

INTERIM REPORT

1 JANUARY – 31 MARCH 2013

FIRST QUARTER 2013

- Net sales increased by 4 per cent to 586.3 MEUR (565.8)
- Using fixed exchange rates and a comparable group structure, net sales increased by 4 per cent for the Group and 5 per cent in the core business, Measurement Technologies (MT)
- Operating earnings (EBIT1) amounted to 121.0 MEUR (109.4)
- Earnings before taxes amounted to 111.6 MEUR (95.3)
- Net earnings increased by 17 per cent to 90.4 MEUR (77.1)
- Earnings per share increased by 14 per cent to 0.25 EUR (0.22)

MEUR	Q1 2013	Q1 2012	Δ%
Net sales	586.3	565.8	4 ¹⁾
Operating earnings (EBIT1)	121.0	109.4	11
Operating margin, %	20.6	19.3	1.3
Earnings before taxes	111.6	95.3	17
Net earnings	90.4	77.1	17
Earnings per share, EUR	0.25	0.22	14

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



Ola Rollén, President and CEO, Hexagon AB

COMMENTS FROM OLA ROLLÉN, PRESIDENT AND CEO, HEXAGON AB

“With an EBIT margin of 22 per cent and organic growth of 5 per cent in our core business, Measurement Technologies, Hexagon performed well considering the absence of strong global demand. The lion share of the growth comes from the emerging markets. We continue to expand and invest in countries and regions like Brazil, Russia, China and Africa. In fact, markets outside Western Europe and NAFTA now account for more than 40 per cent of our sales. In conjunction with our annual international user’s conference in June, we plan to launch several new, exciting, products that could potentially accelerate sales growth also in the mature markets”.

BUSINESS DEVELOPMENT Q1

Recorded sales grew by 4 per cent and organic growth was 4 per cent in the first quarter. Operating earnings (EBIT1) increased by 11 per cent to 121.0 MEUR.

The organic growth in the Group's core business, Measurement Technologies (MT), was 5 per cent and net sales amounted to 569.1 MEUR. Operating earnings in MT increased to 125.0 MEUR, which corresponds to an operating margin of 22.0 per cent.

Geosystems reports an organic growth of 4 per cent. The division represents 33 per cent of net sales in the first quarter.

Metrology, which represents 30 per cent of net sales, reports an organic growth of 5 per cent, despite the tough comparison numbers in Q1 2012.

Technology, which represents 34 per cent of net sales, reports 4 per cent organic growth. Intergraph SG&I improved profitability compared to last year but sales contracted due to the diminishing US defence business whilst PP&M continued to report solid growth.

SALES BRIDGE FIRST QUARTER

	Net sales
2012, MEUR	565.8
Structure, %	0
Currency, %	-1
Organic growth, %	4
Total, %	4
2013, MEUR	586.3

Net sales from acquisitions during the last twelve months are reported as "Structure" in the table above.

Percentages are rounded to the nearest whole percent.

MARKET DEVELOPMENT

Customer demand in the engineering sector improved in Europe in the first quarter.

Growth in the Americas was largely due to recovery in the US construction sector coupled with strong demand in South America. Demand continued to accelerate in Asia, fuelled primarily by strong demand from China.

EMEA

Customer demand in EMEA increased in the first quarter. The organic growth in net sales was 5 per cent in MT and -1 per cent in Other Operations.

Increased activity levels in Western Europe stem from increased demand from customers involved in infrastructure related activities as well as the automotive and aerospace sectors.

Eastern Europe reported declining sales mostly due to tough comparison numbers. Sales in Africa more than doubled due to a large software order win in the quarter. Adjusting for the order in Africa, EMEA's underlying organic growth rate was slightly lower than the reported 5 per cent.

AMERICAS

Americas recorded 1 per cent organic growth in net sales in the first quarter.

Apart from the defence market, all of Hexagon's market segments grew in North America, including automotive, aerospace and general engineering, as well as Geosystems sales to residential housing projects.

Growth numbers in the US were hampered by two factors. Firstly the fact that a large software order was reported in Q1 2012 which made comparison numbers

difficult to meet and secondly the effects stemming from the sequestration.

In South America, activity levels in all sectors, except Metrology, continue to be strong. Hexagon reported strong double digit growth in South America in the quarter.

