HEXAGON

INTERIM REPORT

1 JANUARY – 30 SEPTEMBER 2011

THIRD QUARTER 2011

- Net sales increased by 55 per cent to 521.2 MEUR (337.0)
- Using fixed exchange rates and a comparable group structure, net sales increased by 13 per cent
- Operating earnings (EBIT1) increased by 71 per cent to 98.9 MEUR (58.0)
- Earnings before taxes increased by 58 per cent to 84.3 MEUR (53.5).
- Net earnings increased by 45 per cent to 67.4 MEUR (46.5)
- Earnings per share increased by 27 per cent to 0.19 EUR (0.15)

MEUR	Q3 2011	Q3 2010	Δ%	Q1-3 2011	Q1-3 2010	Δ%
Operating net sales	521.2	337.0	13 [1]	1,586.0	980.2	15 [1]
Revenue adjustment 2)	-	-	n.a.	-8.5	-	n.a.
Net sales	521.2	337.0	13 [1]	1,577.5	980.2	15 [1]
Operating earnings (EBIT1)	98.9	58.0	71	318.0	169.4	88
Operating margin, %	19.0	17.2	1.8	20.1	17.3	2.8
Earnings before taxes excl. non-recurring items	84.3	53.5	58	274.0	157.6	74
Non-recurring items	-	-	n.a.	-8.5	-	n.a.
Earnings before taxes	84.3	53.5	58	265.5	157.6	68
Net earnings	67.4	46.5	45	212.3	136.0	56
Earnings per share, EUR	0.19	0.15	27	0.60	0.45	33
Earnings per share, excl. non-recurring items, EUR	0.19	0.15	27	0.61	0.45	36

[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 and Q2 2011 related to the acquisition of Intergraph.

Ola Rollén, President and CEO, Hexagon AB

COMMENTS FROM OLA ROLLÉN, PRESIDENT AND CEO, HEXAGON AB

” The third quarter of 2011 marks another strong quarter for Hexagon, with solid growth, strong profitability and cash flow generation. Adjusted for currency and for the acquisition of Intergraph, our net sales grew by 13 per cent driven by the ongoing recovery in the mature markets coupled with strong demand from customers primarily in the engineering and energy related segments. In the quarter we have recorded the first, of many to come, revenue synergies stemming out of joint projects between Intergraph and Hexagon. Another highlight in the quarter is that we can report an operating margin of 20 per cent in our core business despite a seasonally weak Q3 with significant currency headwinds. ”

GROUP DEVELOPMENT Q3

Organic growth in net sales was 13 per cent in the third quarter and the operating profit increased by 71 per cent to 98.9 MEUR.

Geosystems, which represented 34 per cent of Group sales in the third quarter, recorded an organic growth of 1 per cent in net sales. Geosystems' growth was adversely affected by the lack of investment in the high-speed rail network in China during the quarter. Excluding this negative effect Geosystems would have reported an organic growth of 6 per cent.

Metrology, which represented 30 per cent of Group sales, displayed 27 per cent organic growth in net sales. Technology, which includes the acquisition of Intergraph in late 2010, represented 33 per cent of net sales.

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

SALES BRIDGE THIRD QUARTER

	Net sales
2010, MEUR	337.0
Structure, %	46
Currency, %	-3
Organic growth, %	13
Total, %	56
2011, MEUR	521.2

MARKET DEVELOPMENT

All geographic regions display organic growth in net sales. Growth in the quarter primarily comes from the ongoing recovery in the mature markets and from strong demand in the industrial segments, and in the power and energy markets.

EMEA

The demand for Hexagon's products and services in EMEA continued to improve in the third quarter. The organic growth in net sales was 13 per cent in the Group's core business, Measurement Technologies (MT), and 18 per cent in Other Operations.

The major markets in Western Europe experienced increased activity levels in the third quarter primarily driven by improved demand for measurement solutions used in connection to industrial segments such as automotive and aerospace as well as for equipment used in infrastructural investments. 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 a continued increased demand in EMEA in 2011.

AMERICAS

Americas recorded strong organic growth in net sales of 27 per cent in the third quarter.

Several of Hexagon's markets are growing in NAFTA, including automotive, aerospace, and general engineering, as well as infrastructure projects related to the Hexagon Geosystems division. Canada showed strong growth for the Hexagon Technology division due to high demand in the natural resources sector.

Hexagon expects a continued increased demand in NAFTA in 2011.

South America (led by Brazil) showed strong demand for Hexagon's products.

In the quarter Hexagon acquired the Brazilian software and services provider Sisgraph. Hexagon sees many opportunities related to the exploration and production of Brazil's massive offshore oil reserves and has many interesting leads related to the 2014 World Cup and the 2016 Olympics.

Hexagon expects a continued increased demand in South America in 2011.

