



Interim Report

1 JANUARY – 31 MARCH 2011

As of 1st January 2011 accounting and presentation currency is Euro

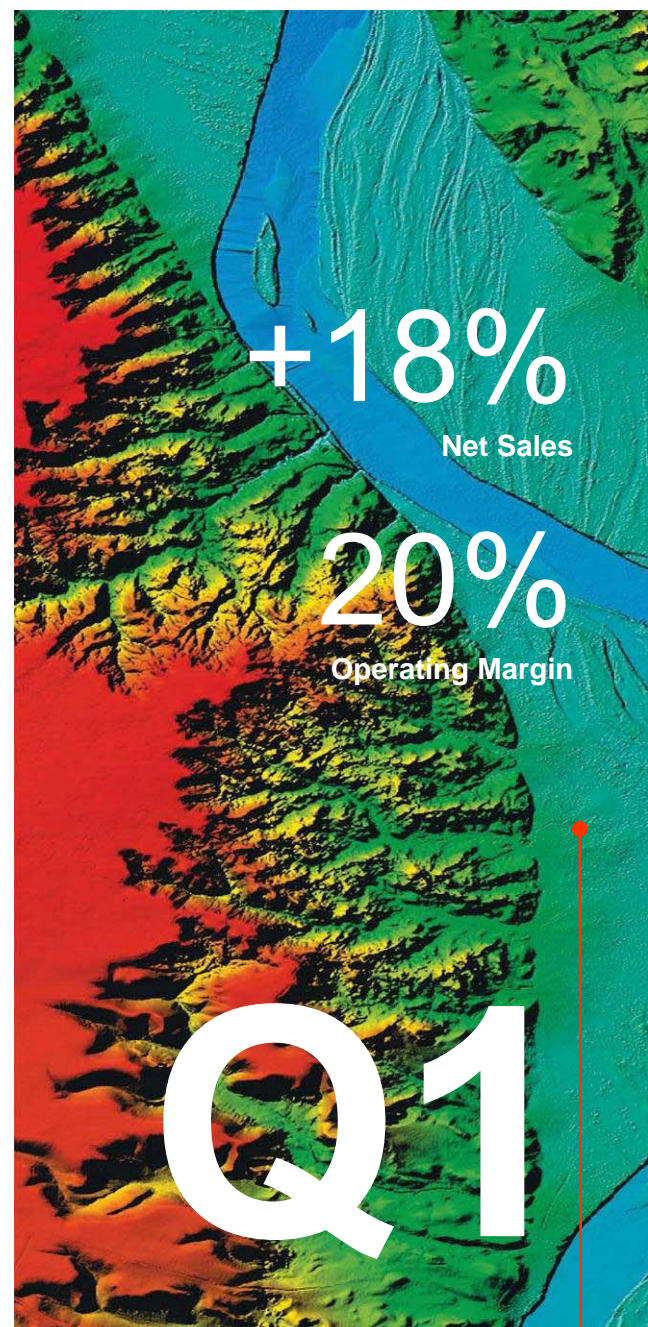
FIRST QUARTER 2011

- Operating net sales increased by 18 ¹⁾ per cent to 521.3 MEUR (292.4)
- Operating earnings (EBIT 1) increased by 118 per cent to 104.8 MEUR (48.1)
- Earnings before taxes, excluding non-recurring items ²⁾ amounted to 90.2 MEUR (44.5). Including these items, earnings before taxes amounted to 85.8 MEUR (44.5)
- Net earnings, excluding non-recurring items ²⁾ amounted to 71.3 MEUR (38.3). Including these items, net earnings amounted to 68.6 MEUR (38.3)
- Earnings per share increased by 46 per cent to 0.19 EUR (0.13). Earnings per share, excluding non-recurring items ²⁾ amounted to 0.20 EUR (0.13).

| MEUR | Q1 2011 | Q1 2010 | Δ% |
|--|---------|---------|------------------|
| Operating net sales | 521.3 | 292.4 | 18 ¹⁾ |
| Revenue adjustment 2) | -4.4 | - | n.a. |
| Net sales | 516.9 | 292.4 | 18 ¹⁾ |
| Operating earnings (EBIT1) | 104.8 | 48.1 | 118 |
| Operating margin, % | 20.1 | 16.5 | 3.6 |
| Earnings before taxes excl. non-recurring items | 90.2 | 44.5 | 103 |
| Non-recurring items | -4.4 | - | n.a. |
| Earnings before taxes | 85.8 | 44.5 | 93 |
| Net earnings | 68.6 | 38.3 | 79 |
| Earnings per share, EUR | 0.19 | 0.13 | 46 |
| Earnings per share, excl. non-recurring items, EUR | 0.20 | 0.13 | 54 |

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

2) Non-recurring reduction of acquired deferred revenue in Q1 2011 related to the acquisition of Intergraph.



COMMENTS FROM OLA ROLLÉN, PRESIDENT AND CEO, HEXAGON AB

"Hexagon is clearly off to a good start in 2011 with record sales for a first quarter. The strong growth in the quarter is coming from all core markets. The revenue growth and the succesful integration of Intergraph explain why Hexagon's core business can post an operating margin slightly above 21 per cent in what normally is a seasonally weak quarter. The integration of Intergraph will be concluded in the second quarter. Already now the business demonstrates its financial and strategic importance and value for the Group. At Hexagon's Capital Markets Day in June, we will present Hexagon's new financial targets for the coming years."



GROUP DEVELOPMENT

The first quarter of 2011 was yet another strong quarter for Hexagon with organic growth in net sales of 18 per cent. The emerging markets continue to grow from already high activity levels. The more mature markets are experiencing stronger growth rates compared to 2010.

As of the first quarter 2011, Hexagon will no longer report order intake numbers.

Since a significant part of Hexagons revenue after the Intergraph acquisition consists of software and services contracts, order intake can not be consolidated in a consistent way and is not a valid key metric for the Group.