In April, Hexagon announced the acquisition of Manfra, Geosystems' largest distributor in South America. In addition to increased distribution capabilities, Manfra brings unique application knowledge and topography software products.

Excluding the short-term effects from the sequestration and adjusting for the unusually strong comparison numbers, the underlying growth rate in Americas in the quarter was higher than the reported 1 per cent organic growth.

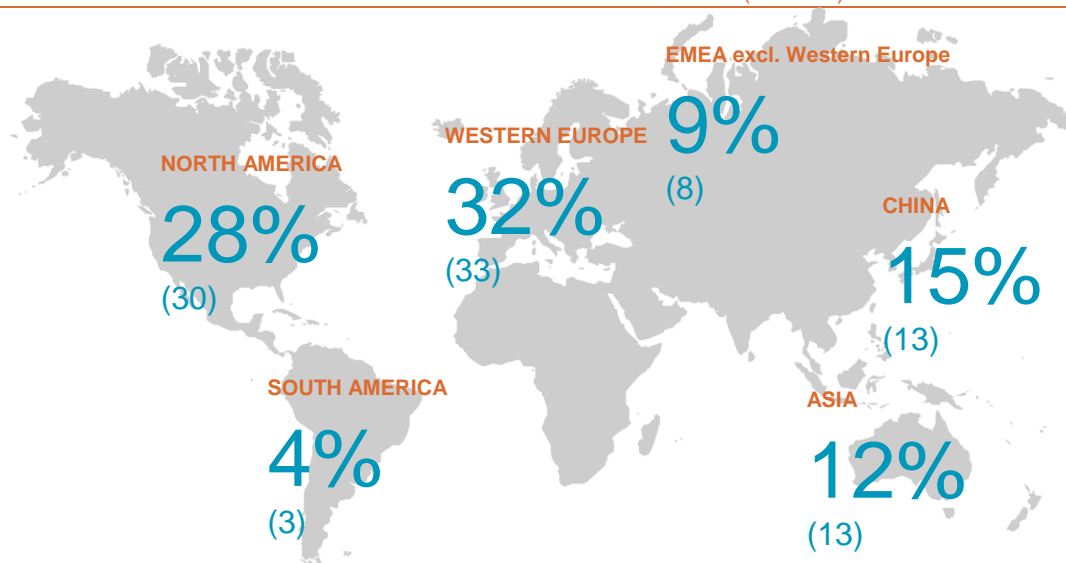
ASIA

Asia recorded organic growth in net sales of 9 per cent in the first quarter.

All of Hexagon's application areas recorded growth in China in the quarter, largely due to favourable demand in the automotive, aerospace, power and energy markets but also from infrastructure related businesses. All in all, China reported a double digit organic growth in the quarter.

In addition to China, several other markets in the region reported growth, including India, Korea and Japan. Australia reported negative growth in the quarter due to weak demand from the mining sector.

MEASUREMENT TECHNOLOGIES NET SALES PER REGION Q1 2013 (Q1 2012)



FINANCIAL SUMMARY – FIRST QUARTER

MEUR	Net sales			Earnings		
	Q1 2013	Q1 2012	Δ % ¹⁾	Q1 2013	Q1 2012	Δ %
Hexagon MT	569.1	548.5	5	125.0	111.8	12
Other Operations	17.2	17.3	-1	0.6	0.8	-25
Net sales	586.3	565.8	4			
Group cost and eliminations				-4.6	-3.2	-44
Operating earnings (EBIT1)				121.0	109.4	11
Operating margin, %				20.6	19.3	1.3
Interest income and expenses, net				-9.4	-14.1	33
Earnings before taxes				111.6	95.3	17
Taxes				-21.2	-18.2	-16
Net earnings				90.4	77.1	17

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

Q1 NET SALES AND EARNINGS

Net sales amounted to 586.3 MEUR (565.8) in the first quarter. Using fixed exchange rates and a comparable group structure, net sales increased by 4 per cent.

Operating earnings (EBIT1) increased by 11 per cent to 121.0 MEUR (109.4), which corresponds, to an operating margin of 20.6 per cent (19.3). Operating earnings (EBIT1) were negatively affected by exchange rate movements of -1.3 MEUR.

The financial net amounted to -9.4 MEUR (-14.1) in the first quarter. The decrease is explained by lower interest rates and a lower net debt.