ASIA

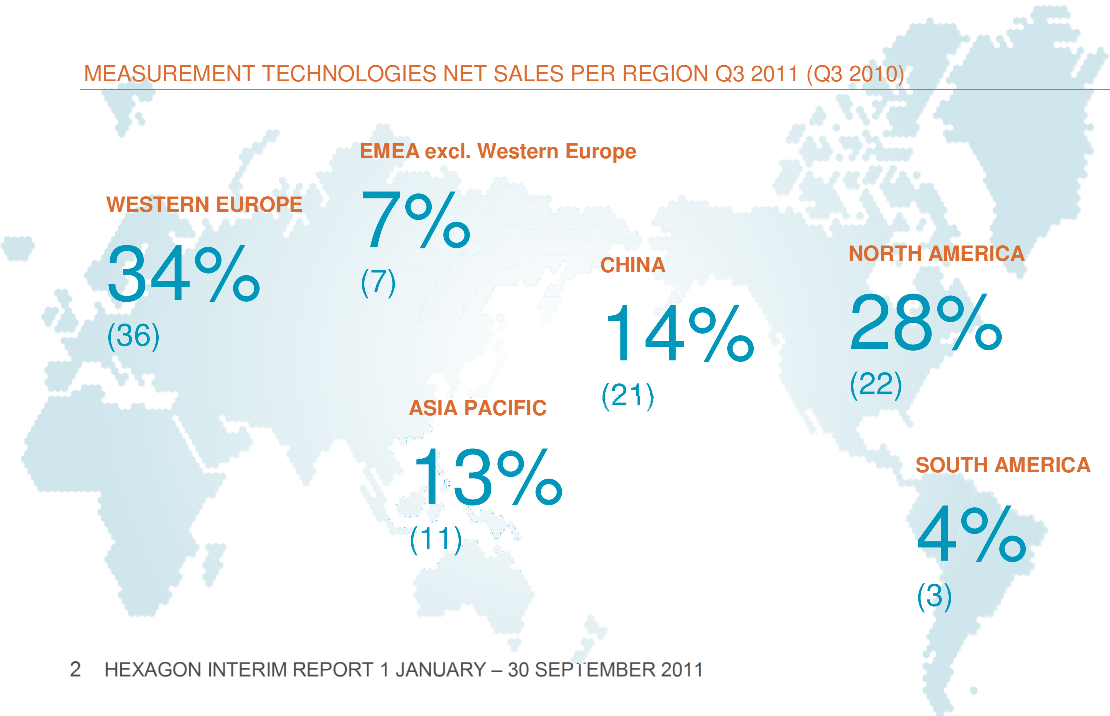
Asia recorded organic growth in net sales, of 1 per cent in the third quarter. Excluding sales to customers active within the buildout of the highspeed rail network, Asia reported organic growth in net sales of approximately 10 per cent.

Demand was strong from the automotive and aerospace industries in China. Hexagon also received significant orders from the Chinese energy industry and from the Korean shipbuilding industry.

The delay in the build-out of the high speed rail network in China had a significant, negative impact on the regions, as well as Hexagon's, growth rate in the quarter. Organic growth in China in the quarter, excluding high-speed rail, was above 20 per cent. In addition to China, several other markets and industries in the region, such as Japan, Korea and Australia reported growth. Demand from Central Asia was somewhat weaker during the quarter.

Hexagon expects a continued increased demand in Asia in 2011.

MEASUREMENT TECHNOLOGIES NET SALES PER REGION Q3 2011 (Q3 2010)



FINANCIAL SUMMARY – THIRD QUARTER

	Net sales			Earnings		
MEUR	Q3 2011	Q3 2010	Δ % [1]	Q3 2011	Q3 2010	Δ %
Hexagon MT	507.9	326.0	13	101.5	60.7	67
Other Operations	13.3	11.0	18	0.0	-0.8	n.a.
Operating net sales	521.2	337.0	13			
Group cost and eliminations				-2.6	-1.9	-37
Operating earnings (EBIT1)				98.9	58.0	71
Operating margin				19.0%	17.2%	1.8
Interest income and expenses, net				-14.6	-4.5	-224
Earnings before non-recurring items				84.3	53.5	58
Revenue adjustment (non recurring)	-	-	n.a.	-	-	-
Net sales	521.2	337.0	13			
Earnings before taxes				84.3	53.5	58
Tax				-16.9	-7.0	-141
Net earnings				67.4	46.5	45

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

CURRENCY IMPACT – THIRD QUARTER AS COMPARED TO EUR

	Movement [1]	Income-cost [2]	Profit impact
CHF	Strengthened	Negative	Negative
USD	Weakened	Positive	Negative
CNY	Weakened	Positive	Negative
EBIT1, MEUR			-8.0

[1] Compared to Q3 2010.
[2] Net income in currency (positive), net cost (negative).

Q3 NET SALES AND EARNINGS

Net sales amounted to 521.2 MEUR (337.0) in the third quarter. Using fixed exchange rates and a comparable group structure, net sales increased by 13 per cent.

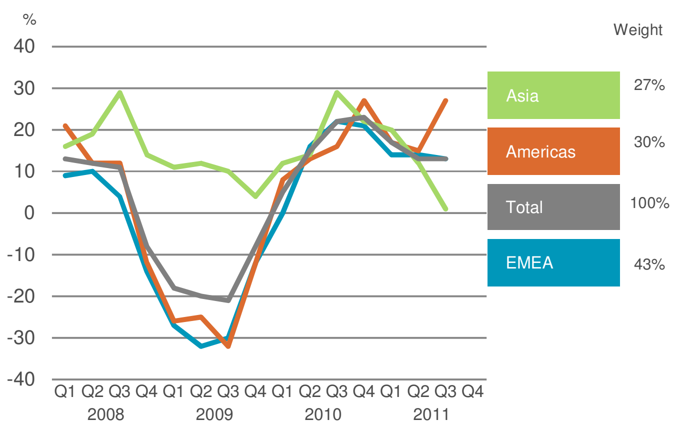
Operating earnings (EBIT1) amounted to 98.9 MEUR (58.0), which corresponds to an operating margin of 19.0 per cent (17.2). Operating earnings (EBIT1) were negatively affected by exchange rate movements of -8.0 MEUR.

