HEXAGON

YEAR-END REPORT

1 JANUARY – 31 DECEMBER 2011

FOURTH QUARTER 2011

- Net sales increased by 18 per cent to 591.6 MEUR (501.1)
- Using fixed exchange rates and a comparable group structure, net sales increased by 6 per cent
- Operating earnings (EBIT1) increased by 18 per cent to 121.8 MEUR (103.5)
- Earnings before taxes amounted to 106.9 MEUR (-46.7)
- Net earnings amounted to 85.1 MEUR (-44.3)
- Earnings per share amounted to 0.24 EUR (-0.15)
- Operating cash flow increased by 26 per cent to 70.6 MEUR (55.9)
- The Board of Directors proposes a dividend of 0.17 EUR per share (0.15) [1)]

MEUR	Q4 2011	Q4 2010	Δ%	2011	2010	Δ%
Operating net sales	591.6	506.9	6 [2)]	2,177.6	1,487.1	12 [2)]
Revenue adjustment 3)	-	-5.8	n.a.	-8.5	-5.8	n.a.
Net sales	591.6	501.1	6 [2)]	2,169.1	1,481.3	12 [2)]
Operating earnings (EBIT1)	121.8	103.5	18	439.8	272.9	61
Operating margin, %	20.6	20.4	0.2	20.2	18.4	1.8
Earnings before taxes excl. non-recurring items	106.9	89.9	19	380.9	247.5	54
Non-recurring items	-	-136.6	n.a.	-8.5	-136.6	n.a.
Earnings before taxes	106.9	-46.7	n.a.	372.4	110.9	236
Net earnings	85.1	-44.3	n.a.	297.4	91.7	224
Earnings per share, EUR	0.24	-0.15	n.a.	0.84	0.30	180
Earnings per share, excl. non-recurring items, EUR	0.24	0.24	0	0.85	0.69	23

[1)] The dividend for 2010 of 0.15 EUR is equal to 1.40 SEK using average exchange rates for 2010.
[2)] Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.
[3)] Non-recurring reduction of acquired deferred revenue in H1 2011 related to the acquisition of Intergraph.

Ola Rollén, President and CEO, Hexagon AB

COMMENTS FROM OLA ROLLÉN, PRESIDENT AND CEO, HEXAGON AB

” Four years ago we launched an ambitious financial plan, to reach sales of 20 billion SEK with a 20 per cent EBIT margin by 2011 – the 20-20-11 plan. We have met our commitments and close the books on 2011 with a sense of fulfilment. Our new plan is to grow sales to 3.5 billion EUR and to improve our EBIT margin from 20 per cent to 25 per cent before the end of 2015. We are excited about our future. The transition from delivering primarily hardware into selling software centric solutions continues to shape new opportunities. ”

GROUP DEVELOPMENT Q4

Organic growth in net sales was 6 per cent in the fourth quarter and the operating profit (EBIT1) increased by 18 per cent to 121.8 MEUR.

Geosystems, which represented 33 per cent of Group sales in the fourth quarter, recorded an organic growth of 0 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 4 per cent.

Metrology, which represented 31 per cent of Group sales, displayed 15 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 was consolidated as of November 2010 and the organic growth for the period Nov-Dec 2011 was 5 per cent. The Intergraph PP&M division reported strong double digit growth whereas the SG&I division reported slightly negative growth.

Net sales from Intergraph in October and from acquisitions during 2011 are reported as "structure" in the table below.

SALES BRIDGE FOURTH QUARTER

	Net sales
2010, MEUR	501.1
Structure, %	11
Currency, %	1
Organic growth, %	6
Total, %	18
2011, MEUR	591.6

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 automotive, aerospace, power and energy markets.

EMEA

The demand for Hexagon's products and services in EMEA continued to improve in the fourth quarter. The organic growth in net sales was 5 per cent in the Group's core business, Measurement Technologies (MT), and 1 per cent in Other Operations.

The major markets in Western Europe experienced increased activity levels in the fourth quarter primarily driven by improved demand for measurement solutions used in automotive, aerospace and manufacturing as well as for equipment used in infrastructure investments. Demand was also driven by customer investments in enterprise engineering, construction and data management software used in power and process industries. Demand in Southern Europe remains weak. Eastern Europe, Russia and the Middle East continue to grow.

AMERICAS

Americas recorded 9 per cent organic growth in net sales in the fourth quarter.

Apart from defense and security related products, all Hexagon's markets are growing in NAFTA, including automotive, aerospace, and general engineering, as well as infrastructure projects related to the Hexagon Geosystems application area. Canada showed strong growth for Hexagon Geosystems due to high demand in the natural resources sector.