Earnings before taxes amounted to 111.6 MEUR (95.3). Earnings were negatively affected by exchange rate movements of -1.2 MEUR.

Net earnings amounted to 90.4 MEUR (77.1), or 0.25 EUR (0.22) per share.

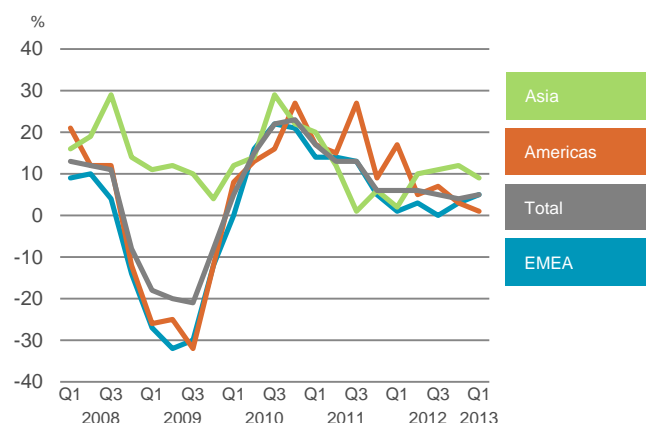
CURRENCY IMPACT – FIRST QUARTER AS COMPARED TO EUR

	Movement ¹⁾	Income less cost	Profit impact
CHF	Weakened -2%	Negative	Positive ↗
USD	Weakened -1%	Positive	Negative ↘
CNY	Strengthened 1%	Positive	Positive ↗
EBIT1, MEUR			-1.3

¹⁾ Compared to Q1 2012.

In Q1 2013, the significant movements in the Japanese Yen and the Brazilian Real had negative impact on net sales and profit.

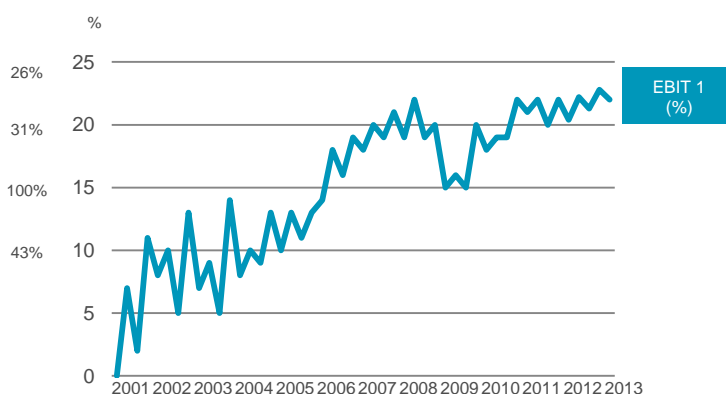
NET SALES – ORGANIC GROWTH BY REGION (MT ¹⁾)



EMEA reported organic growth of 5 per cent in the first quarter, whilst Americas reported organic growth of 1 per cent. Asia reported 9 per cent organic growth in the quarter.

¹⁾ Organic growth in net sales stemming from Intergraph has been included in the graph above as of 1 November 2010.

OPERATING MARGIN (MT) – QUARTERLY DATA



Hexagon's core business Measurement Technologies has consistently improved its profitability. In 2007 and in 2008 the EBIT margin was 20 per cent. In 2009, the margin decreased to approximately 17 per cent due to reduced volumes caused by the global economic downturn. In 2010, the margin was back to 20 per cent and in 2011 and 2012, it reached 21 per cent and 22 per cent, respectively. In the first quarter of 2013, the margin was 22.0 per cent (20.4).



Babcock & Wilcox Power Generation Group, Inc. (B&W PGG), a leading clean energy technology firm, which engineers, procures, manufactures and constructs steam-generating systems and environmental systems for its utility and industrial customers, is now in production with SmartPlant Enterprise. B&W PGG felt standardisation on Intergraph SmartPlant Enterprise would enable them to execute projects more efficiently and at a higher quality.

PROFITABILITY

Capital employed increased to 4,642.7 MEUR (4,401.2). Return on average capital employed for the last twelve months was 11.1 per cent (10.2). Return on average shareholders' equity for the last twelve months was 13.4 per cent (12.9). The capital turnover rate was 0.5 times (0.5).