Geosystems, which represents 36 per cent of Group sales in the first quarter, records an organic growth of 6 per cent in net sales. Metrology which represents 26 per cent of Group sales displays 36 per cent organic growth in net sales. Technology, now including Intergraph, represents 35 per cent of sales.

Intergraph is reported as "structure" in the table below.

SALES BRIDGE FIRST QUARTER

| MEUR | Net sales |
|-------------------|-----------|
| 2010 | 292.4 |
| Structure, % | 56 |
| Currency, % | 4 |
| Organic growth, % | 18 |
| Total, % | 78 |
| 2011 | 521.3 |

MARKET DEVELOPMENT

All geographic regions are displaying double digit organic growth in net sales. Asia and South America are continuing to display strong growth. North America and Europe have accelerated their growth rates compared to the corresponding period in 2010.

EMEA

The demand for Hexagon's products and services in EMEA continued to improve in the first quarter. The organic growth in net sales was 17 per cent. For the Group's core business, Measurement Technologies (MT), organic growth in net sales was 14 per cent. The organic growth in net sales for Other Operations was 46 per cent.

The major markets in Western Europe experienced increased activity levels in the first quarter backed by improved demand for measurement solutions used in connection to infrastructural investments as well as for equipment used in industrial segments such as automotive and aerospace. Demand was also driven by customer investments in CAD software used in power and process industries. Demand in Southern Europe remains weak. Eastern Europe, Russia and the Middle East continue to grow.

Hexagon expects increased demand in EMEA in 2011.

AMERICAS

Americas recorded organic growth in net sales of 17 per cent, in the first quarter.

Several industries in NAFTA are growing such as automotive, aerospace, general engineering and governmental projects related to Hexagon's Technology business. Demand was also strong for products

related to infrastructural improvements and for CAD tools used in connection with the Canadian oil sands. The residential and commercial construction sector remains weak.

Hexagon expects increased demand in NAFTA in 2011.

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

Hexagon expects increased demand in South America in 2011.

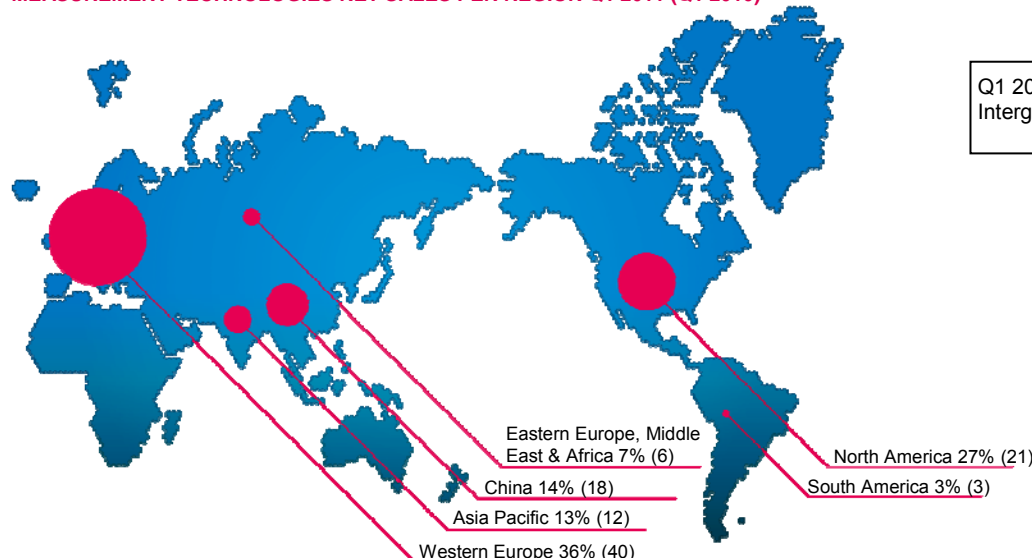
ASIA

Asia recorded continuous strong organic growth during the first quarter. The organic growth in net sales was 20 per cent.

The growth in the region was primarily obtained from strong demand from the Chinese and Indian automotive and aerospace industries. Hexagon also received significant orders from the Chinese power industry and from the marine industry in the region. The growth rate was negatively affected by a delay in the build out of the high speed rail network in China due to the ongoing investigation into the Chinese rail organisation. In addition to India and China, several other markets and industries in the region are growing, as for example, Korea, Australia and parts of Southeast Asia.

Hexagon expects increased demand in Asia in 2011.

MEASUREMENT TECHNOLOGIES NET SALES PER REGION Q1 2011 (Q1 2010)



Q1 2010 does not include Intergraph.

FINANCIAL SUMMARY FIRST QUARTER

| MEUR | Net sales | | | Earnings | | |
|--|--------------|--------------|-------------------|--------------|-------------|------------|
| | Q1 2011 | Q1 2010 | Δ % ¹⁾ | Q1 2011 | Q1 2010 | Δ % |
| Hexagon MT | 503.1 | 281.2 | 17 | 106.9 | 50.4 | 109 |
| Other Operations | 18.2 | 11.2 | 46 | 0.9 | -0.7 | n.a. |
| Operating net sales | 521.3 | 292.4 | 18 | | | |
| Group cost and eliminations | | | | -3.0 | -1.6 | -88 |
| Operating earnings (EBIT1) | | | | 104.8 | 48.1 | 115 |
| Per cent of net sales | | | | 20.1 | 16.5 | 3.3 |
| Interest income and expenses, net | | | | -14.6 | -3.6 | -305 |
| Earnings before non-recurring items | | | | 90.2 | 44.5 | 99 |
| Revenue adjustment | -4.4 | | | -4.4 | - | n.a. |
| Net sales | 516.9 | 292.4 | 18 | | | |
| Earnings before taxes | | | | 85.8 | 44.5 | 89 |
| Tax | | | | -17.2 | -6.2 | -173 |
| Net earnings | | | | 68.6 | 38.3 | 76 |

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

CURRENCY IMPACT FIRST QUARTER (AS COMPARED TO EUR)

| | Movement ¹⁾ | Income-cost ²⁾ | Profit impact |
|--------------------|------------------------|---------------------------|---------------|
| CHF | Strengthened ↗ | Negative | Negative ↘ |
| USD | Strengthened ↗ | Positive | Positive ↗ |
| CNY | Strengthened ↗ | Positive | Positive ↗ |
| EBIT1, MEUR | | | 1.2 |

¹⁾ Compared to Q1 2010.

