HEXAGON

Interim Report

1 JANUARY – 30 JUNE 2010

- Strong order intake with 30 per cent organic growth in the second quarter
- North America and Europe display an accelerated recovery and the emerging markets continue their rapid expansion
- Operating margin improved to 18 per cent (15) in the second quarter
- Strong cash flow generation, in spite of 16 per cent organic sales growth, in the second quarter. Continuous focus on working capital efficiency
- 2.1 billion USD acquisition of Intergraph announced on 7 July

MSEK	Q2 2010	Q2 2009	Δ%	H1 2010	H1 2009	Δ%
Order intake	3,649	2,951	30 [1)]	6,773	5,940	23 [1)]
Net sales	3,390	3,068	16 [1)]	6,298	6,106	11 [1)]
Operating earnings (EBIT1)	613	454	35	1,091	859	27
Operating margin, %	18.1	14.8	3.3	17.3	14.1	3.2
Earnings before taxes excl. non-recurring items	576	411	40	1,019	761	34
Non-recurring items	-	-	-	-	-175	n.a.
Earnings before taxes	576	411	40	1,019	586	74
Net earnings	495	354	40	876	505	73
Earnings per share, excl. non-recurring items, SEK	1.86	1.33	40	3.29	2.47	33
Earnings per share, SEK	1.86	1.33	40	3.29	1.90	73

1) Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

COMMENTS FROM OLA ROLLÉN, PRESIDENT AND CEO, HEXAGON AB

”The pace of the recovery in NAFTA and EU has accelerated in the quarter. At the same time, demand and activity levels in emerging markets are at an all-time high. It is satisfying to see that our investments in building a strong presence in emerging markets are paying off. We are also gaining momentum in the market place as a result of our strong product portfolio and the continuous launch of new technologies. In the second quarter we report an organic growth of 16 per cent in net sales and take further comfort in the fact that our order intake grows nearly twice as fast. In regards to the acquisition of Intergraph, the process of receiving regulatory clearances is running according to schedule and we estimate financial consolidation to take place in the fourth quarter.”

GROUP DEVELOPMENT

The second quarter of 2010 sees an accelarated recovery in demand with organic growth in order intake and net sales of 30 and 16 per cent respectively.

Hexagon's best quarter so far was the second quarter in 2008. In the second quarter 2010 the Group is only 4 per cent below that quarter in order intake and 11 per cent below in sales adjusted for structural changes and currency. However, regionally, EMEA is still 23 per cent below the peak and Americas is 15 per cent below its previous peak. Asia is 28 per cent above the level recorded in second quarter 2008 displaying the importance of emerging markets exposure.

Geosystems which represents 56 per cent of Group sales in the second quarter records an order intake and net sales organic growth of 22 and 11 per cent, respectively. Metrology which represents 35 per cent of Group sales displays order intake and net sales organic growth of 45 and 29 per cent, respectively. Technology which represents 4 per cent of sales displays order intake and net sales organic growth of -14 and -25 per cent, respectively.

SALES BRIDGE Q2

MSEK	Order intake	Net sales
2009	2,951	3,068
Structure, %	0	0
Currency, %	-6	-6
Organic growth, %	30	16
Total, %	24	10
2010	3,649	3,390

MARKET DEVELOPMENT

All geographic regions are displaying double digit organic growth in order intake and net sales. Asia and South America are continuing to display strong growth. North America and Europe have accelerated the recovery from the low levels in the first half of 2009, both reporting over 20 per cent organic growth in order intake.

EMEA

The demand for Hexagon's products in EMEA improved during the second quarter. The organic growth in order intake and net sales was 28 and 19 per cent, respectively. For the Group's core business, Measurement Technologies (MT), order intake and net sales organic growth was 23 and 16 per cent, respectively. The organic growth in order intake and sales for Other Operations amounted to 128 per cent and 58 per cent, respectively.

The major markets in Western Europe experienced increased activity levels in the second quarter backed by improved demand for measurement equipment used in connection to infrastructural investments as well as for equipment used in industrial segments such as automotive and aerospace. Southern and Southeastern Europe remain weak. Eastern Europe, Russia, the Middle East and Africa continue to grow.

EMEA is expected to continue its recovery in 2010.

AMERICAS

Americas recorded organic growth in order intake and net sales of 23 and 13 per cent, respectively, in the second quarter.

Both Geosystems and Metrology were showing accelerated recovery in demand. Technology recorded negative growth in the second quarter.

NAFTA is expected to continue its recovery in 2010.

South America, led by Brazil, is seeing strong demand for Geosystems, as well as Metrology products. The mining and oil exploration activity is increasing and Hexagon is gaining market share in these segments.

The South American market is expected to deliver strong growth during 2010.