FINANCIAL POSITION

Total shareholders' equity increased to 2,894.9 MEUR (2,525.3). The equity ratio was 52 per cent (48). Hexagon's total assets increased to 5,553.4 MEUR (5,277.7).

Hexagon's primary source of financing is a 900 MUSD and a 1,000 MEUR Term and Revolving Credit Facilities Agreement that expires in July 2015. In the fourth quarter of 2009 Hexagon issued a 2,000 MSEK five year bond and to further diversify the debt structure, Hexagon, in the first quarter of 2012, established a Swedish Commercial Paper Programme. The programme enables Hexagon to issue commercial paper up to a total amount of SEK 8 billion. Commercial paper can be issued with tenor of up to 12 months under the programme.

On 31 March 2013, cash and unutilised credit limits totalled 471.4 MEUR (437.3). Hexagon's net debt was 1,611.4 MEUR (1,766.5). The net indebtedness was 0.52 times (0.65). Interest coverage ratio was 11.6 times (7.2).

CASH FLOW

During the first quarter, cash flow from operations before changes in working

capital increased to 121.9 MEUR (112.5), corresponding to 0.35 EUR (0.32) per share. Cash flow from operations in the first quarter amounted to 62.4 MEUR (87.5), corresponding to 0.18 EUR (0.25) per share. Operating cash flow in the first quarter 2013 amounted to 21.2 MEUR (52.5). The long-term trend of reducing working capital to sales continues to develop positively. For the last six quarters working capital to sales has been below 20 per cent. In the first quarter 2013 Hexagon however experienced a temporary set-back due to seasonal effects and a reversal effect from a strong Q4.

INVESTMENTS, DEPRECIATION AND AMORTISATION

Hexagon's net investments, excluding acquisitions and divestitures, amounted to -41.2 MEUR (-35.0) in the first quarter.

Depreciation and amortisation amounted to -31.2 MEUR (-28.8) in the first quarter. There were no impairment charges recorded in the first quarter.

TAX RATE

The Group's tax expense for the first quarter totalled -21.2 MEUR (-18.2), corresponding to an effective tax rate of 19 per cent (19).

EMPLOYEES

The average number of employees during the first quarter was 13,659 (12,940). The number of employees at the end of the quarter was 13,898 (13,138).

SHARE DATA

Earnings per share for the first quarter amounted to 0.25 EUR (0.22).

On 31 March 2012, equity per share was 8.18 EUR (7.14) and the share price was 177.50 SEK (128.40).

Hexagon's share capital amounts to 78,471,187 EUR, represented by 353,642,177 shares, of which 15,750,000 are of series A with 10 votes each and 337,892,177 are of series B with one vote each. Hexagon AB treasury shares amounted to 861,090 shares of series B.

In accordance with a decision by a Shareholders' General Meeting in December 2011, an incentive programme was introduced, under which a maximum of 13,665,000 warrants can be issued. 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. On 31 March 2013, 7,662,055 warrants were outstanding.

ASSOCIATED COMPANIES

Associated companies affected Hexagon's earnings during the first quarter by -1.0 MEUR (0.0).

PARENT COMPANY

The parent company's earnings after financial items in the first quarter amounted to 36.9 MEUR (-21.1). The equity was 1,610.0 MEUR (1,457.9). The solvency ratio of the parent company was 39 per cent (38). Liquid funds including unutilised credit limits were 310.5 MEUR (291.1).

BUSINESS AREAS

MEASUREMENT TECHNOLOGIES – SALES AND EARNINGS

MEUR	Q1 2013	Q1 2012	Δ%
Net sales	569.1	548.5	5 ¹⁾
Operating earnings (EBIT1)	125.0	111.8	12
Operating margin, %	22.0	20.4	1.6

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

OTHER OPERATIONS – SALES AND EARNINGS

MEUR	Q1 2013	Q1 2012	Δ%
Net sales	17.2	17.3	-1 ¹⁾
Operating earnings (EBIT1)	0.6	0.8	-25
Operating margin, %	3.5	4.6	-1.1

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 569.1 MEUR (548.5). Using fixed exchange rates and a comparable group structure, net sales increased by 5 per cent.

Operating earnings (EBIT1) amounted to 125.0 MEUR (111.8), which corresponds to an operating margin of 22.0 per cent (20.4).