²⁾ Net income in currency (positive), net cost (negative).

Q1 NET SALES AND EARNINGS

Operating net sales amounted to 521.3 MEUR (292.4) in the first quarter. Using fixed exchange rates and a comparable group structure, net sales increased by 18 per cent.

Operating earnings (EBIT1) amounted to 104.8 MEUR (48.1), which corresponds to an operating margin of 20.1 per cent (16.5). Operating earnings (EBIT1) were positively affected by exchange rate movements of 1.2 MEUR.

The financial net amounted to -14.6 MEUR (-3.6) in the first quarter. The increase is explained by higher interest rates and a higher net debt, which is a result from the acquisition of Intergraph.

Earnings before taxes, excluding non-recurring items, amounted to 90.2 MEUR (44.5).

Non-recurring items amount to -4.4 MEUR and relates to acquired deferred revenue from the Intergraph acquisition. Another 3.7 MEUR in revenue adjustments is expected in 2011.

Earnings before taxes, including non-recurring items, amounted to 85.8 MEUR (44.5). Earnings were positively affected by exchange rate movements of 1.0 MEUR.

Net earnings, excluding non-recurring items, amounted to 71.3 MEUR (38.3), or 0.20 EUR (0.13) per share. Net earnings, including these items, amounted to 68.6 MEUR (38.3) or 0.19 EUR (0.13) per share.

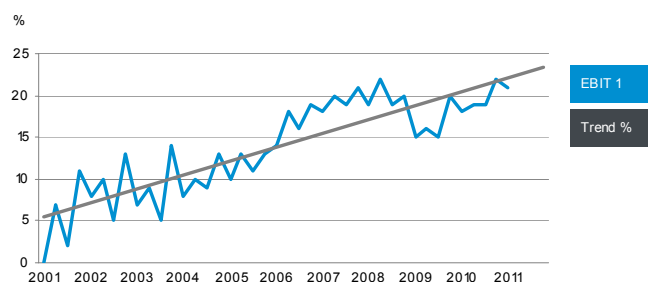
NET SALES – ORGANIC GROWTH BY REGION (HEXAGON MT¹⁾)



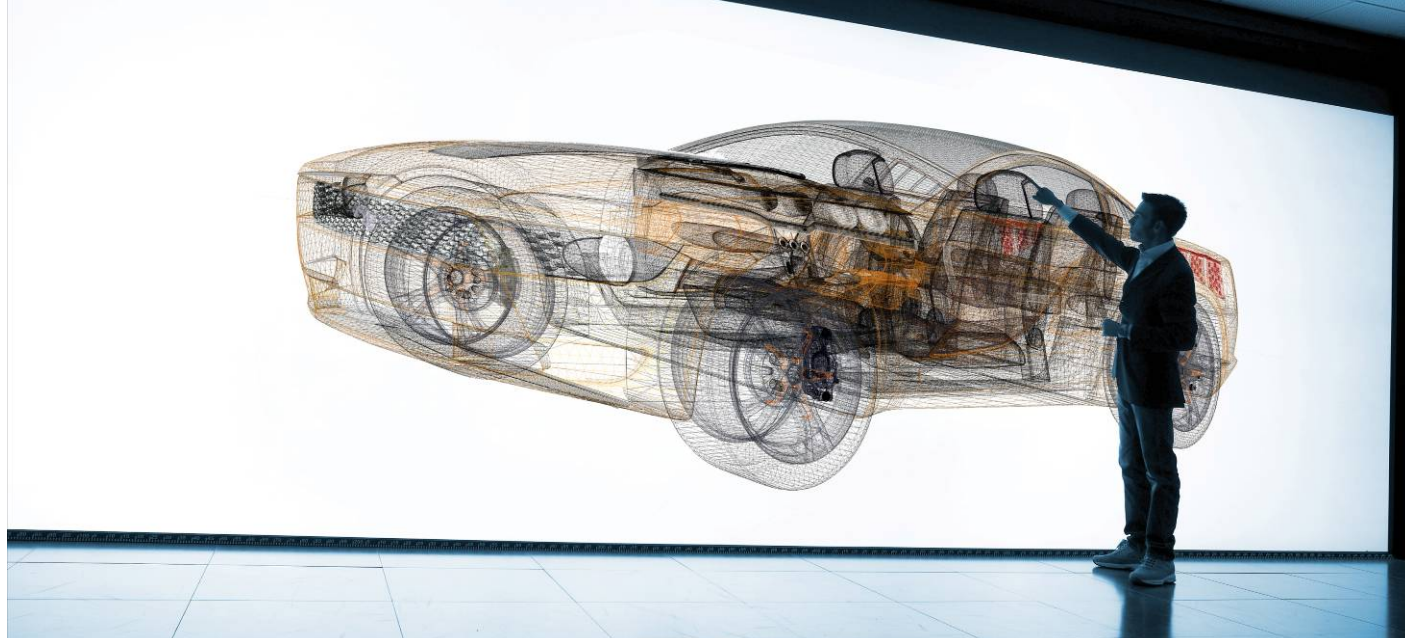
All regions recorded strong double digit organic growth in net sales in the first quarter. Asia continues to grow towards new peak levels.

¹⁾ Excluding Intergraph

OPERATING MARGIN (HEXAGON MT) QUARTERLY DATA



Hexagon MT 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 first quarter 2011 the margin improved to 21.2 per cent (17.9).



Hexagon helped equip the metrology lab at design and engineering company Italdesign Giugiaro. New measurement equipment in prototype construction and dimensional validation will optimise the process, increase data production and reduce measurement time.