Activity levels in all of Hexagon's end markets continue to be strong in South America. The newly acquired Brazilian software provider Sisgraph has been successfully integrated and performed well in the quarter. Hexagon anticipates many opportunities related to the exploration and production of Brazil's massive offshore oil reserves and has many interesting business cases and projects involving the 2014 World Cup and the 2016 Olympics.

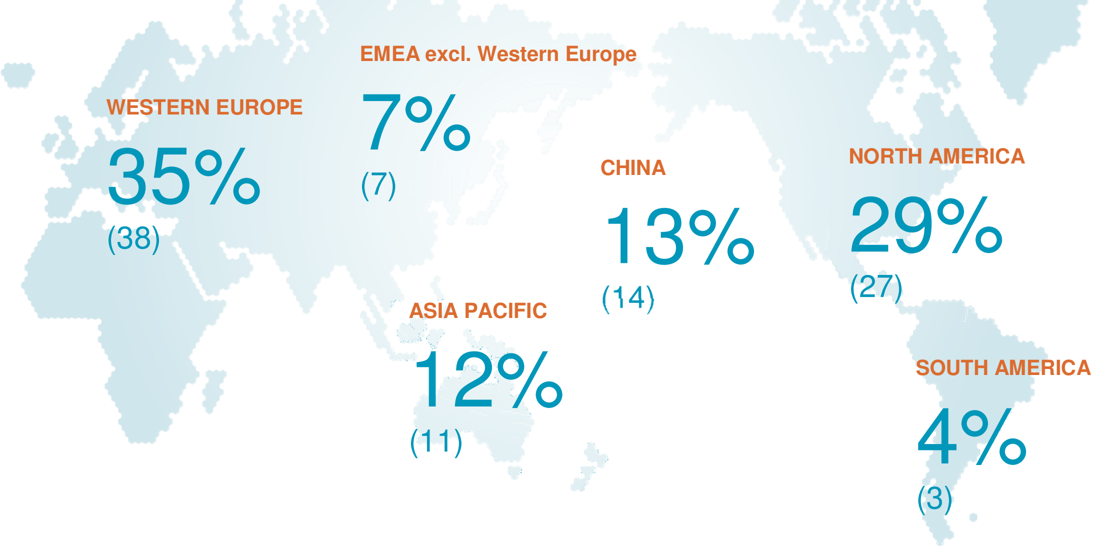
ASIA

Asia recorded organic growth in net sales of 6 per cent in the fourth quarter. Excluding sales to customers active within the buildout of the highspeed rail network in China, Asia reported organic growth in net sales of approximately 10 per cent.

All businesses grew in Asia except for Geosystems. The negative growth recorded for Geosystems is due to the lack of activity in the Chinese high-speed rail sector and the slowdown in the construction sector driven by government actions. Hexagon foresees a gradual growth recovery for Geosystems in China as new business initiatives start to contribute during 2012.

Organic growth in China in the quarter, excluding high-speed rail, was 10 per cent. In addition to China, several other markets and industries in the region, such as Korea and Japan, reported growth.

MEASUREMENT TECHNOLOGIES NET SALES PER REGION Q4 2011 (Q4 2010)



FINANCIAL SUMMARY – FOURTH QUARTER

	Net sales			Earnings		
MEUR	Q4 2011	Q4 2010	Δ % [1]	Q4 2011	Q4 2010	Δ %
Hexagon MT	574.6	490.1	6	124.5	104.9	19
Other Operations	17.0	16.8	1	0.8	0.5	60
Operating net sales	591.6	506.9	6			
Group cost and eliminations				-3.5	-1.9	n.a.
Operating earnings (EBIT1)				121.8	103.5	18
Operating margin				20.6%	20.4%	0.2
Interest income and expenses, net				-14.9	-13.6	-10
Earnings before non-recurring items				106.9	89.9	19
Non-recurring items	-	-5.8	n.a.	-	-136.6	n.a.
Net sales	591.6	501.1	6			
Earnings before taxes				106.9	-46.7	n.a.
Tax				-21.8	2	n.a.
Net earnings				85.1	-44.3	n.a.

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

CURRENCY IMPACT – FOURTH 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			-5.3

[1] Compared to Q4 2010.

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

Q4 NET SALES AND EARNINGS

Operating net sales amounted to 591.6 MEUR (506.9) in the fourth quarter. Using fixed exchange rates and a comparable group structure, net sales increased by 6 per cent.