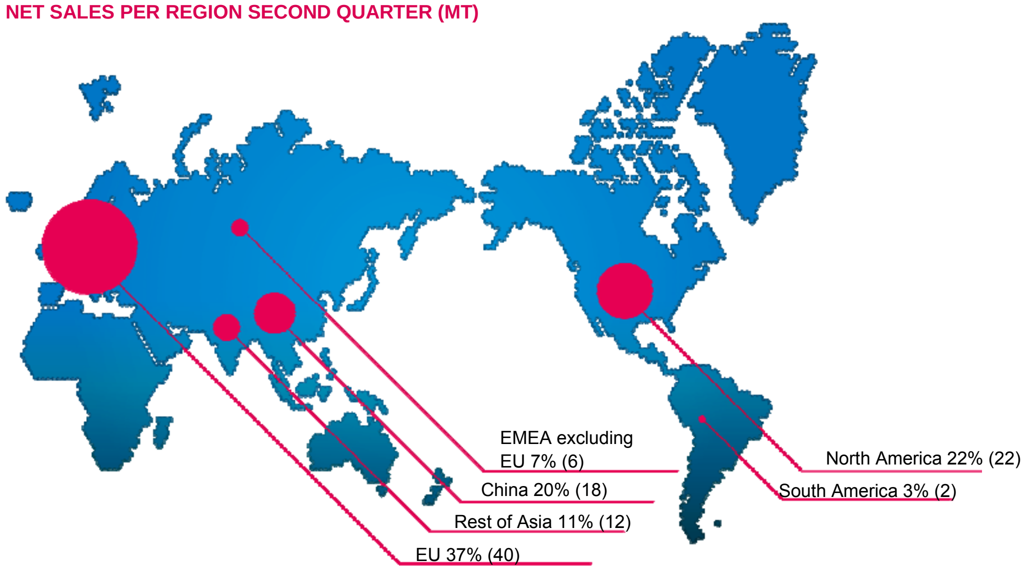
ASIA

Asia recorded continuous strong organic growth during the second quarter. The organic growth in order intake and net sales was 38 and 14 per cent, respectively.

The growth in the region was obtained from infrastructural activities in China, as well as, strong demand from the Chinese and Indian automotive and aerospace industries. In addition to India and China, several other markets and industries in the region are growing, as for example Korea, Australia and Southeast Asia.

Asia is expected to continue its growth during 2010 as the growth in China continues and other economies in the region return to growth.

NET SALES PER REGION SECOND QUARTER (MT)



FINANCIAL SUMMARY SECOND QUARTER

	Net sales			Earnings		
MSEK	Q2 2010	Q2 2009	Δ % [1)]	Q2 2010	Q2 2009	Δ %
Hexagon MT	3,256	2,983	15	633	489	29
Other operations	134	85	58	-2	-22	91
Group cost and eliminations				-18	-13	-38
Operating earnings (EBIT1)				613	454	35
Per cent of net sales				18.1	14.8	3.3
Interest income and expenses, net				-37	-43	-14
Earnings before non-recurring items				576	411	40
Non recurring items				-	-	-
Net sales	3,390	3,068	16			
Earnings before taxes				576	411	40

1) Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

CURRENCY IMPACT SECOND QUARTER (AS COMPARED TO SEK)

	Movement [1)]	Income-cost	Profit impact
CHF	Weakened	Negative	Positive
USD	Weakened	Positive	Negative
EUR	Weakened	Positive	Negative
CNY	Weakened	Positive	Negative
EBIT1, MSEK			-30

1) Compared to Q2 2009.

Q2 NET SALES AND EARNINGS

Order intake amounted to 3,649 MSEK (2,951) and net sales amounted to 3,390 MSEK (3,068) in the second quarter. Using fixed exchange rates and a comparable group structure, order intake increased by 30 per cent and net sales increased by 16 per cent.

Operating earnings (EBIT1) amounted to 613 MSEK (454), which corresponds to an operating margin of 18.1 per cent (14.8). Operating earnings were negatively affected by exchange rate movements of -30 MSEK.

The financial net amounted to -37 MSEK (-43) in the second quarter. The decrease is mainly explained by a lower net debt.

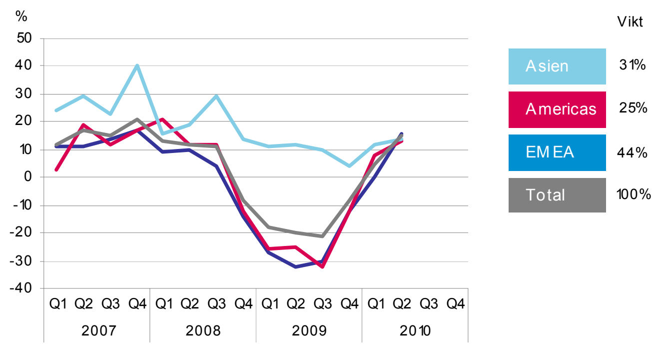
Earnings before taxes amounted to 576 MSEK (411). Earnings were negatively affected by exchange rate fluctuations of -29 MSEK.

Net earnings increased to 495 MSEK (354), or 1.86 SEK (1.33) per share.

ORDER INTAKE – ORGANIC GROWTH BY REGION (MT)

For the third consecutive quarter Hexagon reports an accelerating organic growth in order intake and a positive book to bill ratio, i.e. an order intake which exceeds net sales.

NET SALES – ORGANIC GROWTH BY REGION (MT)



The second quarter 2010 is the first quarter since the second quarter 2008 where all regions are reporting double digit growth figures. Asia continues to display strong growth and EMEA is currently recovering in a faster pace than Americas.