PROFITABILITY

Capital employed, defined as total assets less non-interest bearing liabilities, increased to 4,045.2 MEUR (2,282.0). Return on average capital employed, excluding non-recurring items, for the last twelve months was 10.5 per cent (8.3). Return on average shareholders' equity for the last twelve months was 7.0 per cent (12.1). The capital turnover rate was 0.5 times (0.5).

FINANCIAL POSITION

Total shareholders' equity increased to 2,132.5 MEUR (1,313.0). The equity ratio was 45 per cent (51). Hexagon's total assets increased to 4,786.6 MEUR (2,599.8).

In July, 2010 Hexagon entered into a five year 900 MUSD and a 1,000 MEUR Term and Revolving Credit Facilities Agreement and a 1,225 MUSD Bridge Term Credit Facilities Agreement in order to finance the acquisition of Intergraph and to refinance the company's previous 1,000 MEUR revolving credit facility. In December 2010, 850 MUSD of the Bridge Facilities Agreement was repaid with the proceeds from the rights offering. The remaining Bridge Term Loan of 375 MUSD matures in July 2011 with an optional extension of one year.

On 31 March 2011, cash and unutilised credit limits totalled 457.0 MEUR (440.5). Hexagon's net debt was 1,779.2 MEUR. The net indebtedness was 0.79 times (0.64). Interest coverage ratio was 6.7 times (13.0).

CASH FLOW

During the first quarter cash flow from operations before changes in working capital increased to 98.7 MEUR (47.1), corresponding to 0.28 EUR (0.16) per share. Cash flow from operations in the first quarter amounted to 74.2 MEUR (45.7), corresponding to 0.21 EUR (0.15) per share. The cash flow was negatively affected by non-recurring items amounting to -16.0 MEUR (-2.5) an effect coming from the non-recurring items that was announced in the fourth quarter of 2010. Approximately another -8 MEUR in non-recurring cash flow is expected during 2011. The operating cash flow in the first quarter including non-recurring items amounted to 29.8 MEUR (25.2).

INVESTMENTS, DEPRECIATION AND IMPAIRMENT

Hexagon's net investments, excluding acquisitions and divestitures, amounted to -28.4 MEUR (-18.0) in the first quarter. Depreciation, amortisation and impairment amounted to -25.3 MEUR (-20.5) in the first quarter.

TAX RATE

The Group's tax expense for the first quarter totalled -17.2 MEUR (-6.2), corresponding to an effective tax rate of 20 per cent (14).

EMPLOYEES

The average number of employees in Hexagon during the first quarter was 11,712 (7,278). The number of employees at the end of the quarter was 11,979 (7,391). The

increase in number of employees is primarily a result from the acquisition of Intergraph.

SHARE DATA

Earnings per share for the first quarter amounted to 0.19 EUR (0.13). Excluding non-recurring items earnings per share amounted to 0.20 EUR (0.13). On 31 March 2011, equity per share was 6.03 EUR (4.33) and the share price was 151 SEK (103). At full exercise of existing stock option programmes, the dilutive effect would be 0.8 per cent of the share capital and 0.8 per cent of the number of votes. Through the rights issue conducted in December the number of shares increased by 88 122 407 of which 3 937 500 shares of series A and 84 184 907 shares of series B. Total number of shares after the rights issue amounts to 353 642 177 of which 15 750 000 shares of series A and 337 892 177 shares of series B.

ASSOCIATED COMPANIES

Associated companies affected Hexagon's earnings during the first quarter by 0 MEUR (0).

PARENT COMPANY

The parent company's earnings after financial items for the first quarter amounted to -41.2 MEUR (7.1). The solvency ratio of the parent company was 33 per cent (38). The equity was 3,689.6 MEUR (1,905.8). Liquid funds including unutilised credit limits were 300.0 MEUR (351.7).

BUSINESS AREA

MEASUREMENT TECHNOLOGIES - SALES AND EARNINGS

| MEUR | Q1 2011 | Q1 2010 | Δ% |
|----------------------------|---------|---------|------------------|
| Net sales | 503.1 | 281.2 | 17 ¹⁾ |
| Operating earnings (EBIT1) | 106.9 | 50.4 | 112 |
| Operating margin, % | 21.2 | 17.9 | 3.3 |

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

MEASUREMENT TECHNOLOGIES

In the first quarter net sales amounted to 503.1 MEUR (281.2). Using fixed exchange rates and a comparable group structure, net sales increased by 17 per cent.

Operating earnings (EBIT1) amounted to 106.9 MEUR (50.4), which corresponds to an operating margin of 21 per cent (18).

The number of employees by the end of the quarter was 11,650 (7,083).

OTHER OPERATIONS - SALES AND EARNINGS

| MEUR | Q1 2011 | Q1 2010 | Δ% |
|----------------------------|---------|---------|------------------|
| Net sales | 18.2 | 11.2 | 46 ¹⁾ |
| Operating earnings (EBIT1) | 0.9 | -0.7 | n.a. |
| Operating margin, % | 4.9 | -6.3 | 11.2 |

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

OTHER OPERATIONS

In the first quarter net sales amounted to 18.2 MEUR (11.2). Using fixed exchange rates and a comparable group structure, net sales increased by 46 per cent.

Operating earnings (EBIT1) amounted to 0.9 MEUR (-0.7), which corresponds to an operating margin of 5 per cent (-6).

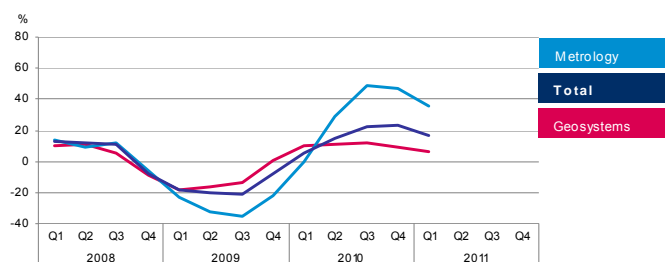
The number of employees by the end of the quarter was 317 (297).

