximately 2 300, mainly employed in Asia, the US and Sweden.

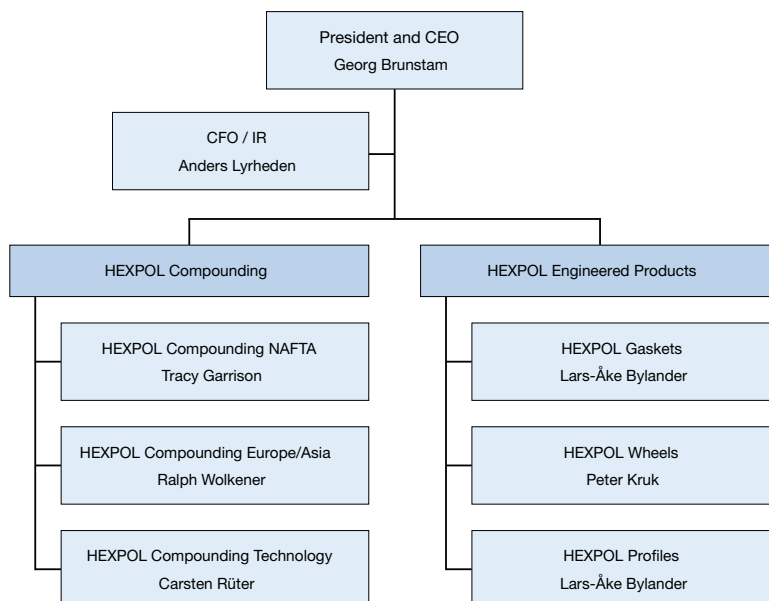
Most of the production units are relatively new and all plants are well-invested. The technology level is high and far-reaching production and technological coordination generates cost efficiency, high and consistent quality and opportunities to easily transfer production between the various units.

## Operations and market

To develop long-term profitability and sustainable competitiveness, Hexpol has focused its operations on markets that offer opportunities to capture leading positions.

Customers of the Hexpol Compounding business area are mainly system suppliers to the global automotive industry. Customers comprise international companies that subject suppliers to stringent demands in terms of quality and delivery reliability. The automotive industry, which is a very large user of rubber components, is characterized by rapid expansion, particularly in the regions where Hexpol has its plants, thus creating favourable potential for continued growth.

OEM manufacturers (Original Equipment Manufacturer) of plate heat exchangers comprise the largest customer group of the Hexpol Engineered Products business area. Supported by growing interest in energy efficiency, the market for plate heat exchangers is characterized by very strong growth and, in turn, strong demand for the products offered by the Hexpol Gaskets product area. Since Hexpol's customers include all major manufacturers of plate heat exchangers, the Group has a strong position from which it can capitalize on the product



segment's dynamic growth. The largest customers of the Hexpol Wheels product area consist of companies in the segment comprising manufacturers of materials-handling equipment. The increased volume of materials handling throughout the world is generating strong growth for these customers. Hexpol Wheels is favourably positioned with products including high-quality wheels for trucks and castor wheel applications. The product area Hexpol Profiles is one of the leading manufacturers of extruded profiles in the Scandinavian market.

What all of the areas of business have in common is the importance of cutting-edge expertise related to polymer materials, applications know-how in the Group's business areas and cost-efficient production operations.

### History

Hexpol has its origins in Svenska Gummifabriks AB, which was formed in Gislaved at the end of the 19th century. This segment of the once highly diversified Gislaved Group with operations focused on rubber compounding materials and technical products was acquired by Hexagon in 1994. The operations have since been developed through investments in product development and acquisitions of complementary companies, most recently Gold Key in the US, which was acquired in the autumn of 2007. In addition, proprietary production units have been constructed in China and Mexico and production capacity in Sri Lanka has been increased sharply.

### Vision

Hexpol's vision is to be a market leader, ranking number one or two, in selected technological or geographical segments, to be able to generate growth and shareholder value.

### Business concept

The business concept is to operate as a product and application specialist in a limited number of selected niche areas for the development and production of polymer products. Hexpol shall be the most attractive partner for customers in key industries, such as the automotive and construction industries, the energy sector and the materials-handling industry, based on its offering of innovative and specialized polymer products and solutions.

### Strategy

To achieve sustainable profitability and competitiveness, five operating strategies are applied:

- Product development based on in-depth and broad polymer and applications expertise
- Operating as the most cost-efficient company in the industry
- Efficient supply management that generates volume and technological benefits
- Superior management skills through competent and experienced teams
- Speed management based on short and fast decision-making procedures

In addition to the operating strategies outlined above, the Group also pursues a strategy to achieve continued growth, both organically and through acquisitions.