FINANCIAL SUMMARY FIRST SIX MONTHS

	Net sales			Earnings		
MSEK	H1 2010	H1 2009	Δ % [1)]	H1 2010	H1 2009	Δ %
Hexagon MT	6,052	5,925	10	1,134	922	23
Other operations	246	181	36	-9	-37	76
Group cost and eliminations				-34	-26	-31
Operating earnings (EBIT1)				1,091	859	27
Per cent of net sales				17.3	14.1	3.2
Interest income and expenses, net				-72	-98	-27
Earnings before non-recurring items				1,019	761	34
Non recurring items				-	-175	n.a.
Net sales	6,298	6,106	11			
Earnings before taxes				1,019	586	74

1) Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

CURRENCY IMPACT FIRST SIX MONTHS (AS COMPARED TO SEK)

	Movement [1)]	Income-cost	Profit impact
CHF	Weakened ↘	Negative ↘	Positive ↗
USD	Weakened ↘	Positive ↗	Negative ↘
EUR	Weakened ↘	Positive ↗	Negative ↘
CNY	Weakened ↘	Positive ↗	Negative ↘
EBIT1, MSEK			-86

1) Compared to H1 2009.

H1 NET SALES AND EARNINGS

Order intake amounted to 6,773 MSEK (5,940) and net sales amounted to 6,298 MSEK (6,106) in the first six months. Using fixed exchange rates and a comparable group structure, order intake increased by 23 per cent and net sales increased by 11 per cent.

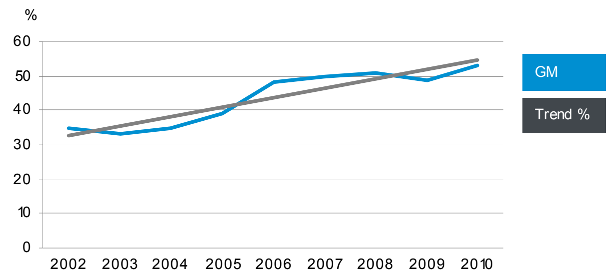
Operating earnings (EBIT1) amounted to 1,091 MSEK (859), which corresponds to an operating margin of 17.3 per cent (14.1). Operating earnings were negatively affected by -86 MSEK from exchange rate movements.

The financial net amounted to -72 MSEK (-98) in the period. The decrease is mainly explained by a lower interest rate and a lower net debt.

Earnings before taxes, excluding non-recurring items, amounted to 1,019 MSEK (761). In the six months of 2009, non-recurring items amounted to 175 MSEK related to the cost reduction programme. Earnings before taxes, including non-recurring items, amounted to 1,019 MSEK (586). Earnings were negatively affected by exchange rate fluctuations of -83 MSEK.

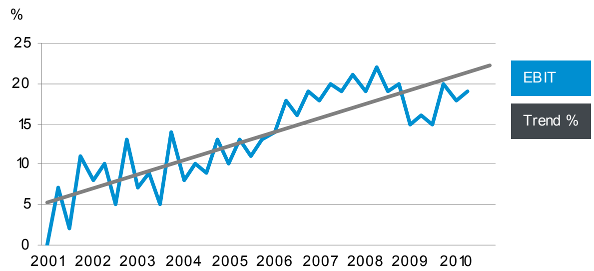
Net earnings, excluding non-recurring items, amounted to 876 MSEK (656), or 3.29 SEK (2.47) per share. Net earnings, including these items, increased to 876 MSEK (505). This corresponds to an increase in earnings per share of 73 per cent to 3.29 SEK (1.90).

GROSS MARGIN (MT) YEARLY DATA



Product innovations including new technology, lower manufacturing costs and an increasing software content has allowed Hexagon to improve the gross margin from 35 per cent in 2002 to 51 per cent in 2008.
In 2009 the gross margin decreased to 49 per cent. In the first six months in 2010 it improved to 53 per cent.

OPERATING MARGIN (MT) QUARTERLY DATA



Hexagon improved its operating margin from 5 per cent in 2001 to 20 per cent in 2008. In 2009 the margin decreased to approximately 17 per cent due to reduced volumes caused by the global economic downturn. In the second quarter 2010 the margin improved to 19.4 per cent (16.4).

Mount Rushmore National Memorial scanned with Hexagon's 3D High-Definition Laser Scanners. Billions of millimetrically-accurate points were captured, along with more than 7,000 photographs to create interactive virtual models of the monument, including virtual tours of the site and 3D educational games.

PROFITABILITY

Capital employed, defined as total assets less non-interest bearing liabilities, increased to 23,471 MSEK (23,207). Return on average capital employed, excluding non-recurring items, for the last twelve months was 9.0 per cent (9.2). Return on average shareholders' equity for the last twelve months was 13.0 per cent (11.6). The capital turnover rate was 0.6 times (0.5).

FINANCIAL POSITION

Total shareholders' equity increased to 13,546 MSEK (12,199). The equity ratio increased to 50 per cent (46). Hexagon's total assets increased to 26,957 MSEK (26,412).

Hexagon's primary source for financing the company's operations is a syndicated loan facility amounting to 1 billion EUR that expires in June 2011. In connection with the acquisition of Intergraph commitments have been secured to finance the acquisition and to refinance the existing revolving credit facility.

On 30 June 2010, cash and unutilised credit limits totalled 3,734 MSEK (2,765). Hexagon's net debt was 8,405 MSEK (9,474). The net indebtedness was 0.62 times (0.78). Interest coverage ratio was 14.4 times (6.5).