MEASUREMENT TECHNOLOGIES APPLICATION AREAS

| Net sales | | | |
|------------------|---------|---------|-------------------|
| MEUR | Q1 2011 | Q1 2010 | Δ % ¹⁾ |
| Geosystems | 185.1 | 169.0 | 6 |
| Metrology | 136.9 | 98.0 | 36 |
| Technology | 181.1 | 14.2 | n.a. |
| Total Hexagon MT | 503.1 | 281.2 | 17 |

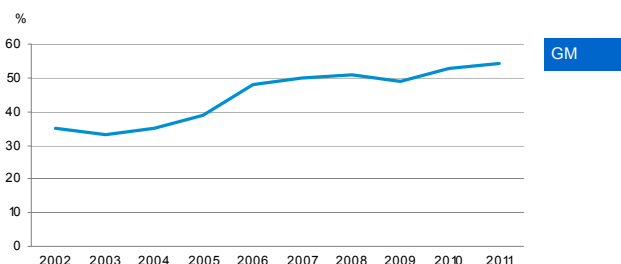
1) Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

NET SALES – ORGANIC GROWTH BY APPLICATION AREA

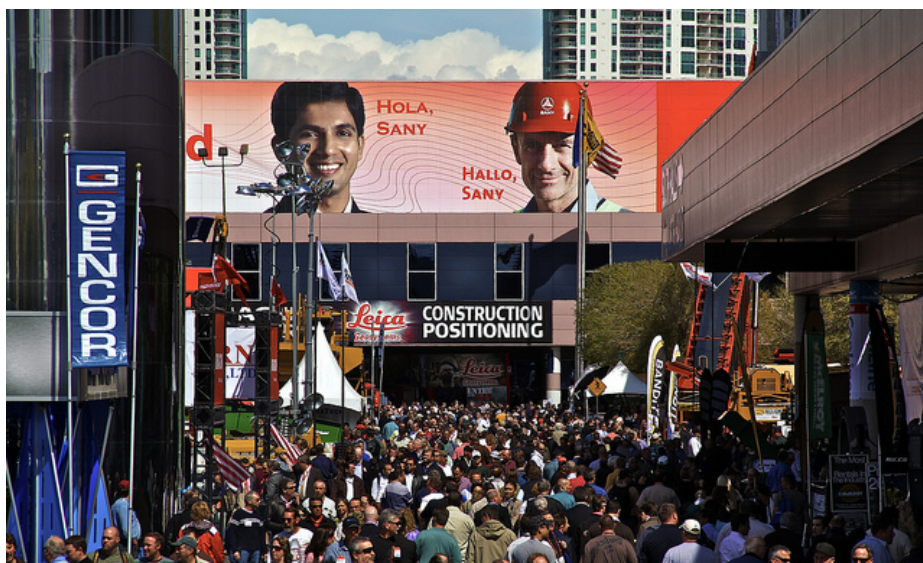


Geosystems reports 6 per cent organic growth in net sales in the first quarter. The strong recovery in Metrology continued in the first quarter and the application area displays organic sales growth of 36 per cent compared to the corresponding period 2010.

GROSS MARGIN (HEXAGON MT) YEARLY DATA



Product innovations including new technology, lower manufacturing costs and an increasing software content have 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 Q1 2011 it improved to 54 per cent.



Conexpo 2011 - Hexagon Machine Control covered the largest gathering in North America for the construction industry.

The Board of Directors and the President and CEO declare that this 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, 10 May 2011

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 2010 with the following exception: As of 1 January 2011 Hexagon has changed the accounting and presentation currency from Swedish kronor (SEK) to Euro (EUR). The change of accounting currency from SEK to EUR will decrease the currency exposure in both the profit and loss statement as well as in comprehensive income. It will also allow the Hexagon Group to better match debt to the net assets which will have a stabilising effect on certain key ratios that are of importance to Hexagon's cost of capital. The Parent Company will also be affected by the change of accounting currency.

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 and financial instruments. The execution of the acquisition of Intergraph implies risk. In addition to company-specific risks, the acquired company's relations with customers, suppliers and key personnel may be negatively affected. There is also a risk that integration processes may prove more costly or more time consuming than estimated and that anticipated synergies in whole or in part fail to materialise. 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 2010 Annual Report. The tragic events in Japan has so far not had any significant impact on Hexagon's sales or delivery capabilities in the region or globally. However it can not be ruled out that Hexagon could be affected in the future if some of Hexagon's direct or indirect suppliers should suffer shortages of components from Japanese suppliers.

SUBSEQUENT EVENTS

No significant events have occurred during the period between quarter-end and date of issuance of this report.

RELATED PARTY TRANSACTIONS

No significant related party transaction occurred in the first quarter of 2011.

Condensed income statement

| MEUR | Q1 2011 | Q1 2010 | 2010 |
|--|---------|---------|---------|
| Net sales | 516.9 | 292.4 | 1,481.3 |
| Cost of goods sold | -243.5 | -140.1 | -728.6 |
| Gross earnings | 273.4 | 152.3 | 752.7 |
| Sales and administration costs, etc. | -173.0 | -104.2 | -601.0 |
| Earnings from shares in associated companies | 0.0 | 0.0 | 0.1 |
| Operating earnings 1) | 100.4 | 48.1 | 151.7 |
| Interest income and expenses, net 2) | -14.6 | -3.6 | -40.8 |
| Earnings before taxes | 85.8 | 44.5 | 110.9 |
| Taxes | -17.2 | -6.2 | -19.2 |
| Net earnings 3) | 68.6 | 38.3 | 91.7 |
| 1) of which non-recurring items | -4.4 | - | -12.2 |
| 2) of which non-recurring items | - | - | -15.4 |
| 3) of which non-controlling interest | 0.5 | 0.3 | 18 |
| Earnings include depreciation, amortisation and impairments of | -25.3 | -20.5 | -152.5 |
| Basic earnings per share, EUR | 0.19 | 0.13 | 0.30 |
| Earnings per share after dilution, EUR | 0.19 | 0.13 | 0.30 |
| Total shareholder's equity per share, EUR | 6.03 | 4.33 | 6.15 |
| Closing number of shares, thousands | 352,490 | 301,580 | 352,150 |
| Average number of shares, thousands | 352,467 | 301,580 | 303,655 |
| Average number of shares after dilution, thousands | 352,706 | 301,669 | 303,677 |