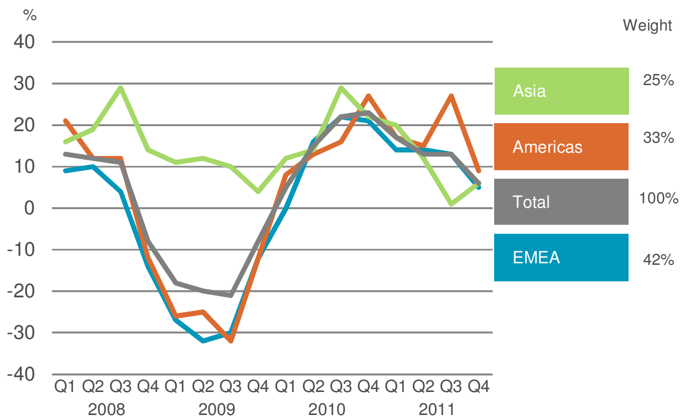
Operating earnings (EBIT1) increased by 18 per cent to 121.8 MEUR (103.5), which corresponds, to an operating margin of 20.6 per cent (20.4). Operating earnings (EBIT1) were negatively affected by exchange rate movements of -5.3 MEUR.

The financial net amounted to -14.9 MEUR (-13.6) in the fourth 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 106.9 MEUR (-46.7). Earnings were negatively affected by exchange rate movements of -5.1 MEUR. Earnings before taxes in Q4 2010 include non-recurring items of -136.6 MEUR primarily related to the acquisition of Intergraph.

Net earnings amounted to 85.1 MEUR (-44.3), or 0.24 EUR (-0.15) per share.

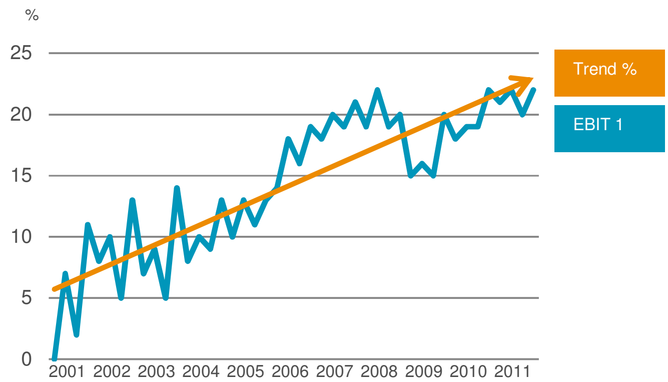
NET SALES – ORGANIC GROWTH BY REGION (MT [1])



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

[1] Organic growth in net sales stemming from Intergraph has been included in the graph above per the date of consolidation (November 2010).

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 fourth quarter 2011, the margin improved to 21.7 per cent (21.4).

FINANCIAL SUMMARY – 2011

	Net sales			Earnings		
MEUR	2011	2010	Δ % [1]	2011	2010	Δ %
Hexagon MT	2,112.3	1,434.2	11	450.1	281.4	60
Other Operations	65.3	52.9	17	2.1	-1.2	n.a.
Operating net sales	2,177.6	1,487.1	12			
Group cost and eliminations				-12.4	-7.3	71
Operating earnings (EBIT1)				439.8	272.9	61
Operating margin				20.2%	18.4%	1.8
Interest income and expenses, net				-58.9	-25.4	132
Earnings before non-recurring items				380.9	247.5	54
Non-recurring items	-8.5	-5.8		-8.5	-136.6	n.a.
Net sales	2,169.1	1,481.3	12			
Earnings before taxes				372.4	110.9	236
Tax				-75.0	-19	n.a.
Net earnings				297.4	91.7	224

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

CURRENCY IMPACT – 2011 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			-20.8

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

2011 NET SALES AND EARNINGS

Operating net sales amounted to 2,177.6 MEUR (1,487.1) in 2011. Using fixed exchange rates and a comparable group structure, net sales increased by 12 per cent.

Operating earnings (EBIT1) increased by 61 per cent to 439.8 MEUR (272.9), which corresponds, to an operating margin of 20.2 per cent (18.4). Operating earnings (EBIT1) were negatively affected by exchange rate movements of -20.8 MEUR.

The financial net amounted to -58.9 MEUR (-25.4) in 2011. 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 380.9 MEUR (247.5).

Non-recurring items in 2011 amount to -8.5 MEUR and relate to acquired deferred revenue from the Intergraph acquisition. Earnings before taxes in 2010 include non-recurring items of -136.6 MEUR primarily related to the acquisition of Intergraph.

Earnings before taxes, including non-recurring items, amounted to 372.4 MEUR (110.9). Earnings were negatively affected by exchange rate movements of -20.0 MEUR.

Net earnings, excluding non-recurring items, amounted to 302.7 MEUR (210.0), or 0.85 EUR (0.69) per share. Net earnings, including these items, amounted to 297.4 MEUR (91.7) or 0.84 EUR (0.30) per share.

2011 ACQUISITIONS

Hexagon continually monitors a large number of companies to identify acquisitions that can strengthen Hexagon's product and technology portfolio and/or improve the 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.