CASH FLOW

During the second quarter cash flow from operations before changes in working capital increased to 747 MSEK (521), corresponding to 2.83 SEK (1.97) per share. Cash flow from operations in the second quarter amounted to 629 MSEK (698), corresponding to 2.38 SEK (2.64) per share. The cash flow was negatively affected by the settlement of restructuring programme obligations, amounting to -20 MSEK (-64). The operating cash flow in the second quarter after restructuring amounted to 380 MSEK (437).

For the first six months, cash flow from operations was 1,082 MSEK (964), corresponding to 4.09 SEK (3.65) per share and the operating cash flow after restructuring amounted to 629 MSEK (422).

INVESTMENTS AND DEPRECIATION

Hexagon's net investments, excluding acquisitions and divestitures, were -229 MSEK (-197) in the second quarter and -408 MSEK (-431) in the first six months. Depreciation and write-downs were -217 MSEK (-185) in the second quarter and -421 MSEK (-379) in the first six months.

TAX RATE

The Group's tax expense for the first six months totalled -143 MSEK (-81), corresponding to an effective tax rate of 14 per cent (14). The tax expense is affected by the fact that the majority of Hexagon's earnings is generated in foreign subsidiaries located in countries where the tax rates differ from the enacted rate in Sweden.

EMPLOYEES

The average number of employees in Hexagon during the first six months was 7,346 (7,739). The number of employees at the end of the second quarter was 7,596 (7,792).

SHARE DATA

Earnings per share for the second quarter amounted to 1.86 SEK (1.33). Earnings per share for the first six months increased to 3.29 SEK (1.90). Excluding non-recurring items, earnings per share for the first six months amounted to 3.29 SEK (2.47). On 30 June 2010, equity per share was 51.06 SEK (45.96) and the share price was 102 SEK (70). At full exercise of existing stock option programmes, the dilution effect would be 1.0 per cent of the share capital and 0.7 per cent of the number of votes.

ASSOCIATED COMPANIES

Associated companies affected Hexagon's earnings during the first six months by 1 MSEK (-2).

PARENT COMPANY

The parent company's earnings after financial items for the first six months increased to 1,090 MSEK (351) primarily due to dividends from subsidiaries. The solvency ratio of the parent company was 41 per cent (38). The equity was 7,781 MSEK (7,068). Liquid funds including unutilised credit limits were 2,755 MSEK (1,712).

BUSINESS AREA

MEASUREMENT TECHNOLOGIES SALES AND EARNINGS

MSEK	Q2 2010	Q2 2009	Δ%	H1 2010	H1 2009	Δ%
Order intake	3,496	2,884	28 [1)]	6,493	5,818	21 [1)]
Net sales	3,256	2,983	15 [1)]	6,052	5,925	10 [1)]
Operating earnings (EBIT1)	633	489	29	1,134	922	23
Operating margin,%	19.4	16.4	3.0	18.7	15.6	3.1

1) Organic growth.

MEASUREMENT TECHNOLOGIES

Order intake amounted to 3,496 MSEK (2,884) during the second quarter. Net sales amounted to 3,256 MSEK (2,983). Using fixed exchange rates and a comparable group structure, order intake increased by 28 per cent and net sales by 15 per cent.

Operating earnings (EBIT1) amounted to 633 MSEK (489), which corresponds to an operating margin of 19 per cent (16).

The number of employees by the end of the quarter was 7,291 (7,448).

OTHER OPERATIONS SALES AND EARNINGS

MSEK	Q2 2010	Q2 2009	Δ%	H1 2010	H1 2009	Δ%
Order intake	153	67	128 [1)]	280	122	129 [1)]
Net sales	134	85	58 [1)]	246	181	36 [1)]
Operating earnings (EBIT1)	-2	-22	91	-9	-37	76
Operating margin,%	-1.5	-25.9	24.3	-3.7	-20.4	16.7

1) Organic growth.

OTHER OPERATIONS

Order intake amounted to 153 MSEK (67) during the second quarter. Net sales amounted to 134 MSEK (85). Using fixed exchange rates and a comparable group structure, order intake increased by 128 per cent and net sales by 58 per cent.

Operating earnings (EBIT1) amounted to -2 MSEK (-22), which corresponds to an operating margin of -2 per cent (-26).

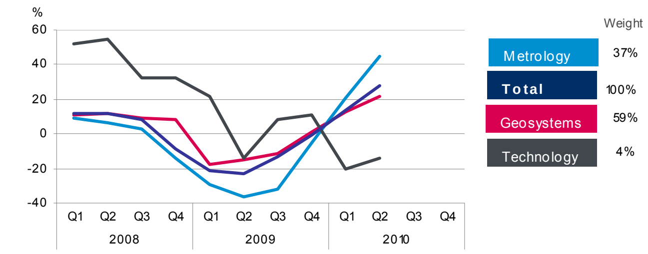
The number of employees by the end of the quarter was 293 (332).