Condensed comprehensive income

| MEUR | Q1 2011 | Q1 2010 | 2010 |
|--|---------|---------|-------|
| Net earnings | 68.6 | 38.3 | 91.7 |
| Other comprehensive income: | | | |
| Exchange rate differences | -128.0 | 47.4 | 208.0 |
| Effect of hedging of net investments in foreign operations | 23.6 | 12.8 | -27.9 |
| Cash flow hedges, net | -0.4 | 0.1 | 0.2 |
| Tax attributable to Other comprehensive income | -6.2 | -3.3 | 7.3 |
| Other comprehensive income, net of tax | -111.2 | 57.0 | 187.6 |
| Total comprehensive income for the period | -42.6 | 95.3 | 279.3 |
| Attributable to: | | | |
| Parent company shareholders | -42.9 | 94.6 | 276.8 |
| Non-controlling interest | 0.3 | 0.7 | 2.5 |

Condensed balance sheet

| MEUR | 31/3 2011 | 31/3 2010 | 31/12 2010 |
|---|----------------|----------------|----------------|
| Intangible fixed assets | 3,428.5 | 1,681.0 | 3,595.4 |
| Tangible fixed assets | 260.4 | 171.3 | 274.1 |
| Financial fixed assets | 19.6 | 15.1 | 20.3 |
| Deferred tax assets | 77.8 | 50.9 | 64.4 |
| Total fixed assets | 3,786.3 | 1,918.3 | 3,954.2 |
| Inventories | 327.0 | 274.2 | 319.2 |
| Accounts receivable | 444.8 | 268.5 | 451.2 |
| Other receivables | 41.3 | 34.3 | 63.4 |
| Prepaid expenses and accrued income | 53.7 | 37.4 | 58.2 |
| Total current receivables | 539.8 | 340.2 | 572.8 |
| Cash and cash equivalents | 133.5 | 67.1 | 160.4 |
| Total current assets | 1,000.3 | 681.5 | 1,052.4 |
| Total assets | 4,786.6 | 2,599.8 | 5,006.6 |
| Attributable to parent company shareholders | 2,126.0 | 1,307.3 | 2,166.1 |
| Attributable to non-controlling interest | 6.5 | 5.7 | 6.2 |
| Total shareholders' equity | 2,132.5 | 1,313.0 | 2,172.3 |
| Interest bearing liabilities | 1,700.7 | 919.8 | 1,810.0 |
| Other liabilities | 19.6 | 1.3 | 24.0 |
| Pension provisions | 38.1 | 36.1 | 34.2 |
| Deferred tax provisions | 218.9 | 32.7 | 210.1 |
| Other provisions | 37.5 | 6.1 | 46.8 |
| Total long-term liabilities | 2,014.8 | 996.0 | 2,125.1 |
| Interest bearing liabilities | 138.3 | 22.3 | 154.4 |
| Accounts payable | 120.6 | 6.4 | 152.1 |
| Other liabilities | 59.6 | 90.2 | 55.7 |
| Other provisions | 29.6 | 48.2 | 30.1 |
| Accrued expenses and deferred income | 291.2 | 123.7 | 316.9 |
| Total short-term liabilities | 639.3 | 290.8 | 709.2 |
| Total equity and liabilities | 4,786.6 | 2,599.8 | 5,006.6 |

Condensed statement of changes in equity

| MEUR | 31/3 2011 | 31/3 2010 | 31/12 2010 |
|--|-----------|-----------|------------|
| Opening shareholders' equity | 2,172.3 | 1,217.7 | 1,217.7 |
| Total comprehensive income for the period 1) | -42.6 | 95.3 | 279.3 |
| Rights issue, net of issuance cost | 2.8 | - | 710.1 |
| Dividend | - | - | -34.5 |
| Effect of acquisitions of subsidiaries | - | - | -0.3 |
| Closing shareholders' equity 2) | 2,132.5 | 1,313.0 | 2,172.3 |
| 1) of which: Parent company shareholders | -42.9 | 94.6 | 276.8 |
| Non-controlling interest | 0.3 | 0.7 | 2.5 |
| 2) of which: Parent company shareholders | 2,126.0 | 1,307.3 | 2,166.1 |
| Non-controlling interest | 6.5 | 5.7 | 6.2 |

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 |
| Sale of repurchased shares | 2 | - | 138,825 | 138,825 |
| 2009-12-31 Total issued and outstanding | 2 | 11,812,500 | 252,534,653 | 264,347,153 |
| Sale of repurchased shares | 2 | - | 20,070 | 20,070 |
| Rights issue | 2 | 3,937,500 | 83,845,572 | 87,783,072 |
| 2010-12-31 Total issued and outstanding 1) | 2 | 15,750,000 | 336,400,295 | 352,150,295 |
| Rights issue | 2 | - | 339,335 | 339,335 |
| 2011-03-31 Total issued and outstanding 1) | 2 | 15,750,000 | 336,739,630 | 352,489,630 |

1) In January 2011 the issuance of shares subscribed for with subsidiary preferential rights, resulted in an increase of in total 339 335 shares of series B. As per 31 March 2011 there are in total 353 642 177 shares in the company, of which 15 750 000 are of series A with ten votes each and 337 892 177 are of series B with one vote each. Hexagon AB Treasury shares amount to 1 525 547 shares of series B.

