



Hexagon launches new financial plan at Capital Markets Day

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Hexagon hosts its capital markets day in Orlando, Florida, where it updates its commentary around the markets where the company is active and launches a new financial plan.

Hexagon's new financial plan stretches to 2015 and includes a sales target of 3.5 billion EUR and an EBIT margin target of 25 per cent. The sales target in the base case scenario is built upon the assumption that the Measurement Technologies market grows at approximately 8 per cent per year over the period up until 2015. Hexagon has more than 30 per cent of its sales in emerging markets and about 40 per cent of its sales stems from growth technologies and Hexagon will therefore grow faster than its peers in the marketplace. The sales target in the base case will be reached primarily by organic growth, but it also includes an element of acquisitions.

Hexagon has also simulated a more negative scenario as part of the overall planning for the coming 4 year period. In this scenario the world economy is assumed to face a recession during one year where volumes for the Group would drop by approximately 20 per cent. In this scenario Hexagon would make one or more strategic acquisitions to take advantage of the lower price expectations from potential sellers. Hexagon's experience is that prices could drop as much as 40 per cent in a recession. These acquisitions would compensate for the shortfall in revenue and Hexagon would still reach the targeted sales level of 3.5 billion EUR. The targeted EBIT margin is 25 per cent also in this scenario.

The two scenarios that were described at the capital markets day are not the only possible outcomes. Different combinations of the two are conceivable depending on the macro environment.

"The outlook for our markets looks promising for the remainder of 2011 with a continued recovery in mature markets and structural growth in the emerging markets. For 2012 and beyond we will be more dependent on growth in emerging markets, as well as, our own ability to create new business opportunities since one cannot trust the mature markets to grow at similar rates as in the last 18 months. Our base case scenario is continuous growth over the next four years. Hexagon has, however, learnt its lesson from the down-turn in 2009. We will therefore reduce leverage and prepare ourselves to be able to capitalise on any weakening in the marketplace by making strategic acquisitions at favourable price levels", says Ola Rollén, CEO and President of Hexagon AB.

A large group of investors, analysts and journalists participated at the Hexagon Capital Markets Day 2011. During the 6-7th of June Hexagon will present interesting products and technologies within the areas of Geosystems, Metrology and Technology.

The presentation given by Ola Rollén will be available at Hexagon's webpage www.hexagon.com

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