MEASUREMENT TECHNOLOGIES APPLICATION AREAS

	Order intake						Net sales					
MSEK	Q2 2010	Q2 2009	Δ % [1)]	H1 2010	H1 2009	Δ % [1)]	Q2 2010	Q2 2009	Δ % [1)]	H1 2010	H1 2009	Δ % [1)]
Geosystems	2,078	1,783	22	3,851	3,510	18	1,914	1,806	11	3,594	3,477	11
Metrology	1,282	936	45	2,377	1,949	33	1,197	976	29	2,172	2,066	14
Technology	136	165	-14	265	359	-17	145	201	-25	286	382	-18
Total Hexagon MT	3,496	2,884	28	6,493	5,818	21	3,256	2,983	15	6,052	5,925	10

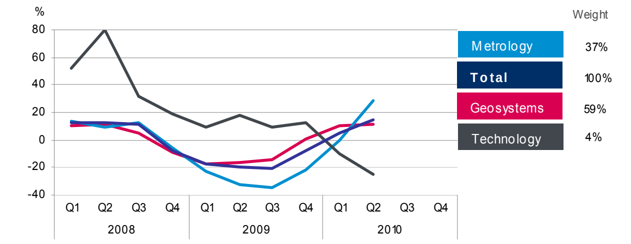
1) Organic growth.

ORDER INTAKE – ORGANIC GROWTH BY APPLICATION AREA (MT)



The organic growth in order intake was 22 percent in Geosystems and 45 per cent in Metrology. This signals further growth in coming quarters.

NET SALES – ORGANIC GROWTH BY APPLICATION AREA (MT)



Geosystems continues to display double digit growth. Metrology has definitely seen a turn-around in its markets and displays organic sales growth of 29 per cent compared to the corresponding period 2009. Technology has reported two consecutive quarters of negative organic growth.

The new high precision Leica Absolute Tracker AT401 is designed to work over ultra long distances and in the most demanding environments, making it useful in a wide variety of industries and segments.

The Board of Directors and the President and CEO declare that this six-month Interim report provides a true and fair overview of the company´s and the Group´s operations, their financial position and performance, and describes material risks and uncertainties facing the company and companies within the Group.

Stockholm, Sweden, 5 August 2010

Hexagon AB (publ)

Melker Schörling
Chairman of the Board

Mario Fontana Board Member	Ulrika Francke Board Member
Ulf Henriksson Board Member	Gun Nilsson Board Member
Ulrik Svensson Board Member	Ola Rollén President and CEO Board Member

This Interim Report has not been reviewed by the company's auditors.

ACCOUNTING PRINCIPLES

Hexagon applies International Financial Reporting Standards (IFRS) as adopted by the European Union. Hexagon's report for the Group is prepared in accordance with IAS 34, "Interim Financial Reporting" and the Annual Accounts Act. Parent company accounts are prepared in accordance with the Annual Accounts Act. Accounting principles and calculation methods are unchanged from those applied in the Annual Report for 2009 with the following exception: the new IFRS 3 Business Combinations, which came into effect on 1 January 2010, has changed how acquisitions are to be reported, where, among others, transaction expenses are no longer allowed for capitalisation but must be expensed over the income statement as incurred. This change has had no impact on this interim report. However, the acquisition of Integraph will incur transaction costs which will be expensed in the income statement.

RISKS AND UNCERTAINTY FACTORS

As an international Group, Hexagon is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. The financial risks are related to such factors as exchange rates, interest rates, liquidity, the giving of credit, raw materials and financial instruments. Risk management in Hexagon aims to identify, control and reduce risks. This work begins with an assessment of the probability of risks occurring and their potential effect on the Group. For a detailed description of risks and risk management, see the 2009 Annual Report. No significant risks other than the risks referred to above are deemed to be currently relevant.

RELATED PARTY TRANSACTIONS

No significant related party transaction have ocurred in the second quarter of 2010.

SUBSEQUENT EVENTS

On 6 July 2010, Hexagon AB entered into an agreement to acquire Intergraph Corporation. Completion of the transaction is subject to regulatory approvals. Regulatory clearance is expected to take approximately 2-3 months. Hexagon will pay a cash purchase price of 2,125 MUSD for Intergraph on a cash and debt free basis. The transaction is expected to be earnings accretive as from closing and is expected to generate significant synergies. Cash integration and transaction costs are not expected to exceed 65 MUSD and will be charged immediately after closing. Non cash costs, i.e. Purchase Price Allocations, will be communicated as soon as the opening balance sheet is established. Commitments have been secured to finance the acquisition and to refinance Hexagon's existing 1,000 MEUR revolving credit facility. Following completion of the acquisition Hexagon will pursue a rights issue corresponding to approximately 6.5 billion SEK. Commitments for more than 50 % of the rights issue have been received. For more information see press release dated 7 July 2010.