The number of employees by the end of the quarter was 13,572 (12,803).

OTHER OPERATIONS

In the first quarter, net sales amounted to 17.2 MEUR (17.3). Using fixed exchange rates and a comparable group structure, net sales decreased by -1 per cent.

Operating earnings (EBIT1) amounted to 0.6 MEUR (0.8), which corresponds to an operating margin of 3.5 per cent (4.6).

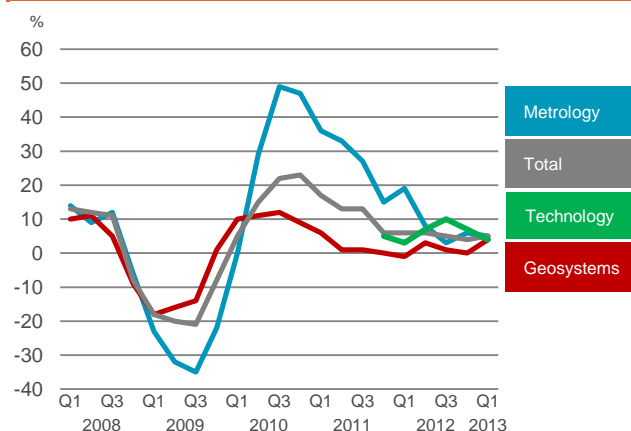
The number of employees by the end of the quarter was 309 (318).

MEASUREMENT TECHNOLOGIES – APPLICATION AREAS

MEUR	Net sales		
	Q1 2013	Q1 2012	Δ % ¹⁾
Geosystems	195.2	188.2	4
Metrology	175.8	167.4	5
Technology	198.1	192.9	4
Total Hexagon MT	569.1	548.5	5

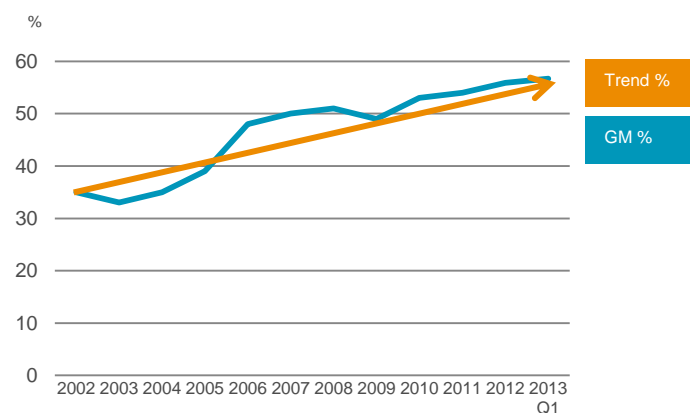
¹⁾ Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

NET SALES – ORGANIC GROWTH BY APPLICATION AREA (MT)

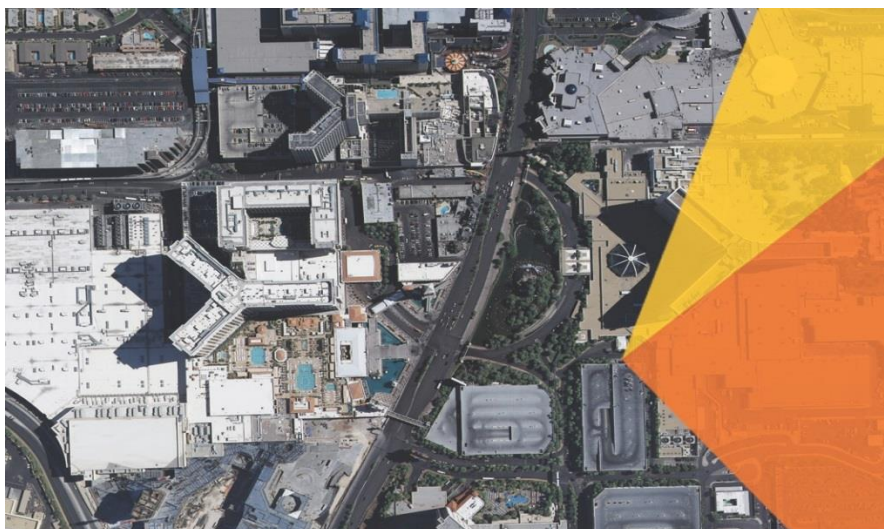


Geosystems reported 4 per cent organic growth in net sales in the first quarter. Metrology displayed organic sales growth of 5 per cent. Technology including Intergraph reported 4 per cent organic growth.

