

Press release, Malmö, Sweden, January 19, 2015

HEXPOLs acquisition of RheTech, a well-known Thermoplastic Compounder in the US market, is completed

HEXPOL has acquired RheTech LLC and RheTech Colors from the founders' families. RheTech has close to 50 years' experience of polymer compounding and is a leading provider of polyolefin compounds, engineered resins and multifunctional colorant and additives.

"The acquisition expands HEXPOL Compounding NAFTA's capabilities and capacities within Polymer Compounding and is a very good complement to our present Polymer Compounding business."

Tracy Garrison, President and CEO HEXPOL Compounding NAFTA

"This is excellent news for RheTech. HEXPOL is already a leading worldwide Polymer Compounder and this partnership will serve as a HEXPOL launching pad for plastics compounding for HEXPOL here in North America. RheTech has established a successful track record in North America highlighted by best-in-class operations, a reputation for quality and reliability, and long-standing customer and supplier relationships."

John Levinson, President and CEO RheTech

RheTech has four facilities (including manufacturing and laboratories) located in Whitmore Lake, MI (RheTech), Fowlerville, MI (RheTech), Sandusky, OH (RheTech Colors) and in Blacksburg, SC (RheTech Engineered Plastics). RheTech had a turnover of 117 MUSD in 2013 and has around 212 employees. The acquired business has an EBITDA margin well below the HEXPOL Group and is expected to have a positive impact on earnings per share from start.

"This is a further step in expanding and strengthening the HEXPOL Group with another acquisition within our core business. RheTech, with its competence and capabilities, will fit nicely into the HEXPOL Group and broadens our product range within Polymer Compounding."

Georg Brunstam, CEO HEXPOL Group

The acquisition price amounts to approximately 112 MUSD on a cash and debt free basis and is funded by a combination of cash and existing bank facilities. The business will be consolidated from the acquisition day.

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HEXPOL is a world-leading polymers group with strong global positions in advanced polymer 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 3,900 employees in eleven countries. Further information is available at www.hexpol.com.

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