Condensed income statement

MSEK	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009
Net sales	3,390	3,068	6,298	6,106	11,811
Cost of goods sold	-1,695	-1,641	-3,089	-3,250	-6,231
Gross earnings	1,695	1,427	3,209	2,856	5,580
Sales and administration costs, etc.	-1,083	-973	-2,119	-2,170	-3,978
Earnings from shares in associated companies	1	0	1	-2	-2
Operating earnings 1)	613	454	1,091	684	1,600
Interest income and expenses, net	-37	-43	-72	-98	-158
Earnings before taxes	576	411	1,019	586	1,442
Taxes	-81	-57	-143	-81	-188
Net earnings 2)	495	354	876	505	1,254
1) of which non-recurring items	-	-	-	-175	-184
2) of which non-controlling interest	3	2	6	4	9
Including depreciation and write-downs of 3)	-217	-185	-421	-379	-756
3) of which amortisation on excess values identified at acquisition	-26	-29	-53	-59	-116
Basic earnings per share, SEK	1.86	1.33	3.29	1.90	4.71
Earnings per share after dilution, SEK	1.86	1.33	3.29	1.89	4.71
Total shareholder's equity per share, SEK	51.06	45.96	51.06	45.96	47.03
Closing number of shares, thousands	264,367	264,347	264,367	264,347	264,347
Average number of shares, thousands	264,356	264,235	264,352	264,222	264,284
Average number of shares after dilution, thousands	264,356	264,349	264,391	264,583	264,511

Condensed comprehensive income

MSEK	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009
Net earnings	495	354	876	505	1,254
Other comprehensive income:					
Exchange rate differences	867	-334	660	-395	-953
Effect of hedging of net investments in foreign operations	-318	178	-191	313	430
Cash flow hedges, net	-5	8	-4	4	1
Tax attributable to Other comprehensive income	84	-56	51	-96	-113
Other comprehensive income, net of tax	628	-204	516	-174	-635
Total comprehensive income for the period	1,123	150	1,392	331	619
Attributable to:					
Parent company shareholders	1,118	148	1,383	325	609
Non-controlling interest	5	2	9	6	10

Condensed balance sheet

MSEK	30/6 2010	30/6 2009	31/12 2009
Intangible fixed assets	17,162	16,693	16,396
Tangible fixed assets	1,703	1,819	1,694
Financial fixed assets	195	108	129
Deferred tax assets	632	456	590
Total fixed assets	19,692	19,076	18,809
Inventories	2,850	2,943	2,597
Accounts receivable	2,918	2,842	2,630
Other receivables	342	413	306
Prepaid expenses and accrued income	321	342	290
Total current receivables	3,581	3,597	3,226
Cash and cash equivalents	834	796	794
Total current assets	7,265	7,336	6,617
Total assets	26,957	26,412	25,426
Attributable to parent company shareholders	13,498	12,150	12,433
Attributable to non-controlling interest	48	49	51
Total shareholders' equity	13,546	12,199	12,484
Interest bearing liabilities	3,956 [1]	10,367	9,251
Other liabilities	13	17	14
Pension provisions	347	421	383
Deferred tax provisions	332	229	409
Other provisions	34	178	65
Total long-term liabilities	4,682	11,212	10,122
Other provisions	232	349	265
Interest bearing liabilities	5,554 [1]	75	117
Accounts payable	967	745	864
Other liabilities	659	580	477
Accrued expenses and deferred income	1,317	1,252	1,097
Total short-term liabilities	8,729	3,001	2,820
Total equity and liabilities	26,957	26,412	25,426

1) The Group's syndicated loan facility expires in June 2011 and have therefore been reclassified as a short-term liability in the second quarter 2010.

Changes in condensed shareholders'equity

MSEK	30/6 2010	30/6 2009	31/12 2009
Opening shareholders' equity as of 1 January	12,484	12,014	12,014
Total comprehensive income for the period 1)	1,392	331	619
Dividend	-329	-146	-148
Effect of acquisitions of subsidiaries	-1	-2	-3
Effect of share-based payments	-	2	2
Closing shareholders' equity 2)	13,546	12,199	12,484
1) of which: Parent company shareholders	1,383	325	609
Non-controlling interest	9	6	10
2) of which: Parent company shareholders	13,498	12,150	12,433
Non-controlling interest	48	49	51

Number of shares, analysis

	Nominal value, SEK	series A	series B	Total
2008-12-31 Total issued	2	11,812,500	253,707,270	265,519,770
Repurchase	2	-	-1,311,442	-1,311,442
2008-12-31 Total issued and outstanding	2	11,812,500	252,395,828	264,208,328
Options exercised	2	-	138,825	138,825
2009-12-31 Total issued and outstanding	2	11,812,500	252,534,653	264,347,153
Options exercised	2	-	20,070	20,070
2010-06-30 Total issued and outstanding	2	11,812,500	252,554,723	264,367,223

Condensed cash flow statement

MSEK	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009
Cash flow from operations before change in working capital	747	521	1,214	878	2,003
Cash flow from change in working capital	-118	177	-132	86	618
Cash flow from operations	629	698	1,082	964	2,621
Cash flow from ordinary investing activities	-229	-197	-408	-431	-821
Operating cash flow	400	501	674	533	1,800
Cash flow from restructuring	-20	-64	-45	-111	-190
Operating cash flow after restructuring	380	437	629	422	1,610
Cash flow from other investing activities 1)	-7	-23	-59	-69	-268
Cash flow after other investing activities	373	414	570	353	1,342
Dividends paid	-329	-142	-329	-146	-148
Cash flow from other financing activities	128	-59	-211	-341	-1,327
Change in liquid assets 2)	172	213	30	134	-133

1) Acquisitions -48 MSEK and other -11 MSEK in Q1-Q2 2010.

2) The currency effect in liquid assets was 10 MSEK (11) in Q1-Q2 2010.