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

SUBSEQUENT EVENTS

On January 19, 2012 Hexagon entered into an agreement to acquire all outstanding shares of MicroSurvey Software Inc – a leading Canadian based developer of surveying and mapping software for the land surveying, construction, and forensic markets (Geosystems technology add-on). Consolidated as of January, 2012.

Geocisa, a Spanish engineering company performing monitoring tasks around the world, has recently been commissioned to undertake the tunnel construction area monitoring for the 11.9 km twin tunnel Crossrail project in London. Crossrail is Europe's largest civil engineering construction project. Geocisa selected products and monitoring software from Hexagon Geosystems for this prestigious undertaking.

PROFITABILITY

Capital employed, defined as total assets less non-interest bearing liabilities, increased to 4,429.0 MEUR (4,208.8). Return on average capital employed, excluding non-recurring items, for the last twelve months was 10.5 per cent (10.2). Return on average shareholders' equity for the last twelve months was 13.1 per cent (6.0). The capital turnover rate was 0.7 times (1.1).

FINANCIAL POSITION

Total shareholders' equity increased to 2,525.8 MEUR (2,172.3). The equity ratio was 47 per cent (43). Hexagon's total assets increased to 5,343.7 MEUR (5,006.6). 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 31 December 2011, cash and unutilised credit limits totalled 360.1 MEUR (508.0). Hexagon's net debt was 1,786.8 MEUR. The net indebtedness was 0.66 times (0.82). Interest coverage ratio was 7.0 times (3.6).

CASH FLOW

During the fourth quarter, cash flow from operations before changes in working capital increased to 114.5 MEUR (99.6), corresponding to 0.32 EUR (0.32) per share. Cash flow from operations in the fourth quarter increased to 113.3 MEUR (80.9), corresponding to 0.32 EUR (0.26) per share. The operating cash flow in the fourth quarter 2011 including non-recurring items amounted to 70.6 MEUR (13.8).

For the full year, cash flow from operations amounted to 369.0 MEUR (260.4), corresponding to 1.05 EUR (0.86) per share and the operating cash flow including non-recurring items amounted to 217.1 MEUR (125.4).

INVESTMENTS, DEPRECIATION AND IMPAIRMENT

Hexagon's net investments, excluding acquisitions and divestitures, amounted to -42.7 MEUR (-25.0) in the fourth quarter and -135.9 MEUR (-87.2) in 2011. The increased investment level in 2011 is primarily due to the acquisition of Intergraph and increased investments into R&D.

Depreciation, amortisation and impairment amounted to -26.7 MEUR (-86.2) in the fourth quarter and -102.6 MEUR (-152.5) in 2011 of which impairment amounted to – MEUR (-62.9).

TAX RATE

The Group's tax expense for 2011 totalled -75.0 MEUR (-19.2), corresponding to an effective tax rate of 20 per cent (17). 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 2011 was 12,475 (8,179). The number of employees at the end of the year was 13,060 (11,992). The increase is mainly explained by the acquisition of Intergraph.

SHARE DATA

Earnings per share for the fourth quarter amounted to 0.24 EUR (-0.15). Earnings per share for 2011 amounted to 0.84 EUR (0.30).

On 31 December 2011, equity per share was 7.15 EUR (6.15) and the share price was 103 SEK (144).

Hexagon's Extraordinary General Meeting in December 2011 resolved on the implementation of an incentive programme through a directed issue of 13 655 000 warrants. At full exercise of the warrant programme, the dilutive effect would be 3.7 per cent of the share capital and 2.7 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 2011 by 0.0 MEUR (0.1).

PARENT COMPANY

The parent company's earnings after financial items in 2011 amounted to 295.1 MEUR (-213.1). The equity was 1,473.3 MEUR (1,253.9). The solvency ratio of the parent company was 37 per cent (33). Liquid funds including unutilised credit limits were 206.4 MEUR (352.2).

BUSINESS AREA

MEASUREMENT TECHNOLOGIES (MT) – SALES AND EARNINGS

MEUR	Q4 2011	Q4 2010	Δ%	2011	2010	Δ%
Net sales	574.6	490.1	6 [1)]	2,112.3	1,434.2	11 [1)]
Operating earnings (EBIT1)	124.5	104.9	19	450.1	281.4	60
Operating margin, %	21.7	21.4	0.3	21.3	19.6	1.7

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

OTHER OPERATIONS – SALES AND EARNINGS

MEUR	Q4 2011	Q4 2010	Δ%	2011	2010	Δ%
Net sales	17.0	16.8	1 [1)]	65.3	52.9	17 [1)]
Operating earnings (EBIT1)	0.8	0.5	n.a.	2.1	-1.2	n.a.
Operating margin, %	4.7	3.0	1.7	3.2	-2.3	5.5

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

MEASUREMENT TECHNOLOGIES

In the fourth quarter, operating net sales amounted to 574.6 MEUR (490.1). Using fixed exchange rates and a comparable group structure, net sales increased by 6 per cent.