### Success factors

Since 2000, Group operations have expanded from annual sales of 482 MSEK to slightly more than 3 100 MSEK, with operating margins that – in most cases – are much better than those of comparable companies. The operating margin in 2007 exceeded 11 per cent. Cash flow has been strong despite the rapid growth and, when combined with approved credit lines, it provides the Group with a strong financial base for continued growth and expansion.

This favourable trend is the result of deep and comprehensive product development skills, cost-efficient production plants and successful company acquisitions. The Group is also positioned strongly in segments characterized by healthy growth.

The corporate culture is strong, with skilled and experienced employees led by experienced management teams with short and speedy decision-making routes.

### Trends and future outlook

Hexpol operates in markets where short and long-term growth, both geographically and in terms of applications, is considered favourable for both the Hexpol Group and its customers. Three markets that offer particularly promising growth potential are the energy sector, the automotive industry and the materials-handling industry, areas where Hexpol's customers are key suppliers in various sub-segments. The Group has also recently established units in such interesting growth markets as China and Mexico, which provides competitive advantages in the form of lower production costs and continued growth opportunities. These factors, combined with a continued acquisition-oriented focus, provide the Group with a strong platform for sustaining its favourable development.

## Hexpol – Condensed financial statements 2005–2007

Amounts in MSEK	2007	2006	2005
<b>Condensed income statements</b>			
Net sales	2 730	2 488	2 205
Operating expenses	-2 425	-2 283	-1 950
Operating earnings	305	205	255
Financial items	-50	-39	-23
Earnings after financial items	255	166	232
Tax	-69	-48	-70
<b>Net earnings</b>	<b>186</b>	<b>118</b>	<b>162</b>
<b>Condensed balance sheets</b>			
Total assets	2 795	2 027	2 003
Intangible fixed assets	1 134	827	883
Tangible fixed assets	735	511	492
Financial fixed assets	2	2	2
Current assets	924	687	626
Shareholders' equity	1 022	883	881
Long-term liabilities	1 326	871	848
Current liabilities	447	273	274
<b>Condensed cash flow statement</b>			
Cash flow from operating activities	268	179	135
Investments in intangible fixed assets	-9	-3	-1
Investments in tangible fixed assets	-164	-121	-66
Acquisition of subsidiaries	-350	-	-25
Cash flow from financing activities	367	-18	-52
Cash flow for the year	112	37	-9
Cash and cash equivalents at year-end	228	116	79
<b>Profitability ratios</b>			
Average shareholders' equity	953	882	830
Average capital employed	2 067	1 708	1 553
Profit margin before tax, %	9.3	6.7	10.5
Return on shareholders' equity, %	19.5	13.4	19.5
Return on capital employed, %	15.2	12.5	17.0
<b>Capital structure</b>			
Debt/equity ratio, %	1.1	0.8	0.8
Equity/assets ratio, %	36.6	43.6	44.0
<b>Employees</b>			
Average number of employees	2 120	1 933	1 691
Number of employees at year-end	2 327	2 016	1 760
Sales per employee	1.29	1.29	1.30
<b>Key figures</b>			
Net sales growth, %	9.7	12.8	36.6
Operating margin, %	11.2	8.2	11.6

### Definitions

#### Capital employed

Total assets less non-interest-bearing liabilities.

#### Debt/equity ratio

Interest-bearing liabilities divided by shareholders' equity at period end.

#### Equity/assets ratio

Shareholders' equity as a percentage of total assets at period end.

#### Net sales growth (%)

Percentage change in net sales compared with a year earlier.

#### Operating margin

Operating earnings (EBIT) divided by net sales.

#### Profit margin before tax

Earnings after financial items as a percentage of net sales.

#### Return on capital employed

Operating earnings plus financial income as a percentage of average capital employed.

#### Return on shareholders' equity

Earnings after financial items as a percentage of average shareholders' equity.

#### Sales per employee

Sales divided by average number of employees.

# Board of Directors, management and auditors

## Board of Directors

### Melker Schörling

Born in 1947, B.Sc. (Econ.)  
Chairman and Member of the Board since 2007.

Other significant assignments/positions:  
Chairman of Hexagon AB, Melker Schörling AB, Aarhus-Karlshamn AB, Securitas AB and BNS Holding AB. Board Member of Hennes & Mauritz AB.

Hexagon shareholding: 11 812 500 class A shares and 50 415 654 class B shares, through Melker Schörling AB.

### Georg Brunstam

Born in 1957, M.Sc. (Eng.)  
Board Member since 2007

Other significant assignments/positions:  
Board Member of Nibe Industrier AB, DIAB International AB and AB Wilh Becker.