Condensed cash flow statement

| MEUR | Q1 2011 | Q1 2010 | 2010 |
|--|--------------|--------------|-----------------|
| Cash flow from operations before change in working capital | 98.7 | 47.1 | 294.1 |
| Cash flow from change in working capital | -24.5 | -1.4 | -33.7 |
| Cash flow from operations | 74.2 | 45.7 | 260.4 |
| Cash flow from ordinary investing activities | -28.4 | -18.0 | -87.2 |
| Operating cash flow | 45.8 | 27.7 | 173.2 |
| Non-recurring cash flow | -16.0 | -2.5 | -47.8 |
| Operating cash flow after non-recurring items | 29.8 | 25.2 | 125.4 |
| Cash flow from other investing activities 1) | -0.7 | -5.2 | -1,598.2 |
| Cash flow after other investing activities | 29.1 | 20.0 | -1,472.8 |
| Dividends paid | - | - | -34.5 |
| Rights issue | 2.8 | - | 718.5 |
| Cash flow from other financing activities | -61.3 | -34.1 | 861.8 |
| Change in cash and cash equivalents | -29.4 | -14.1 | 73.0 |
| Cash and cash equivalents, beginning of period | 160.4 | 77.4 | 77.4 |
| Effect of translation differences on cash and cash equivalents | 2.5 | 3.8 | 10.0 |
| Cash flow for the period | -29.4 | -14.1 | 73.0 |
| Cash and cash equivalents, end of period | 133.5 | 67.1 | 160.4 |

1) Acquisitions -0.5 M EUR and other -0.2 M EUR in Q12011.

Key ratios

| | Q1 2011 | Q1 2010 | 2010 |
|---|---------|---------|---------|
| Operating margin, % | 20.3 | 16.5 | 18.4 |
| Profit margin before taxes, % | 16.6 | 15.2 | 7.5 |
| Return on shareholders' equity, % | 7.0 | 12.1 | 6.0 |
| Return on capital employed, % | 10.5 | 8.3 | 10.2 |
| Equity ratio, % | 44.6 | 50.5 | 43.4 |
| Net indebtedness | 0.79 | 0.64 | 0.82 |
| Interest coverage ratio | 6.7 | 13.0 | 3.6 |
| Average number of shares, thousands | 352,467 | 301,580 | 303,655 |
| Basic earnings per share excl. non-recurring items, EUR | 0.20 | 0.13 | 0.69 |
| Basic earnings per share, EUR | 0.19 | 0.13 | 0.30 |
| Cash flow per share, EUR | 0.21 | 0.15 | 0.84 |
| Cash flow per share before change in working cap, EUR | 0.28 | 0.16 | 0.95 |
| Share price, SEK | 151 | 103 | 144 |
| Share price, EUR | 16.9 | 10.0 | 16.1 |

Supplementary information

In connection with the acquisition of Intergraph a business unit in Geosystems (ERDAS) has been transferred to Intergraph (Technology) and a business unit in Intergraph (Z/I) has been transferred to Geosystems. These transfers have been adjusted for in the calculation of organic growth.

Net sales

| MEUR | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Q1 2010 | 2010 |
|-----------------------|---------------------|---------|---------|---------|---------|---------|
| Hexagon MT | 503.1 | 484.3 | 326.0 | 336.8 | 281.2 | 1,318.1 |
| - Of which Geosystems | 185.1 | 200.0 | 182.9 | 198.0 | 169.0 | 749.9 |
| Metrology | 136.9 | 158.2 | 128.9 | 123.8 | 98.0 | 508.9 |
| Technology | 181.1 ¹⁾ | 126.1 | 14.3 | 15.0 | 14.2 | 169.6 |
| Other operations | 18.2 | 16.8 | 11.0 | 13.9 | 11.2 | 52.9 |
| Group | 521.3 | 501.1 | 337.0 | 350.8 | 292.4 | 1,481.3 |

Operating earnings (EBIT1)

| MEUR | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Q1 2010 | 2010 |
|------------------|---------|---------|---------|---------|---------|-------|
| Hexagon MT | 106.9 | 104.9 | 60.7 | 65.4 | 50.4 | 281.4 |
| Other operations | 0.9 | 0.5 | -0.8 | -0.2 | -0.7 | -1.2 |
| Group costs | -3.0 | -1.9 | -1.9 | -1.9 | -1.6 | -7.3 |
| Group | 104.8 | 103.5 | 58.0 | 63.3 | 48.1 | 272.9 |
| Margin, % | 20.1 | 20.7 | 17.2 | 18.0 | 16.5 | 18.4 |

Net sales

| MEUR | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Q1 2010 | 2010 |
|----------|---------------------|---------|---------|---------|---------|---------|
| EMEA | 231.3 | 237.3 | 150.1 | 165.4 | 141.1 | 693.9 |
| Americas | 153.7 | 146.5 | 81.6 | 83.7 | 68.4 | 380.2 |
| Asia | 136.3 | 123.1 | 105.3 | 101.7 | 82.9 | 413.0 |
| Group | 521.3 ¹⁾ | 506.9 | 337.0 | 350.8 | 292.4 | 1,487.1 |

1) Excluding non-recurring effect from revaluation of acquired deferred revenue of -4.4 MEUR in Q1 2011.

Acquisitions and divestments

| MEUR | Q1 2011 Acquisitions | Divestments | Q1 2010 Acquisitions | Divestments |
|--|-------------------------|-------------|-------------------------|-------------|
| Intangible fixed assets | - | - | 0.1 | - |
| Other fixed assets | - | - | 0.9 | - |
| Total fixed assets | - | - | 2.0 | - |
| Total current assets | - | - | - | - |
| Total assets | - | - | 2.0 | - |
| Total long-term liabilities, etc | -0.5 | - | -0.7 | - |
| Total short-term liabilities | - | - | -0.5 | - |
| Total liabilities | -0.5 | - | -1.2 | - |
| Total net assets | 0.5 | - | 3.2 | - |
| Total acquisition cost/ divestment income | - | - | -2.0 | - |
| Adjustment for non-paid part of acquisition cost/ divestment income incl. payment of items from prior years | -0.5 | - | -1.2 | - |
| Cash flow from acquisitions | -0.5 | - | -3.2 | - |

The Purchase Price Allocation (PPA) regarding the acquisition of Intergraph in October 2010 is still preliminary and might be subject to changes. The PPA is unchanged since last year-end.