Operating earnings (EBIT1) amounted to 124.5 MEUR (104.9), which corresponds to an operating margin of 21.7 per cent (21.4).

The number of employees by the end of the quarter was 12,728 (11,659).

OTHER OPERATIONS

In the fourth quarter, net sales amounted to 17.0 MEUR (16.8). Using fixed exchange rates and a comparable group structure, net sales increased by 1 per cent.

Operating earnings (EBIT1) amounted to 0.8 MEUR (0.5), which corresponds to an operating margin of 4.7 per cent (3.0).

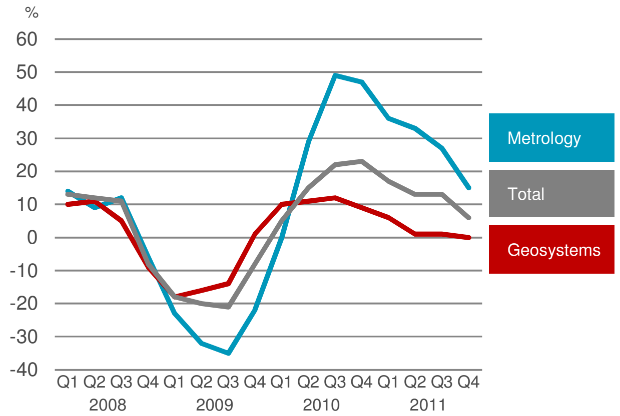
The number of employees by the end of the quarter was 320 (321).

MEASUREMENT TECHNOLOGIES – APPLICATION AREAS

	Net sales			Net sales		
MEUR	Q4 2011	Q4 2010	Δ % [1)]	2011	2010	Δ % [1)]
Geosystems	196.1	200.0	0	757.0	749.9	2
Metrology	183.5	158.2	15	633.5	508.9	26
Technology	195.0	131.9	5	721.8	175.4	n.a.
Total Hexagon MT	574.6	490.1	6	2,112.3	1,434.2	11

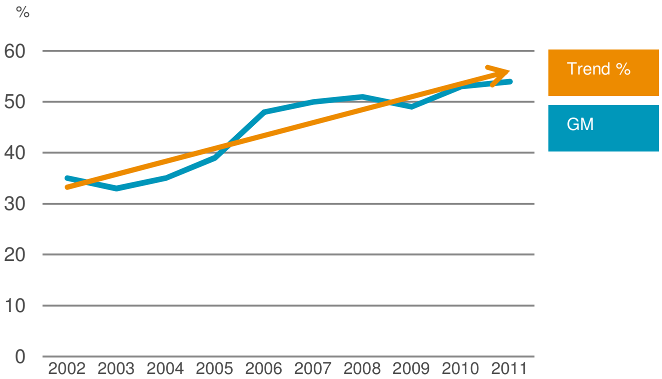
1) Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

NET SALES – ORGANIC GROWTH BY APPLICATION AREA (MT)



Geosystems reported 0 per cent organic growth in net sales in the fourth quarter. The strong recovery in Metrology continued in the fourth quarter and the application area displayed organic sales growth of 15 per cent compared to the corresponding period in 2010.

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 2011, it improved to 54 per cent.

Located in a small town just south of Rome, Italy, ESRIN is the headquarters for the European Space Agency's Earth Observation activities. ESRIN relies on software from Intergraph SG&I to streamline data access and data ordering workflows for the European Maritime Safety Agency (EMSA) and European Union Satellite Center (EUSC).

The Board of Directors and the President and CEO declare that this year-end 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, 7 February 2012
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 Year-End 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 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.

RELATED PARTY TRANSACTIONS

No significant related party transactions have been incurred in 2011.

ANNUAL GENERAL MEETING 2012

The AGM will be held on 9 May 2012, at 17:00 CET in Stockholm (Oscarsteatern, Kungsgatan 63). The Annual Report for 2011 will be distributed during the week starting 16 April. To participate at the AGM shareholders must be registered in the share register maintained by Euroclear on 3 May. Notification of attendance should be made to Hexagon's head office no later than 12:00 CET on 4 May. To participate in the AGM, shareholders with nominee-registered holdings should temporarily re-register their shares in their own names through the agency of their nominees so that they are recorded in the share register in good time before 4 May.

PROPOSED DIVIDEND

The Hexagon Board of Directors proposes a dividend of 0.17 EUR per share (0.15).