GROSS MARGIN (MT) – ANNUAL DATA



Product innovations including new technology, lower manufacturing costs and an increasing software content enables Hexagon to continuously improve the gross margin. In the first quarter 2013, the gross margin was 57 per cent (55).



Leica Geosystems introduced a new generation of its leading airborne digital sensor, the Leica ADS100. By doubling the cycle rate, high resolution images can now be acquired at much higher ground speeds, making it the most productive airborne sensor available today.

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, 13 May 2013
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 2012 except for the following standards that have been applied from financial year 2013:

- Amendment to IAS 1 – Presentation of Financial Statements
- IFRS 7 – Financial Instruments – Disclosures
- IFRS 13 – Fair Value Measurement
- Amendment to IAS 19 – Employee Benefits

The changes refer to extended disclosure requirements and for defined benefit plans also changed accounting principles. The new accounting principles for defined benefit plans have been applied retrospectively and hence the income statement and balance sheet for 2012 have been restated accordingly. A more detailed description of the effects of the new IAS 19 can be found on page 12 and further information is presented on Hexagon's website www.hexagon.com.

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 ability to raise funds. 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 risks facing the Group compared to what was reported in the 2012 Annual Report.

RELATED PARTY TRANSACTIONS

No significant related party transactions have been incurred during the quarter.

SUBSEQUENT EVENTS

On 15 April 2013, Hexagon acquired MANFRA, the Brazil based distributor of Leica Geosystems products.

On 25 April 2013, Hexagon acquired a/m/t Software Service AG, a Swiss based software solutions company.

RESTATEMENT OF 2012 - IAS 19

See page 12.

Condensed Income Statement

MEUR	Q1 2013	Q1 2012	2012
Net sales	586.3	565.8	2,380.0
Cost of goods sold	-262.7	-260.8	-1,078.9
Gross earnings	323.6	305.0	1,301.1
Sales and administration costs, etc.	-201.6	-195.6	-815.7
Earnings from shares in associated companies	-1.0	0.0	-0.5
Operating earnings	121.0	109.4	484.9
Interest income and expenses, net	-9.4	-14.1	-50.7
Earnings before taxes	111.6	95.3	434.2
Taxes	-21.2	-18.2	-83.1
Net earnings	90.4	77.1	351.1
Attributable to:			
Parent company shareholders	89.7	76.5	348.2
Non-controlling interest	0.7	0.6	2.9
Earnings include depreciation, amortisation and impairments of	-31.2	-28.8	-120.8
Basic earnings per share, EUR	0.25	0.22	0.99
Earnings per share after dilution, EUR	0.25	0.22	0.99
Total shareholder's equity per share, EUR	8.18	7.14	7.77
Closing number of shares, thousands	352,781	352,490	352,675
Average number of shares, thousands	352,727	352,490	352,499
Average number of shares after dilution, thousands	355,036	352,749	353,494

Condensed Comprehensive Income

MEUR	Q1 2013	Q1 2012	2012
Net earnings	90.4	77.1	351.1
Other comprehensive income:			
Items that will not be reclassified to income statement			
Actuarial gains/losses	-	-	20.8
Tax on items that will not be reclassified to income statement	-	-	-1.3
Total items that will not be reclassified to income statement, net of tax	-	-	19.5
Items that may be reclassified subsequently to income statement			
Exchange rate differences	68.8	-19.5	-45.8
Effect of hedging of net investments in foreign operations	-9.5	-29.9	1.9
Fair value adjustment	-	-	-4.8
Cash flow hedges, net	-0.3	0.6	1.5
Tax on items that may be reclassified subsequently to income statement	-5.4	7.7	-4.6
Total items that may be reclassified subsequently to income statement, net of tax	53.6	-41.1	-51.8
Other comprehensive income, net of tax	53.6	-41.1	-32.3
Total comprehensive income for the period	144.0	36.0	318.8
Attributable to:			
Parent company shareholders	143.0	35.6	316.0
Non-controlling interest	1.0	0.4	2.8