Key ratios

	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009
Operating margin, %	18.1	14.8	17.3	14.1	15.1
Profit margin before taxes, %	17.0	13.4	16.2	9.6	12.2
Return on shareholders' equity, %	13.0	11.6	13.0	11.6	10.3
Return on capital employed, %	9.0	9.2	9.0	9.2	7.8
Equity ratio, %	50.3	46.2	50.3	46.2	49.1
Net indebtedness	0.62	0.78	0.62	0.78	0.66
Interest coverage ratio	15.8	9.7	14.4	6.5	9.5
Average number of shares, thousands	264,356	264,235	264,352	264,222	264,284
Basic earnings per share excl. non-recurring items, SEK	1.86	1.33	3.29	2.47	5.31
Basic earnings per share, SEK	1.86	1.33	3.29	1.90	4.71
Cash flow per share, SEK	2.38	2.64	4.09	3.65	9.92
Cash flow per share before change in working cap, SEK	2.83	1.97	4.59	3.32	7.58
Share price, SEK	102	70	102	70	106

Order intake

MSEK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	2009
Hexagon MT	3,496	2,997	3,043	2,651	2,884	2,934	11,512
- Of w hich Geosystems	2,078	1,773	1,752	1,598	1,783	1,727	6,860
Metrology	1,282	1,095	1,143	867	936	1,013	3,959
Technology	136	129	148	186	165	194	693
Other operations	153	127	102	106	67	55	330
Group	3,649	3,124	3,145	2,757	2,951	2,989	11,842

Net sales

MSEK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	2009
Hexagon MT	3,256	2,796	2,977	2,556	2,983	2,942	11,458
- Of w hich Geosystems	1,914	1,680	1,775	1,559	1,806	1,671	6,811
Metrology	1,197	975	1,066	844	976	1,090	3,976
Technology	145	141	136	153	201	181	671
Other operations	134	112	99	73	85	96	353
Group	3,390	2,908	3,076	2,629	3,068	3,038	11,811

Operating earnings (EBIT1)

MSEK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	2009
Hexagon MT	633	501	592	391	489	433	1,905
Other operations	-2	-7	-15	-22	-22	-15	-74
Group costs and elimination:	-18	-16	-11	-10	-13	-13	-47
Group	613	478	566	359	454	405	1,784
Margin,%	18.1	16.4	18.4	13.7	14.8	13.3	15.1

Net sales

MSEK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	2009
EMEA	1,597	1,404	1,570	1,207	1,455	1,497	5,729
Americas	809	680	710	678	741	753	2,882
Asia	984	824	796	744	872	788	3,200
Group	3,390	2,908	3,076	2,629	3,068	3,038	11,811

Acquisitions and divestments

MSEK	Q1-Q2 2010 Acquisitions	Q1-Q2 2010 Divestments	Q1-Q2 2009 Acquisitions	Q1-Q2 2009 Divestments
Intangible fixed assets	-6	-	11	-
Other fixed assets	19	-	4	-
Total fixed assets	13	-	15	-
Total current assets	-	-	8	-
Total assets	13	-	23	-
Shareholders' equity incl. non-controlling interests	-1	-	0	-
Total long-term liabilities	-12	-	-42	-
Total short-term liabilities	-22	-	-7	-
Total liabilities	-35	-	-49	-
Total net assets	48	-	72	-
Total acquisition cost/ divestment income	-20	-	-16	-
Adjustment for cash and bank balances in acquired entities	-	-	0	-
Adjustment for non-paid part of acquisition cost/ divestment income incl. payment of items from prior year	-28	-	-56	-
Cash flow from acquisitions	-48	-	-72	-

Acquired entities have converted to IFRS at the acquisition date, which has entailed a change compared to the accounting standards previously applied. Due to the fact that results from operations and financial position in accordance with IFRS are not available, as well as the absence of materiality of the acquisitions, Hexagon does not present information as to how Hexagon's results would have appeared if the acquisitions were made as of the commencement of the reporting period. There were no divestments in the first six months 2010 or in the first six months 2009.

Condensed parent company income statement

MSEK	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009
Net sales	18	8	36	16	31
Administration cost	-36	-14	-50	-28	-48
Operating earnings	-18	-6	-14	-12	-17
Earnings from shares in Group companies	939	549	939	549	549
Interest income and expenses, net	98	-141	165	-186	-230
Earnings after financial items	1,019	402	1,090	351	302
Tax	-21	40	-40	53	61
Net earnings	998	442	1,050	404	363

Condensed parent company balance sheet

MSEK	30/6 2010	30/6 2009	31/12 2009
Total fixed assets	17,731	17,588	17,433
Total current receivables	877	947	965
Cash and cash equivalents	232	233	171
Total current assets	1,109	1,180	1,136
Total assets	18,840	18,768	18,569
Total shareholders’ equity	7,781	7,068	7,046
Total long-term liabilities	2,001	8,617	7,683
Total short-term liabilities	9,058	3,083	3,840
Total equity and liabilities	18,840	18,768	18,569