Condensed Income Statement

MEUR	Q4 2011	Q4 2010	2011	2010
Net sales	591.6	501.1	2,169.1	1,481.3
Cost of goods sold	-281.2	-247.6	-1,025.6	-728.6
Gross earnings	310.4	253.5	1,143.5	752.7
Sales and administration costs, etc.	-188.5	-271.2	-712.2	-601.1
Earnings from shares in associated companies	-0.1	0.0	0.0	0.1
Operating earnings 1)	121.8	-17.7	431.3	151.7
Interest income and expenses, net 2)	-14.9	-29.0	-58.9	-40.8
Earnings before taxes	106.9	-46.7	372.4	110.9
Taxes	-21.8	2.4	-75.0	-19.2
Net earnings	85.1	-44.3	297.4	91.7
Attributable to:				
Parent company shareholders	84.4	-45.0	295.2	89.9
Non-controlling interest	0.7	0.7	2.2	1.8
1) of which non-recurring items	-	-121.2	-8.5	-121.2
2) of which non-recurring items	-	-15.4	-	-15.4
Earnings include depreciation, amortisation and impairments of	-26.7	-86.2	-102.6	-152.5
Basic earnings per share, EUR	0.24	-0.15	0.84	0.30
Earnings per share after dilution, EUR	0.24	-0.15	0.84	0.30
Total shareholder's equity per share, EUR	7.15	6.15	7.15	6.15
Closing number of shares, thousands	352,490	352,150	352,490	352,150
Average number of shares, thousands	352,490	309,845	352,484	303,655
Average number of shares after dilution, thousands	352,490	309,845	352,546	303,677

Condensed Comprehensive Income

MEUR	Q4 2011	Q4 2010	2011	2010
Net earnings	85.1	-44.3	297.4	91.7
Other comprehensive income:				
Exchange rate differences	88.2	89.7	77.1	208.0
Effect of hedging of net investments in foreign operations	30.3	-10.3	38.9	-27.9
Cash flow hedges, net	-2.8	-0.3	-0.8	0.2
Tax attributable to Other comprehensive income	-7.2	2.8	-10.0	7.3
Other comprehensive income, net of tax	108.5	81.9	105.2	187.6
Total comprehensive income for the period	193.6	37.6	402.6	279.3
Attributable to:				
Parent company shareholders	192.6	36.8	399.9	276.8
Non-controlling interest	1.0	0.8	2.7	2.5

Condensed Balance Sheet

MEUR	31/12 2011	31/12 2010
Intangible fixed assets	3,872.3	3,595.4
Tangible fixed assets	229.3	274.1
Financial fixed assets	28.6	20.3
Deferred tax assets	88.5	64.4
Total fixed assets	4,218.7	3,954.2
Inventories	358.9	319.2
Accounts receivable	509.8	451.2
Other receivables	83.6	63.4
Prepaid expenses and accrued income	56.3	58.2
Total current receivables	649.7	572.8
Cash and cash equivalents	116.4	160.4
Total current assets	1,125.1	1,052.4
Total assets	5,343.7	5,006.6
Equity attributable to parent company shareholders	2,518.7	2,166.1
Equity attributable to non-controlling interest	7.1	6.2
Total shareholders' equity	2,525.8	2,172.3
Interest bearing liabilities	1,407.5	1,810.0
Other liabilities	29.9	24.0
Pension liabilities	38.6	34.2
Deferred tax liabilities	245.7	210.1
Other provisions	81.3	46.8
Total long-term liabilities	1,803.0	2,125.1
Interest bearing liabilities	456.9	154.4
Accounts payable	144.8	152.1
Other liabilities	79.0	55.7
Other provisions	8.2	30.1
Accrued expenses and deferred income	326.0	316.9
Total short-term liabilities	1,014.9	709.2
Total equity and liabilities	5,343.7	5,006.6

Condensed Statement of Changes in Equity

MEUR	2011	2010
Opening shareholders' equity	2,172.3	1,217.7
Total comprehensive income for the period 1)	402.6	279.3
Rights issue, net of issuance cost	2.8	710.1
Dividend	-57.3	-34.5
Repurchase of stock options	-2.8	-
Sale of stock options	8.2	-
Effect of acquisitions and divestments in subsidiaries	-	-0.3
Closing shareholders' equity 2)	2,525.8	2,172.3
1) of which: Parent company shareholders	399.9	276.8
Non-controlling interest	2.7	2.5
2) of which: Parent company shareholders	2,518.7	2,166.1
Non-controlling interest	7.1	6.2

Number of Shares, Analysis

	series A	series B	Total
2008-12-31 Total issued	11,812,500	253,707,270	265,519,770
Repurchase	-	-1,311,442	-1,311,442
2008-12-31 Total issued and outstanding	11,812,500	252,395,828	264,208,328
Sale of repurchased shares	-	138,825	138,825
2009-12-31 Total issued and outstanding	11,812,500	252,534,653	264,347,153
Sale of repurchased shares	-	20,070	20,070
Rights issue	3,937,500	83,845,572	87,783,072
2010-12-31 Total issued and outstanding	15,750,000	336,400,295	352,150,295
Rights issue	-	339,335	339,335
2011-12-31 Total issued and outstanding 1)	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 December 2011, there were 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 amounted to 1 152 547 shares of series B.