Hexagon shareholding: –

### Alf Göransson

Born in 1957, B.Sc. (Econ.)  
Board Member since 2007

Other significant assignments/positions:  
President, CEO and Board Member of Securitas AB. Chairman of the Board of Lund University. Board Member of Axel Johnson Inc., USA.

Hexagon shareholding: –

### Jan-Anders E. Månson

Born in 1952, M.Sc. (Eng.), PhD  
Board Member since 2008

Other significant assignments/positions:  
Chairman of AISTS. Board Member of Konstruktions-Bakelit AB, CSEM SA, DECISION SA, EELCEE SA, FIT and Logitech EPFL Incubator.

Hexagon shareholding: –

### Malin Persson

Born in 1968, M.Sc. (Eng.)  
Board Member since 2007

Other significant assignments/positions:  
CEO and Board Member of Volvo Technology AB. Board Member of Volvo Lastvagnar AB, Volvo Technology Transfer AB, Universeum AB and Konecranes Plc.

Hexagon shareholding: –

### Maths O. Sundqvist

Born in 1950, economist  
Board Member since 2007

Other significant assignments/positions:  
CEO of AB Skandinav. Chairman of the Board of Jämtlamell AB and Fabös AB. Board Member of Hexagon AB, Investment AB Öresund and Fabege AB.

Hexagon shareholding: 40 000 000 class B shares through companies.

### Ulrik Svensson

Born in 1961, B.Sc. (Econ.)  
Board Member since 2007

Other significant assignments/positions:  
CEO of Melker Schörling AB. Board Member of Loomis AB and AarhusKarlshamn AB.

Hexagon shareholding: –

## Senior executives

### Georg Brunstam

Born in 1957, M.Sc. (Eng.)  
President and CEO  
Employed since 2007  
Hexagon shareholding: –

### Lars-Åke Bylander

Born in 1965, technician  
Head of Gaskets Product Area  
Employed since 2000  
Hexagon shareholding: 1 550 class B shares

### Tracy Garrison

Born in 1967, B.Sc. (Chem.)  
Head of Compounding NAFTA  
Employed since 2002  
Hexagon shareholding: –

### Peter Kruk

Born in 1968, M.Sc. (Eng.)  
Head of Wheels Product Area  
Employed since 2007  
Hexagon shareholding: 300 class B shares

### Anders Lyrheden

Born in 1965, B.Sc. (Econ.)  
Chief Financial Officer  
Employed since 2006  
Hexagon shareholding: 750 class B shares

### Carsten Rüter

Born in 1971, M.Sc. (Eng.)  
Head of Compounding Technology  
Employed since 1997  
Hexagon shareholding: –

### Ralph Wolkener

Born in 1971, MBA  
Head of Compounding Europe & Asia  
Employed since 1997  
Hexagon shareholding: –

## Auditors

Authorized Public Accountants **Stefan Engdahl** and **Gunno Rydberg**, both employed by Ernst & Young AB, have been auditor and deputy auditor, respectively, of Hexpol during the period covered by the historical financial information, meaning from 2005 up to and including the first half of 2008 (Gunno Rydberg since June 2005). For the current year up to the end of 2011, the company has selected the registered accounting firm Ernst & Young AB, with **Ingvar Ganestam** as auditor in charge.

# Shareholder structure

The table below shows Hexagon's shareholder structure at 31 December 2007, based on information from VPC.

	Class A shares	Class B shares	Share capital, %	Voting rights, %
Melker Schörling AB	11 812 500	50 415 654	23.5	45.4
Maths O. Sundqvist through companies		39 000 000	14.7	10.5
Swedbank Robur Fonder		17 161 625	6.5	4.6
AFA Försäkring		14 177 792	5.3	3.8
Columbia Wanger Asset Management		10 950 000	4.1	2.9
Mellon Omnibus		5 801 210	2.2	1.6
JP Morgan		4 881 543	1.8	1.3
Handelsbanken Funds		4 368 729	1.7	1.2
Fidelity Funds		4 195 582	1.6	1.1
SEB Investement Management		3 942 425	1.5	1.1
AMF Pensionsförsäkrings AB		3 900 000	1.5	1.1
Handelsbanken		3 804 908	1.4	1.0
Simon Bonnier		3 227 430	1.2	0.9
Other AP Fund		2 946 165	1.1	0.8
Didner & Gerge Mutual Fund		2 770 000	1.0	0.8
Ola Rollén		2 731 152	1.0	0.7
Fourth AP Fund		1 904 087	0.7	0.5
Northern Trust		1 815 809	0.7	0.5
SIS Segaintersettle AG		1 788 044	0.7	0.5
AMF Pension Funds		1 646 900	0.6	0.4
Total, 20 largest shareholders	11 812 500	181 429 055	72.8	80.7
Total, other	–	72 108 430	27.2	19.3
<b>Total number of shares</b>	<b>11 812 500</b>	<b>253 537 485</b>	<b>100.0</b>	<b>100.0</b>

Source: Directly and nominee-registered holdings with VPC at 31 December 2007, grouped among shareholders

## Financial effects on Hexagon of the distribution of Hexpol

The table below provides a summary of the effects on the financial results of Hexagon excluding Hexpol in 2007, and its financial position excluding Hexpol at 31 December 2007, assuming that the distribution of Hexpol has been effected.