The financial net amounted to -14.6 MEUR (-4.5) in the third quarter. The increase is explained by higher interest rates and a higher net debt, which is a result of the acquisition of Intergraph.

Earnings before taxes amounted to 84.3 MEUR (53.5). Earnings were negatively affected by exchange rate movements of -7.7 MEUR.

Net earnings amounted to 67.4 MEUR (46.5), or 0.19 EUR (0.15) per share.

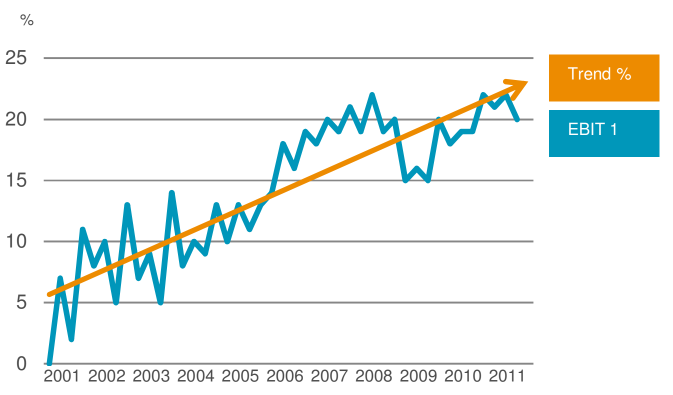
NET SALES – ORGANIC GROWTH BY REGION (MT [1])



All regions recorded organic growth in net sales in the third quarter. The growth rate in Asia was was significantly and negatively impacted by the halt in development of the high-speed rail network in China.

[1] Excluding Intergraph.

OPERATING MARGIN (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 third quarter 2011, the margin improved to 20.0 per cent (18.6).

FINANCIAL SUMMARY – FIRST NINE MONTHS

	Net sales			Earnings		
MEUR	Q1-3 2011	Q1-3 2010	Δ % [1]	Q1-3 2011	Q1-3 2010	Δ %
Hexagon MT	1,537.7	944.1	14	325.6	176.5	84
Other Operations	48.3	36.1	25	1.3	-1.7	n.a.
Operating net sales	1,586.0	980.2	15			
Group cost and eliminations				-8.9	-5.4	-65
Operating earnings (EBIT1)				318.0	169.4	88
Operating margin				20.1%	17.3%	2.8
Interest income and expenses, net				-44.0	-11.8	-273
Earnings before non-recurring items				274.0	157.6	74
Revenue adjustment (non recurring)	-8.5	-		-8.5	-	n.a.
Net sales	1,577.5	980.2	15			
Earnings before taxes				265.5	157.6	68
Tax				-53.2	-21.6	-146
Net earnings				212.3	136.0	56

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

CURRENCY IMPACT – FIRST NINE MONTHS AS COMPARED TO EUR

	Movement [1]	Income-cost [2]	Profit impact
CHF	Strengthened ↗	Negative	Negative ↘
USD	Weakened ↘	Positive	Negative ↘
CNY	Weakened ↘	Positive	Negative ↘
EBIT1, MEUR			- 15.5

[1] Compared to Q1-Q3 2010.
[2] Net income in currency (positive), net cost (negative).

Q1-Q3 NET SALES AND EARNINGS

Operating net sales amounted to 1,586.0 MEUR (980.2) in the first nine months of the year. Using fixed exchange rates and a comparable group structure, net sales increased by 15 per cent.

Operating earnings (EBIT1) amounted to 318.0 MEUR (169.4), which corresponds to an operating margin of 20.1 per cent (17.3). Operating earnings (EBIT1) were negatively affected by exchange rate movements of -15.5 MEUR.

The financial net amounted to -44.0 MEUR (-11.8) in the first nine months. The increase is explained by higher interest rates and a higher net debt, which is a result of the acquisition of Intergraph.

Earnings before taxes, excluding non-recurring items, amounted to 274.0 MEUR (157.6).

Non-recurring items amount to -8.5 MEUR and relates to acquired deferred revenue from the Intergraph acquisition.

Earnings before taxes, including non-recurring items, amounted to 265.5 MEUR (157.6). Earnings were negatively affected by exchange rate movements of -14.9 MEUR.

Net earnings, excluding non-recurring items, amounted to 217.6 MEUR (136.0), or 0.61 EUR (0.45) per share. Net earnings, including these items, amounted to 212.3 MEUR (136.0) or 0.60 EUR (0.45) per share.

Q1-Q3 ACQUISITIONS

Hexagon continually monitors a large number of companies to identify acquisitions that can strengthen its product and technology portfolio and/or improve its distribution network. Each acquisition target is financially, technologically and commercially evaluated on a regular basis. A candidate's potential place in Hexagon is primarily determined on the basis of synergy opportunities and implementation strategies.