Condensed Cash Flow Statement

MEUR	Q4 2011	Q4 2010	2011	2010
Cash flow from operations before change in working capital excluding taxes and interest	148.5	149.4	523.9	370.0
Tax paid	-20.3	-7.4	-71.1	-22.1
Interest received and paid, net	-13.7	-42.4	-55.6	-53.8
Cash flow from operations before change in working capital	114.5	99.6	397.2	294.1
Cash flow from change in working capital	-1.2	-18.7	-28.2	-33.7
Cash flow from operations	113.3	80.9	369.0	260.4
Cash flow from ordinary investing activities	-42.7	-25.0	-135.9	-87.2
Operating cash flow	70.6	55.9	233.1	173.2
Non-recurring cash flow	-	-42.1	-16.0	-47.8
Operating cash flow after non-recurring items	70.6	13.8	217.1	125.4
Cash flow from other investing activities 1)	-9.3	-1,581.4	-99.2	-1,598.2
Cash flow after other investing activities	61.3	-1,567.6	117.9	-1,472.8
Dividends paid	-	-	-57.3	-34.5
Rights issue net of expenses	-	718.5	-5.7	718.5
Repurchase of stock options	-	-	-2.8	-
Cash flow from other financing activities	-85.1	910.8	-97.8	861.8
Cash flow for the period	-23.8	61.7	-45.7	73.0
Cash and cash equivalents, beginning of period	136.5	96.4	160.4	77.4
Effect of translation differences on cash and cash equivalents	3.7	2.3	1.7	10.0
Cash flow for the period	-23.8	61.7	-45.7	73.0
Cash and cash equivalents, end of period	116.4	160.4	116.4	160.4

[1)]Acquisitions -83.0 MEUR (-1,591.4) and other -16.2 MEUR (-6.8) in 2011.

Key Ratios

	Q4 2011	Q4 2010	2011	2010
Operating margin, %	20.6	20.4	20.2	18.4
Profit margin before taxes, %	18.1	-10.0	17.2	7.5
Return on shareholders' equity 12 month average, %	13.1	6.0	13.1	6.0
Return on capital employed, %	10.5	10.2	10.5	10.2
Equity ratio, %	47.3	43.4	47.3	43.4
Net indebtedness	0.66	0.82	0.66	0.82
Interest coverage ratio	7.6	-0.7	7.0	3.6
Average number of shares, thousands	352,490	309,845	352,484	303,655
Basic earnings per share excl. non-recurring items, EUR	0.24	0.24	0.85	0.69
Basic earnings per share, EUR	0.24	-0.15	0.84	0.30
Cash flow per share, EUR	0.32	0.26	1.05	0.86
Cash flow per share before change in working cap, EUR	0.32	0.32	1.13	0.97
Share price, SEK	103	144	103	144
Share price translated to EUR	11.6	16.1	11.6	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. Historic numbers have not been restated.

NET SALES

MEUR	Q4 2011	Q3 2011	Q2 2011	Q1 2011	2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	2010
Hexagon MT	574.6	507.9	526.7	503.1	2,112.3	490.1	326.0	336.8	281.2	1,434.2
- Of which Geosystems	196.1	179.2	196.6	185.1	757.0	200.0 [2]	182.9	198.0	169.0	749.9
Metrology	183.5	157.5	155.6	136.9	633.5	158.2	128.9	123.8	98.0	508.9
Technology	195.0	171.2	174.5 [1]	181.1 [1]	721.8	131.9 [2]	14.3	15.0	14.2	175.4
Other operations	17.0	13.3	16.8	18.2	65.3	16.8	11.0	13.9	11.2	52.9
Group	591.6	521.2	543.5	521.3	2,177.6	506.9	337.0	350.8	292.4	1,487.1

OPERATING EARNINGS (EBIT1)

MEUR	Q4 2011	Q3 2011	Q2 2011	Q1 2011	2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	2010
Hexagon MT	124.5	101.5	117.2	106.9	450.1	104.9	60.7	65.4	50.4	281.4
Other operations	0.8	0.0	0.4	0.9	2.1	0.5	-0.8	-0.2	-0.7	-1.2
Group costs	-3.5	-2.6	-3.3	-3.0	-12.4	-1.9	-1.9	-1.9	-1.6	-7.3
Group	121.8	98.9	114.3	104.8	439.8	103.5	58.0	63.3	48.1	272.9
Margin,%	20.6	19.0	21.0	20.1	20.2	20.7	17.2	18.0	16.5	18.4

NET SALES

MEUR	Q4 2011	Q3 2011	Q2 2011	Q1 2011	2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	2010
EMEA	258.5	223.2	242.6	231.3	955.6	237.3	150.1	165.4	141.1	693.9
Americas	190.7	163.6	158.4	153.7	666.4	146.5	81.6	83.7	68.4	380.2
Asia	142.4	134.4	142.5	136.3	555.6	123.1	105.3	101.7	82.9	413.0
Group	591.6	521.2	543.5 [1]	521.3 [1]	2,177.6	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.
[2] In a comparable group structure, taking into account the move of the business units ERDAS and Z/I, the revenue number for Geosystems in Q4 2010 would have been 192.5 MEUR and for Technology the number would have been 139.4.