### Condensed income statement

Operational income statement, distributed between the proposed spin-off of Hexpol and remaining operations in Hexagon.

	Hexagon 2007	Effect of proposed distribution	Hexagon 2007 remaining operations
Net sales	14 587	2 730	11 857
Cost of goods sold	-8 490	-2 238	-6 252
<b>Gross earnings</b>	<b>6 097</b>	<b>492</b>	<b>5 605</b>
Selling, administrative costs, etc.	-3 910	-187	-3 723
Share of associated companies' earnings	-31	-	-31
Capital gains	114	-	114
<b>Operating earnings <sup>1)</sup></b>	<b>2 270</b>	<b>305</b>	<b>1 965</b>
<b>Operating earnings (EBIT1)</b>	<b>2 421</b>	<b>310</b>	<b>2 111</b>
Depreciation and impairment losses are included in an amount of <sup>3)</sup>	-803	-70	-733
Operating margin, %	16.6	11.4	17.8
<sup>1)</sup> Of which, non-recurring items	-151	-5	-146
<sup>3)</sup> Of which, amortization of surplus value	-63	0	-63

### Key figures

	Hexagon 2007	Effect of proposed distribution	Hexagon 2007 remaining operations
Operating margin, %	16.6	11.4	17.8
Equity/assets ratio, %	40.3	38.7	37.7

### Definitions

#### Equity/assets ratio

Shareholders' equity as a percentage of total assets.

#### Operating earnings (EBIT1)

Operating earnings excluding capital gains on sales of participations in Group companies and other non-recurring items.

#### Operating earnings (EBITDA)

Operating earnings excluding capital gains from participations in Group companies, non-recurring items and amortization and depreciation of fixed assets.

#### Operating margin

Operating earnings (EBIT1) as a percentage of net sales for the period.

### Condensed balance sheet

Hexagon's balance sheet at 31 December 2007, distributed between the proposed spun-off company and remaining operations in Hexagon is presented in the table below.

	Hexagon 31 Dec 2007	Effect of proposed distribution	Hexagon 31 Dec 2007 remaining operations*
Intangible fixed assets	14 151	1 134	13 017
Tangible fixed assets	2 277	735	1 542
Financial fixed assets	76	2	74
Deferred tax assets	492	0	492
<b>Total fixed assets</b>	<b>16 996</b>	<b>1 871</b>	<b>15 125</b>
Inventories	2 586	308	2 278
Accounts receivable	3 075	344	2 731
Other receivables	465	26	439
Prepaid expenses and accrued revenue	206	18	188
Cash and bank balances	1 612	138	1 474
<b>Total current assets</b>	<b>7 944</b>	<b>834</b>	<b>7 110</b>
<b>Total assets</b>	<b>24 940</b>	<b>2 705</b>	<b>22 235</b>
<b>Total shareholders' equity</b>	<b>10 046</b>	<b>1 022</b>	<b>9 024</b>
Interest-bearing liabilities	9 789	1 208	8 581
Other liabilities	17	0	17
Provisions for pensions	433	10	423
Provision for taxes	668	20	648
Other provisions – long-term portion	192	2	190
<b>Total long-term liabilities</b>	<b>11 099</b>	<b>1 240</b>	<b>9 859</b>
Other provisions – current portion	208	0	208
Interest-bearing liabilities	170	88	82
Accounts payable	1 473	252	1 221
Other liabilities	757	13	744
Accrued expenses and deferred income	1 187	90	1 097
<b>Total current liabilities</b>	<b>3 795</b>	<b>443</b>	<b>3 352</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>24 940</b>	<b>2 705</b>	<b>22 235</b>

\* The capital adjustment that will be effected in connection with the company's listing has not been taken into account in the pro forma balance sheet above. Following this adjustment, the balance sheet, which corresponds to the proposed distribution, will give rise to a net debt/equity ratio at the date of listing that corresponds to about three times EBITDA, calculated on the basis of the most recent 12 months.

**The information brochure can be ordered:**

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- by telephone to +46 8 601 26 20
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