Condensed Balance Sheet

MEUR	31/3 2013	31/3 2012	31/12 2012
Intangible fixed assets	3,999.0	3,828.0	3,931.6
Tangible fixed assets	242.1	227.7	239.0
Financial fixed assets	31.1	29.3	37.3
Deferred tax assets	84.7	103.3	90.1
Total fixed assets	4,356.9	4,188.3	4,298.0
Inventories	399.0	370.3	376.8
Accounts receivable	539.0	495.2	514.5
Other receivables	49.9	52.1	53.4
Prepaid expenses and accrued income	72.2	62.4	60.5
Total current receivables	661.1	609.7	628.4
Cash and cash equivalents	136.4	109.4	130.7
Total current assets	1,196.5	1,089.4	1,135.9
Total assets	5,553.4	5,277.7	5,433.9
Equity attributable to parent company shareholders	2,886.4	2,517.8	2,741.8
Equity attributable to non-controlling interest	8.5	7.5	7.3
Total shareholders' equity	2,894.9	2,525.3	2,749.1
Interest bearing liabilities	1,493.3	1,607.9	1,503.8
Other liabilities	9.2	23.4	12.5
Pension liabilities	63.9	81.9	64.1
Deferred tax liabilities	287.3	244.6	281.4
Other provisions	9.0	58.6	15.3
Total long-term liabilities	1,862.7	2,016.4	1,877.1
Interest bearing liabilities	185.5	185.9	187.6
Accounts payable	143.0	126.3	156.3
Other liabilities	84.3	79.2	84.7
Other provisions	30.9	8.1	34.1
Accrued expenses and deferred income	352.1	336.5	345.0
Total short-term liabilities	795.8	736.0	807.7
Total equity and liabilities	5,553.4	5,277.7	5,433.9

Financial instruments

In Hexagon's balance sheet derivatives and other long-term securities holdings are carried at fair value. Derivatives are measured at fair value based on valuation techniques with observable market data as input (level 2 according to definition in IFRS 7). Other long-term securities holdings amount to insignificant numbers. Other assets and liabilities are carried at accrued cost.

For financial assets and liabilities that are carried at accrued cost, the fair value is deemed to be coincident with the carrying amount except for long-term liabilities to credit institutions. The difference between the fair value and the carrying amount for these long-term liabilities is deemed to be insignificant relative to the total balance sheet since the interest rate duration is short.

Condensed Statement of Changes in Equity

MEUR	Q1 2013	Q1 2012	2012
Opening shareholders' equity	2,772.6	2,525.8	2,525.8
Change in accounting principles (IAS 19)	-23.5	-36.5	-36.5
Restated opening shareholders' equity	2,749.1	2,489.3	2,489.3
Total comprehensive income for the period 1)	144.0	36.0	318.8
Dividend	-	-	-62.5
Sale of repurchased shares	1.6	-	-2.7
Stock options issued	-	-	0.8
Effect of acquisitions and divestments of subsidiaries	0.2	-	-
Closing shareholders' equity 2)	2,894.9	2,525.3	2,749.1
1) of which: Parent company shareholders	143.0	35.6	316.0
Non-controlling interest	1.0	0.4	2.8
2) of which: Parent company shareholders	2,886.4	2,517.8	2,741.8
Non-controlling interest	8.5	7.5	7.3

Number of Shares

	series A	series B	Total
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	15,750,000	336,739,630	352,489,630
Sale of repurchased shares	-	185,207	185,207
2012-12-31 Total issued and outstanding	15,750,000	336,924,837	352,674,837
Sale of repurchased shares	-	106,250	106,250
2013-03-31 Total issued and outstanding 1)	15,750,000	337,031,087	352,781,087

¹⁾ As per 31 March 2013, 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 861,090 shares of series B.