During the first nine months of 2011 Hexagon acquired four companies:

- Denali Solutions – records management software for public safety and security (Intergraph technology add-on). Consolidated as of 4 April, 2011.
- 7 Ocean – vision technology company in China (Metrology technology add-on). Consolidated as of 31 July, 2011.
- Augusta Systems – software to enable detailed, real-time information from cameras, sensor systems, and networks (Intergraph technology add-on). Consolidated as of 4 August, 2011.
- Sisgraph – software and services provider in Latin America (Intergraph distributor). Consolidated as of 19 August, 2011.

The respective companies will as of their consolidation dates immediately contribute to Hexagon's earnings.

Hexagon acquired the Brazilian software and services provider SISGRAPH who was selected to implement a "9-1-1" expansion in the emergency operation center of Natal – the capital of the state of Rio Grande do Norte. Natal is also one of the host cities for the 2014 FIFA World Cup in Brazil. Six of twelve host-cities for the 2014 FIFA World Cup are Hexagon customers.

PROFITABILITY

Capital employed, defined as total assets less non-interest bearing liabilities, increased to 4,297.8 MEUR (2,450.8). Return on average capital employed, excluding non-recurring items, for the last twelve months was 10.5 per cent (9.8). Return on average shareholders' equity for the last twelve months was 7.8 per cent (13.8). Annualised return on average shareholders' equity was 12.7 (13.3). The capital turnover rate was 0.5 times (0.8).

FINANCIAL POSITION

Total shareholders' equity increased to 2,324.0 MEUR (1,424.9). The equity ratio was 45 per cent (50). Hexagon's total assets increased to 5,189.1 MEUR (2,873.9). The increase in equity and assets is due to the acquisition of Intergraph in 2010 and the rights issue conducted around year-end 2010.

Hexagon's primary sources of financing are a 900 MUSD and a 1,000 MEUR Term and Revolving Credit Facilities Agreement that expires in July 2015. Hexagon also has a Bridge Term Loan of 375 MUSD that matures in July 2012 and which is intended to be refinanced with a bond issue. In the fourth quarter of 2009 Hexagon issued a 2 000 MSEK five year bond which is also part of the Groups financing.

On 30 September 2011, cash and unutilised credit limits totalled 350.0 MEUR (439.7). Hexagon's net debt was 1,837.3 MEUR. The net indebtedness was 0.74 times (0.58). Interest coverage ratio was 6.8 times (13.5).

CASH FLOW

During the third quarter, cash flow from operations before changes in working capital increased to 103.7 MEUR (70.6), corresponding to 0.29 EUR (0.23) per share. Cash flow from operations in the third quarter increased to 127.0 MEUR (69.1), corresponding to 0.36 EUR (0.23) per share. The operating cash flow in the third quarter including non-recurring items amounted to 90.6 MEUR (47.5).

For the first nine months, cash flow from operations amounted to 255.7 MEUR (179.5), corresponding to 0.73 EUR (0.60) per share and the operating cash flow including non-recurring items amounted to 146.5 MEUR (111.6).

INVESTMENTS, DEPRECIATION AND IMPAIRMENT

Hexagon's net investments, excluding acquisitions and divestitures, amounted to -36.4 MEUR (-20.5) in the third quarter and -93.2 MEUR (-62.2) in the first nine months. The increased investments in the third quarter compared to the level seen in the first six months of 2011 is primarily due to significant investments in equipment.

Depreciation, amortisation and impairment amounted to -26.0 MEUR (-23.3) in the third quarter and -75.9 MEUR (-66.3) in the first nine months.

TAX RATE

The Group's tax expense for the first nine months totalled -53.2 MEUR (-21.6), corresponding to an effective tax rate of 20 per cent (14). The increase in the effective tax rate is due to increased operations in the US following the acquisition of Intergraph in 2010.

EMPLOYEES

The average number of employees in Hexagon during the first nine months was 12,247 (7,432). The number of employees at the end of the quarter was 12,863 (7,763). The increase is mainly explained by the acquisition of Intergraph.

SHARE DATA

Earnings per share for the third quarter amounted to 0.19 EUR (0.15). Earnings per share for the first nine months amounted to 0.60 EUR (0.45).

On 30 September 2011, equity per share was 6.58 EUR (4.71) and the share price was 90 SEK (145). In the second quarter of 2011, all outstanding options, except for 104,500 options were repurchased. At full exercise of existing stock option programmes, the dilutive effect would be 0.0 per cent of the share capital and 0.0 per cent of the number of votes.

Through the rights issue conducted around year-end 2010, 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 nine months by 0.1 MEUR (0.1).

PARENT COMPANY

The parent company's earnings after financial items for the first nine months amounted to 52.6. MEUR (-33.7). The solvency ratio of the parent company was 35 per cent (39). The equity was 1,352.9 MEUR (820.9). Liquid funds including unutilised credit limits were 202.0 MEUR (339.6).