Condensed parent company income statement

| MEUR | Q1 2011 | Q1 2010 | 2010 |
|---|---------|---------|--------|
| Net sales | 1.8 | 1.8 | 7.6 |
| Administration cost | -2.9 | -1.4 | -43.9 |
| Operating earnings | -1.1 | 0.4 | -36.3 |
| Earnings from shares in Group companies | - | - | 98.8 |
| Interest income and expenses, net | -41.3 | 6.7 | -275.6 |
| Earnings after financial items | -42.4 | 7.1 | -213.1 |
| Tax | 11.1 | -1.9 | 3.2 |
| Net earnings | -31.3 | 5.2 | -209.9 |

Condensed parent company balance sheet

| MEUR | 31/3 2011 | 31/3 2010 | 31/12 2010 |
|---------------------------------|-----------|-----------|------------|
| Subscribed but not paid capital | - | - | 2.8 |
| Total fixed assets | 3,570.4 | 1,795.3 | 3,627.8 |
| Total current receivables | 114.5 | 94.2 | 107.5 |
| Cash and cash equivalents | 4.7 | 16.3 | 38.9 |
| Total current assets | 119.2 | 110.5 | 146.4 |
| Total assets | 3,689.6 | 1,905.8 | 3,777.0 |
| Total shareholders' equity | 1,222.6 | 730.7 | 1,253.9 |
| Total long-term liabilities | 1,751.2 | 761.2 | 1,768.0 |
| Total short-term liabilities | 715.8 | 413.9 | 755.1 |
| Total equity and liabilities | 3,689.6 | 1,905.8 | 3,777.0 |

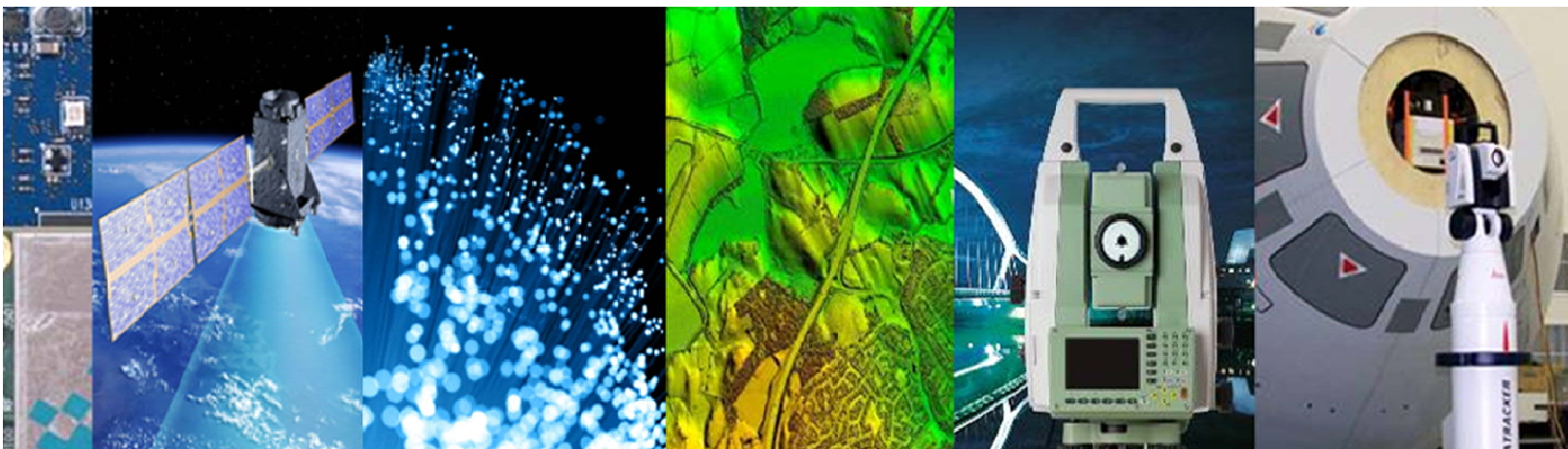
Definitions

FINANCIAL DEFINITIONS

| | |
|--------------------------------|--|
| Capital employed | Total assets less non-interest bearing liabilities. |
| Capital turnover rate | Net sales divided by average capital employed. |
| Cash flow | Cash flow from operations, after change in working capital, excluding non-recurring items. |
| Cash flow per share | Cash flow from operations, after change in working capital, excluding non-recurring items divided by average number of shares. |
| Earnings per share | Net earnings excluding non-controlling interest 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 current receivables and liquid assets divided by shareholders' equity excluding non-controlling interests. |
| Non-recurring items | Income and expenses that are not expected to appear on a regular basis. |
| 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 operating net sales. |
| Operating net sales | Net sales adjusted by the difference between fair value and book-value of deferred revenue regarding acquired businesses. |
| 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 leading, global provider of 3D solutions to design, measure and position objects, and to process and present data. Hexagon's solutions enable customers to increase productivity, enhance quality and make better, faster operational decisions. Hexagon has about 12,000 employees in more than 43 countries and net sales of approximately 2,200 MEUR. Read more at www.hexagon.se.

FINANCIAL REPORT DATES

Hexagon gives financial information at the following occasions:

| | |
|------------------------|-----------------|
| Interim Report Q2 2011 | 4 August 2011 |
| Interim Report Q3 2011 | 27 October 2011 |
| Interim Report Q4 2011 | February 2012 |

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 first quarter 2011 will be presented 10 May at 15:00 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 10 May 2011 at 12:00 CET.

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