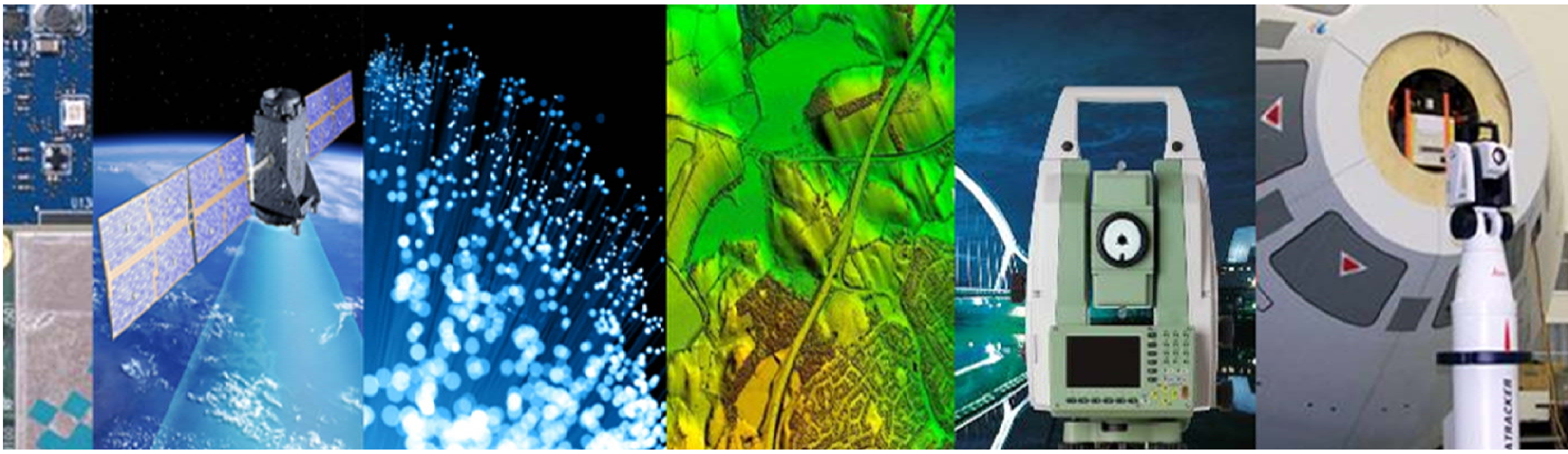
Definitions

FINANCIAL DEFINITIONS

Amortisation on excess values	Amortisation on the difference between carrying value of intangible fixed assets in acquired subsidiaries and the value Hexagon assigned those assets upon date of acquisition.
Capital employed	Total assets less non-interest bearing liabilities.
Capital turnover rate	Net sales divided by average capital employed.
Cash flow	Cash flow from operating activities, excluding non-recurring items, after change in working capital.
Cash flow per share	Cash flow from operating activities, excluding non-recurring items, after change in working capital, divided by average number of shares.
Earnings per share	Net earnings divided by average number of shares.
Equity ratio	Shareholders' equity including non-controlling interests as a percentage of total assets.
Interest cover ratio	Earnings after financial items plus financial expenses divided by financial expenses.
Investments	Purchases less sales of tangible and intangible fixed assets, excluding those included in acquisitions and divestitures of subsidiaries.
Net indebtedness	Interest-bearing liabilities less interest-bearing and liquid assets divided by shareholders' equity excluding non-controlling interests.
Operating earnings (EBIT1)	Operating earnings excluding capital gains on shares in group companies and other non-recurring items.
Operating margin	Operating earnings (EBIT1) as a percentage of net sales.
Profit margin before tax	Earnings after financial items as a percentage of net sales.
Return on capital employed	Twelve months to end of period earnings after financial items, excluding non-recurring items, plus financial expenses as a percentage of twelve months to end of period average capital employed.
Return on equity	Twelve months to end of period net earnings excluding non-controlling interests as a percentage of twelve months to end of period average shareholders' equity excluding non-controlling interests last twelve months.
Shareholders' equity per share	Shareholders' equity excluding non-controlling interests divided by the number of shares at year-end.
Share price	Last settled transaction on NASDAQ OMX Nordic Exchange on the last business day for the period.

BUSINESS DEFINITIONS

Americas	North, South and Central America.
Asia	Asia, Australia and New Zealand.
EMEA	Europe, Middle East and Africa.
MT	Hexagon's core business Measurement Technologies.



Hexagon AB is a global measurement technologies company with strong market positions. Hexagon's mission is to develop and market leading technologies and services to measure in one, two or three dimensions, to position and update objects and to time processes. The Group has about 7,500 employees in 39 countries and net sales of about 12,000 MSEK.

FINANCIAL REPORT DATES 2010

Hexagon gives financial information at the following occasions:

Interim Report Q3 2010	28 October 2010
Year-End Report 2010	February 2011

FINANCIAL INFORMATION

Financial information is available in Swedish and English at the Hexagon website and can be ordered via phone +46 8 601 26 20 or e-mail ir@hexagon.se

TELEPHONE CONFERENCE

The interim report for the second quarter 2010 will be presented 5 August at 13:00 CET at a telephone conference. Please view instructions on how to participate at Hexagon's website.

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This interim report is a type of information that Hexagon AB (publ) is obliged to disclose in accordance with the Swedish Securities Market Act and /or the Financial Instruments Trading Act. The information was submitted for publication on 5 August 2010 at 08:00 CET.

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HEXAGON

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