BUSINESS AREA

MEASUREMENT TECHNOLOGIES (MT) – SALES AND EARNINGS

MEUR	Q3 2011	Q3 2010	Δ%	Q1-3 2011	Q1-3 2010	Δ%
Net sales	507.9	326.0	13 [1)]	1,537.7	944.1	14 [1)]
Operating earnings (EBIT1)	101.5	60.7	67	325.6	176.5	84
Operating margin, %	20.0	18.6	1.4	21.2	18.7	2.5

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

OTHER OPERATIONS – SALES AND EARNINGS

MEUR	Q3 2011	Q3 2010	Δ%	Q1-3 2011	Q1-3 2010	Δ%
Net sales	13.3	11.0	18 [1)]	48.3	36.1	25 [1)]
Operating earnings (EBIT1)	0.0	-0.8	n.a.	1.3	-1.7	n.a.
Operating margin, %	0.0	-7.3	7.3	2.7	-4.7	7.4

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

MEASUREMENT TECHNOLOGIES

In the third quarter, net sales amounted to 507.9 MEUR (326.0). Using fixed exchange rates and a comparable group structure, net sales increased by 13 per cent.

Operating earnings (EBIT1) amounted to 101.5 MEUR (60.7), which corresponds to an operating margin of 20 per cent (19).

The number of employees by the end of the quarter was 12,516 (7,439).

OTHER OPERATIONS

In the third quarter, net sales amounted to 13.3 MEUR (11.0). Using fixed exchange rates and a comparable group structure, net sales increased by 18 per cent.

Operating earnings (EBIT1) amounted to 0.0 MEUR (-0.8), which corresponds to an operating margin of 0 per cent (-7).

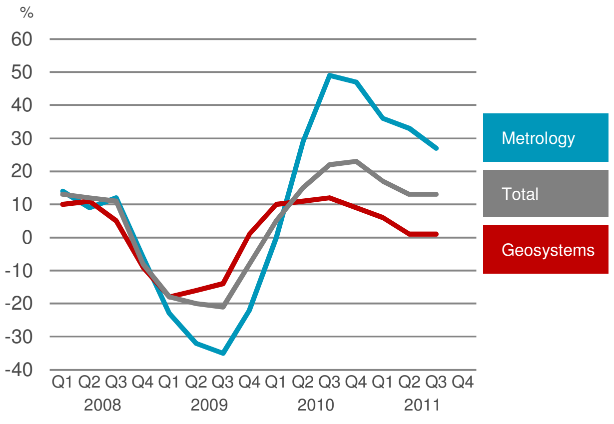
The number of employees by the end of the quarter was 336 (312).

MEASUREMENT TECHNOLOGIES – APPLICATION AREAS

	Net sales			Net sales		
MEUR	Q3 2011	Q3 2010	Δ % [1)]	Q1-3 2011	Q1-3 2010	Δ % [1)]
Geosystems	179.2	182.8	1	560.9	549.9	3
Metrology	157.5	128.9	27	450.0	350.7	31
Technology	171.2	14.3	n.a.	526.8	43.5	n.a.
Total Hexagon MT	507.9	326.0	13	1,537.7	944.1	14

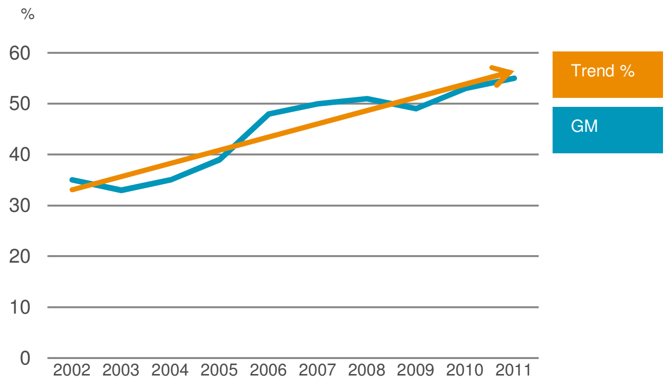
1) Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

NET SALES – ORGANIC GROWTH BY APPLICATION AREA (MT)



Geosystems reported 1 per cent organic growth in net sales in the third quarter. The strong recovery in Metrology continued in the third quarter and the application area displayed organic sales growth of 27 per cent compared to the corresponding period in 2010. Technology, including Intergraph, is reported as structure and is not displayed in the graph above.

GROSS MARGIN (MT) – YEARLY DATA



Product innovations including new technology, lower manufacturing costs and an increase in software content have enabled 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 Q3 2011, it improved to 54 per cent.

Hexagon to aid platform construction for deep-sea oilfields prospection in Brazil. Ecovix (a Petrobras supplier) selected Hexagon's 2D and 3D software for the construction of FPSO hulls to support one of the largest oil discoveries off the Brazilian coast.

The Board of Directors and the President and CEO declare that this nine-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, 26 October 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

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 January 1, 2011 Hexagon has changed the presentation currency in the consolidated financial statements from Swedish kronor (SEK) to Euro (EUR) and also changed the functional currency of the parent company to EUR. The change of currency from SEK to EUR is expected to 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.

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 and the giving of credit. 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. There has been no change in the risk picture in comparison with what was reported in the 2010 Annual Report.

NOMINATION COMMITTEE PRIOR TO THE ANNUAL GENERAL MEETING

The composition of the Hexagon Nomination Committee for the Annual General Meeting 2012 is: Mikael Ekdahl, Melker Schörling AB (Chairman), Anders Algotsson, AFA Försäkring, Jan Andersson, Swedbank Robur fonder, Henrik Didner, Didner & Gerge Aktiefond

RELATED PARTY TRANSACTIONS

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

AUDITORS' REVIEW REPORT

Introduction
We have performed a review of the condensed interim financial statements for Hexagon AB at 30 September 2011 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of these Interim financial statements in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on the condensed interim financial statements based on our review.