Acquisitions and Divestments

MEUR	2011 Acquisitions	2011 Divestments	2010 Acquisitions	2010 Divestments
Intangible fixed assets	138.5	-	1,736.4	-
Other fixed assets	-49.1	-	119.3	-
Total fixed assets	89.4	-	1,855.7	-
Total current assets	11.0	-	261.5	-
Total assets	100.4	-	2,117.2	-
Total long-term liabilities, etc	-51.6	-	281.8	-
Total short-term liabilities	65.4	-	164.5	-
Total liabilities	13.8	-	446.3	-
Total net assets	86.6	-	1,670.9	-
Total acquisition cost/divestment income	-110.5	-	-1,696.6	-
Adjustment for non-paid part of acquisition cost/ divestment income incl. payment of items from prior years	23.9	-	25.7	-
Adjustment for cash and bank balances in aquired entities	3.6	-	79.5	-
Cash flow from acquisitions	-83.0	-	-1,591.4	-

The purchase price allocation regarding the acquisition of Intergraph has now been finalised. 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 fair value adjustment 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 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.

Sisgraph is a software and services provider which provides consulting, implementation and training services for all Intergraph products in Latin America. Excluding inter-company sales, Sisgraph's turnover in 2010 amounted to approximately 11 MEUR. The company has shown solid growth and strong profitability over the last years.

The provisional fair value of the identifiable assets and liabilities of Sisgraph as at the date of acquisition was:

MEUR	
Intangible fixed assets	22.5
Other fixed assets	0.2
Total fixed assets	22.7
Total current assets	8.2
Total assets	30.9
Long-term liabilities	2.6
Current liabilities	31.8
Total liabilities	34.4
Total identifiable net assets at fair value	-3.5
Goodwill	70.8
Purchase consideration transferred	67.3

Goodwill relates to primarily increased future total sales to South America for Intergraph, in excess of what Sisgraph presently adds, related to the offshore oil exploration and production market segment and interesting opportunities in the security and infrastructure market segments.

Condensed Parent Company Income Statement

MEUR	Q4 2011	Q4 2010	2011	2010
Net sales	3.1	2.0	8.6	7.6
Administration cost	-4.4	-37.7	-13.1	-43.9
Operating earnings	-1.3	-35.7	-4.5	-36.3
Earnings from shares in Group companies	5.3	0.0	149.0	98.8
Interest income and expenses, net	133.0	-255.0	150.6	-275.6
Earnings after financial items	137.0	-290.7	295.1	-213.1
Tax	-16.7	-2.3	-20.3	3.2
Net earnings	120.3	-293.0	274.8	-209.9

Condensed Parent Company Balance Sheet

MEUR	31/12 2011	31/12 2010
Subscribed but not paid capital	-	2.8
Total fixed assets	3,772.5	3,627.8
Total current receivables	207.5	107.5
Cash and cash equivalents	0.2	38.9
Total current assets	207.7	146.4
Total assets	3,980.2	3,777.0
Total shareholders' equity	1,473.3	1,253.9
Total long-term liabilities	1,371.0	1,768.0
Total short-term liabilities	1,135.9	755.1
Total equity and liabilities	3,980.2	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.
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 13 000 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 Learn more at www.hexagon.com.

FINANCIAL REPORT DATES

Hexagon gives financial information at the following occasions:

Interim Report Q1 2012	9 May 2012
Interim Report Q2 2012	9 August 2012
Interim Report Q3 2012	26 October 2012
Year-End Report 2012	February 2013

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 year-end report 2011 will be presented 8 February at 11:00 CET at a telephone conference. Please view instructions at Hexagon's website on how to participate.

CONTACT

Mattias Stenberg, VP Strategy and Communications, Hexagon AB
+46 8 601 26 27, ir@hexagon.com

This year-end 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 8 February 2012 at 08:00 CET.

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HEXAGON

Hexagon AB [publ] P.O. Box 3692 SE- 103 59 Stockholm Fax: +46 8 601 26 21 Phone: +46 8 601 26 20
Registration number: 556190-4771 Registred Office: Stockholm, Sweden
www.hexagon.com