Scope of Review
We have conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Swedish Federation of Authorized Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different purpose and a substantially less scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing practices.

The procedures performed in a review do not enable us to obtain such a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, a conclusion based on a review does not constitute the same level of assurance as an opinion based on an audit.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material aspects, for the group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Stockholm, 26 October 2011

Ernst & Young AB

Hamish Mabon
Authorized public accountant

Condensed Income Statement

MEUR	Q3 2011	Q3 2010	Q1-Q3 2011	Q1-Q3 2010	2010
Net sales	521.2	337.0	1,577.5	980.2	1,481.3
Cost of goods sold	-248.5	-165.5	-744.4	-481.0	-728.6
Gross earnings	272.7	171.5	833.1	499.2	752.7
Sales and administration costs, etc.	-173.8	-113.5	-523.7	-329.9	-601.0
Earnings from shares in associated companies	0.0	0.0	0.1	0.1	0.1
Operating earnings 1)	98.9	58.0	309.5	169.4	151.7
Interest income and expenses, net 2)	-14.6	-4.5	-44.0	-11.8	-40.8
Earnings before taxes	84.3	53.5	265.5	157.6	110.9
Taxes	-16.9	-7.0	-53.2	-21.6	-19.2
Net earnings	67.4	46.5	212.3	136.0	91.7
Attributable to:					
Parent company shareholders	66.9	46.0	210.8	134.9	89.9
Non-controlling interest	0.5	0.5	1.5	1.1	1.8
1) of w hich non-recurring items	-	-	-8.5	-	-121.2
2) of w hich non-recurring items	-	-	-	-	-15.4
Earnings include depreciation, amortisation and impairments of	-26.0	-23.3	-75.9	-66.3	-152.5
Basic earnings per share, EUR	0.19	0.15	0.60	0.45	0.30
Earnings per share after dilution, EUR	0.19	0.15	0.60	0.45	0.30
Total shareholder's equity per share, EUR	6.58	4.71	6.58	4.71	6.15
Closing number of shares, thousands	352,490	301,603	352,490	301,603	352,150
Average number of shares, thousands	352,490	301,603	352,482	301,591	303,655
Average number of shares after dilution, thousands	352,490	301,603	352,565	301,621	303,677

Condensed Comprehensive Income

MEUR	Q3 2011	Q3 2010	Q1 - Q3 2011	Q1 - Q3 2010	2010
Net earnings	67.4	46.5	212.3	136.0	91.7
Other comprehensive income:					
Exchange rate differences	17.1	-49.6	-11.1	118.3	208.0
Effect of hedging of net investments in foreign operations	23.6	1.9	8.6	-17.6	-27.9
Cash flow hedges, net	0.5	0.9	2.0	0.5	0.2
Tax attributable to Other comprehensive income	-6.4	-0.7	-2.8	4.5	7.3
Other comprehensive income, net of tax	34.8	-47.5	-3.3	105.7	187.6
Total comprehensive income for the period	102.2	-1.0	209.0	241.7	279.3
Attributable to:					
Parent company shareholders	101.3	-1.4	207.3	240.0	276.8
Non-controlling interest	0.9	0.4	1.7	1.7	2.5

Condensed Balance Sheet

MEUR	30/9 2011	30/9 2010	31/12 2010
Intangible fixed assets	3,731.4	1,758.7	3,595.4
Tangible fixed assets	217.1	172.1	274.1
Financial fixed assets	26.5	125.2	20.3
Deferred tax assets	112.1	59.9	64.4
Total fixed assets	4,087.1	2,115.9	3,954.2
Inventories	374.4	304.5	319.2
Accounts receivable	471.0	295.4	451.2
Other receivables	80.6	33.4	63.4
Prepaid expenses and accrued income	48.5	28.3	58.2
Total current receivables	600.1	357.1	572.8
Cash and cash equivalents	136.5	96.4	160.4
Total current assets	1,111.0	758.0	1,052.4
Total assets	5,198.1	2,873.9	5,006.6
Equity attributable to parent company shareholders	2,317.9	1,419.4	2,166.1
Equity attributable to non-controlling interest	6.1	5.5	6.2
Total shareholders' equity	2,324.0	1,424.9	2,172.3
Interest bearing liabilities	1,501.5	227.0	1,810.0
Other liabilities	27.0	1.3	24.0
Pension provisions	37.9	34.9	34.2
Deferred tax provisions	247.3	31.7	210.1
Other provisions	77.9	2.5	46.8
Total long-term liabilities	1,891.6	297.4	2,125.1
Interest bearing liabilities	433.7	742.9	154.4
Accounts payable	122.6	96.6	152.1
Other liabilities	87.2	154.4	55.7
Other provisions	7.4	16.0	30.1
Accrued expenses and deferred income	331.6	141.7	316.9
Total short-term liabilities	982.5	1,151.6	709.2
Total equity and liabilities	5,198.1	2,873.9	5,006.6

Condensed Statement of Changes in Equity

MEUR	30/9 2011	30/9 2010	31/12 2010
Opening shareholders' equity	2,172.3	1,217.7	1,217.7
Total comprehensive income for the period 1)	209.0	241.7	279.3
Rights issue, net of issuance cost	2.8	-	710.1
Dividend	-57.3	-34.4	-34.5
Repurchase of options	-2.8	-	-
Effect of acquisitions of subsidiaries	-	-0.1	-0.3
Closing shareholders' equity 2)	2,324.0	1,424.9	2,172.3
1) of which: Parent company shareholders	207.3	240.0	276.8
Non-controlling interest	1.7	1.7	2.5
2) of which: Parent company shareholders	2,317.9	1,419.4	2,166.1
Non-controlling interest	6.1	5.5	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
2011-09-30 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 30 September 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 1 152 547 shares of series B.

Condensed Cash Flow Statement

MEUR	Q3 2011	Q3 2010	Q1-Q3 2011	Q1-Q3 2010	2010
Cash flow from operations before change in working capital excluding taxes and interest	121.7	78.5	375.4	220.6	371.3
Tax paid	-3.6	-4.1	-50.8	-14.7	-22.1
Interest received and paid, net	-14.4	-3.8	-41.9	-11.4	-55.1
Cash flow from operations before change in working capital	103.7	70.6	282.7	194.5	294.1
Cash flow from change in working capital	23.3	-1.5	-27.0	-15.0	-33.7
Cash flow from operations	127.0	69.1	255.7	179.5	260.4
Cash flow from ordinary investing activities	-36.4	-20.5	-93.2	-62.2	-87.2
Operating cash flow	90.6	48.6	162.5	117.3	173.2
Non-recurring cash flow	-	-1.1	-16.0	-5.7	-47.8
Operating cash flow after non-recurring items	90.6	47.5	146.5	111.6	125.4
Cash flow from other investing activities 1)	-74.0	-10.8	-89.9	-16.8	-1,598.2
Cash flow after other investing activities	16.6	36.7	56.6	94.8	-1,472.8
Dividends paid	-1.8	-	-57.3	-34.5	-34.5
Rights issue costs	-	-	-5.7	-	718.5
Repurchase of options	-	-	-2.8	-	-
Cash flow from other financing activities	-4.4	-28.4	-12.7	-49.0	861.8
Change in cash and cash equivalents	10.4	8.3	-21.9	11.3	73.0
Cash and cash equivalents, beginning of period	125.2	87.8	160.4	77.4	77.4
Effect of translation differences on cash and cash equivalents	0.9	0.3	-2.0	7.7	10.0
Cash flow for the period	10.4	8.3	-21.9	11.3	73.0
Cash and cash equivalents, end of period	136.5	96.4	136.5	96.4	160.4

1) Acquisitions -68.2 MEUR and other -5.8 MEUR in Q3 2011.

Key Ratios

	Q3 2011	Q3 2010	Q1-Q3 2011	Q1-Q3 2010	2010
Operating margin, %	19.0	17.2	20.1	17.3	18.4
Profit margin before taxes, %	16.2	15.9	16.8	16.1	7.5
Return on shareholders' equity PTD annualised, %	11.8	13.0	12.7	13.3	6.0
Return on shareholders' equity 12 month average, %	7.8	13.8	7.8	13.8	6.0
Return on capital employed, %	10.5	9.8	10.5	9.8	10.2
Equity ratio, %	44.7	49.6	44.7	49.6	43.4
Net indebtedness	0.74	0.58	0.74	0.58	0.82
Interest coverage ratio	6.4	11.9	6.8	13.5	3.6
Average number of shares, thousands	352,490	301,603	352,482	301,591	303,655
Basic earnings per share excl. non-recurring items, EUR	0.19	0.15	0.61	0.45	0.69
Basic earnings per share, EUR	0.19	0.15	0.60	0.45	0.30
Cash flow per share, EUR	0.36	0.23	0.73	0.60	0.86
Cash flow per share before change in working cap, EUR	0.29	0.23	0.80	0.64	0.97
Share price, SEK	90	145	90	145	144
Share price translated to EUR	9.8	15.8	9.8	15.8	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. This change is effective as of the fourth quarter 2010. Historic numbers have not been restated.

NET SALES

MEUR	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	2010
Hexagon MT	507.9	526.7	503.1	490.1	326.0	336.8	281.2	1,434.2
- Of which Geosystems	179.2	196.6	185.1	200.0	182.9	198.0	169.0	749.9
Metrology	157.5	155.6	136.9	158.2	128.9	123.8	98.0	508.9
Technology	171.2	174.5 [1)]	181.1 [1)]	131.9	14.3	15.0	14.2	169.6
Other operations	13.3	16.8	18.2	16.8	11.0	13.9	11.2	52.9
Group	521.2	543.5	521.3	506.9	337.0	350.8	292.4	1,481.3

OPERATING EARNINGS (EBIT1)

MEUR	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	2010
Hexagon MT	101.5	117.2	106.9	104.9	60.7	65.4	50.4	281.4
Other operations	0.0	0.4	0.9	0.5	-0.8	-0.2	-0.7	-1.2
Group costs	-2.6	-3.3	-3.0	-1.9	-1.9	-1.9	-1.6	-7.3
Group	98.9	114.3	104.8	103.5	58.0	63.3	48.1	272.9
Margin,%	19.0	21.0	20.1	20.7	17.2	18.0	16.5	18.4

NET SALES

MEUR	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	2010
EMEA	223.2	242.6	231.3	237.3	150.1	165.4	141.1	693.9
Americas	163.6	158.4	153.7	146.5	81.6	83.7	68.4	380.2
Asia	134.4	142.5	136.3	123.1	105.3	101.7	82.9	413.0
Group	521.2	543.5 [1)]	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 and -4.1 MEUR in Q2 2011.

Acquisitions and Divestments

MEUR	Q1 -Q3 2011 Acquisitions	Divestments	Q1 -Q3 2010 Acquisitions	Divestments
Intangible fixed assets	138.4	-	-0.7	-
Other fixed assets	-49.1	-	2.0	-
Total fixed assets	89.3	-	1.3	-
Total current assets	10.5	-	-	-
Total assets	99.8	-	1.3	-
Total long-term liabilities, etc	-51.6	-	-6.2	-
Total short-term liabilities	65.4	-	-4.1	-
Total liabilities	13.8	-	10.3	-
Total net assets	86.0	-	11.6	-
Total acquisition cost/divestment income	-110.5	-	-2.1	-
Adjustment for non-paid part of acquisition cost/ divestment income incl. payment of items from prior years	24.5	-	-9.5	-
Adjustment for cash and bank balances in aquired entities	3.1	-	-	-
Cash flow from acquisitions	-82.9	-	-11.6	-

The purchase price allocation regarding the acquisition of Intergraph has now been finalised. The reallocation of the purchase price is shown in the table above.

The following changes have been made in relation to the preliminary allocation as reported in the Annual Report 2010:

MEUR	
Intangible fixed assets	30.9
Other fixed assets	-49.5
Total fixed assets	-18.6
Total assets	-18.6
Long-term liabilities	-16.0
Current liabilities	-2.6
Total liabilities	-18.6

The most important adjustment to the purchase price allocation relates to a revaluation of land and buildings by -49.8 MEUR. Other insignificant adjustments were also made. The adjustments have not had any significant impact on 2011 earnings.

Hexagon has acquired the following companies or businesses during Q1-Q3, 2011: Sisgraph Ltda, Brazil, Denali, USA, Seven Ocean, China and Augusta Systems, USA of which only the acquisition of Sisgraph was significant. Total acquisition cost for these companies was 110.5 MEUR.

The acquisition of Sisgraph incurred the following change to the balance sheet:

MEUR	
Intangible fixed assets	67.4
Other fixed assets	0.2
Total fixed assets	67.6
Total current assets	8.2
Total assets	75.8
Long-term liabilities	2.6
Current liabilities	34.0
Total liabilities	36.6

The purchase price allocations regarding these acquisitions are preliminary and might be subject to changes.

Condensed Parent Company Income Statement

MEUR	Q3 2011	Q3 2010	Q1-Q3 2011	Q1-Q3 2010	2010
Net sales	1.8	1.9	5.5	5.6	7.6
Administration cost	-2.9	-1.1	-8.7	-6.2	-43.9
Operating earnings	-1.1	0.8	-3.2	-0.6	-36.3
Earnings from shares in Group companies	0.0	3.0	143.7	98.8	98.8
Interest income and expenses, net	71.3	-37.5	17.6	-20.6	-275.6
Earnings after financial items	70.2	-33.7	158.1	77.6	-213.1
Tax	-18.6	9.6	-3.6	5.5	3.2
Net earnings	51.6	-24.1	154.5	83.1	-209.9

Condensed Parent Company Balance Sheet

MEUR	30/9 2011	30/9 2010	31/12 2010
Subscribed but not paid capital	-	-	2.8
Total fixed assets	3,739.0	2,006.8	3,627.8
Total current receivables	108.4	88.7	107.5
Cash and cash equivalents	21.4	35.3	38.9
Total current assets	129.8	124.0	146.4
Total assets	3,868.8	2,130.8	3,777.0
Total shareholders' equity	1,352.9	820.9	1,253.9
Total long-term liabilities	1,490.3	218.4	1,768.0
Total short-term liabilities	1,025.6	1,091.5	755.1
Total equity and liabilities	3,868.8	2,130.8	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 (12 month average)	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.
Return on equity (PTD annualised)	Annualised net earnings excluding non-controlling interests for the period as a percentage of average shareholders' equity excluding non-controlling interests for the period.
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 is a leading global provider of design, measurement and visualisation technologies. Our customers can design, measure and position objects, and process and present data, to stay one step ahead of a changing world. Hexagon's solutions increase productivity, enhance quality and allow for faster, better operational decisions, saving time, money and resources. Hexagon has over 12 500 employees in more than 40 countries and net sales of about 2 200 MEUR. Our products are used in a broad range of industries including surveying, power and energy, aerospace and defence, safety and security, construction and manufacturing.
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FINANCIAL REPORT DATES

Hexagon gives financial information at the following occasions:

Interim Report Q4 2011	8 February 2012
Interim Report Q1 2012	9 May 2012
Interim Report Q2 2012	9 August 2012
Interim Report Q3 2012	26 October 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.com

TELEPHONE CONFERENCE

The interim report for the third quarter 2011 will be presented 27 October 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 27 October 2011 at 08:00 CET.

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