Condensed Cash Flow Statement

MEUR	Q1 2013	Q1 2012	2012	2011
Cash flow from operations before change in working capital excluding taxes and interest	146.7	132.8	596.9	523.9
Taxes paid	-16.7	-6.7	-57.2	-71.1
Interest received and paid, net	-8.1	-13.6	-45.3	-55.6
Cash flow from operations before change in working capital	121.9	112.5	494.4	397.2
Cash flow from change in working capital	-59.5	-25.0	2.9	-28.2
Cash flow from operations	62.4	87.5	497.3	369.0
Cash flow from ordinary investing activities	-41.2	-35.0	-171.8	-135.9
Operating cash flow	21.2	52.5	325.5	233.1
Cash flow from other investing activities 1)	0.6	-4.0	-81.0	-99.2
Cash flow after other investing activities	21.8	48.5	244.5	-99.2
Dividends paid	-	-	-62.5	-57.3
Sale of repurchased shares	1.6	-	2.7	-
Stock options issued	-	8.2	9.0	-
Cash flow from other financing activities	-15.5	-63.5	-177.4	-97.8
Cash flow for the period	7.9	-6.8	16.3	-254.3
Cash and cash equivalents, beginning of period	130.7	116.4	116.4	160.4
Effect of translation differences on cash and cash equivalents	-2.2	-0.2	-2.0	1.7
Cash flow for the period	7.9	-6.8	16.3	-45.7
Cash and cash equivalents, end of period	136.4	109.4	130.7	116.4

¹⁾Acquisitions totalled 0.5 MEUR (-4.0) and other was 0.1 MEUR (0.0) in the first quarter of 2013.

Key Ratios

	Q1 2013	Q1 2012	2012
Operating margin, %	20.6	19.3	20.4
Profit margin before taxes, %	19.0	16.8	18.2
Return on shareholders' equity, 12 month average, %	13.4	12.9	13.3
Return on capital employed, 12 month average, %	11.1	10.2	10.9
Equity ratio, %	52.1	47.8	50.6
Net indebtedness	0.52	0.65	0.56
Interest coverage ratio	11.6	7.2	8.8
Average number of shares, thousands	352,727	352,490	352,499
Basic earnings per share excl. non-recurring items, EUR	0.25	0.22	0.99
Basic earnings per share, EUR	0.25	0.22	0.99
Cash flow per share, EUR	0.18	0.25	1.41
Cash flow per share before change in working cap, EUR	0.35	0.32	1.40
Share price, SEK	177.50	128.40	163.10
Share price, translated to EUR	21.24	14.50	19.00

Supplementary Information

NET SALES

MEUR	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	2012
Hexagon MT	569.1	613.6	565.2	590.3	548.5	2,317.6
- Of which						
Geosystems	195.2	203.3	188.4	210.8	188.2	790.7
Metrology	175.8	201.0	173.8	179.9	167.4	722.1
Technology	198.1	209.3	203.0	199.6	192.9	804.8
Other Operations	17.2	15.4	12.9	16.8	17.3	62.4
Group	586.3	629.0	578.1	607.1	565.8	2,380.0

OPERATING EARNINGS (EBIT1)

MEUR	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	2012
Hexagon MT	125.0	138.0	120.0	129.9	111.8	499.7
Other Operations	0.6	0.2	-0.2	0.5	0.8	1.3
Group costs	-4.6	-4.6	-4.4	-3.9	-3.2	-16.1
Group	121.0	133.6	115.4	126.5	109.4	484.9
Margin, %	20.6	21.2	20.0	20.8	19.3	20.4

NET SALES

MEUR	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	2012
EMEA	249.6	268.5	222.6	250.4	237.2	978.7
Americas	183.5	196.4	190.6	185.9	183.5	756.4
Asia	153.2	164.1	164.9	170.8	145.1	644.9
Group	586.3	629.0	578.1	607.1	565.8	2,380.0

EXCHANGE RATES

Average	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	2012
SEK/EUR	0.1177	0.1159	0.1184	0.1122	0.1130	0.1149
USD/EUR	0.7571	0.7721	0.8000	0.7788	0.7624	0.7783
CNY/EUR	0.1217	0.1236	0.1260	0.1230	0.1208	0.1234
CHF/EUR	0.8139	0.8279	0.8309	0.8321	0.8278	0.8297
Closing	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	2012
SEK/EUR	0.1197	0.1165	0.1183	0.1140	0.1131	0.1165
USD/EUR	0.7809	0.7579	0.7734	0.7943	0.7487	0.7579
CNY/EUR	0.1256	0.1216	0.1231	0.1250	0.1189	0.1216
CHF/EUR	0.8200	0.8284	0.8265	0.8313	0.8302	0.8284

Acquisitions and Divestments

MEUR	Q1 2013	Q1 2012
Fair value of acquired assets and assumed liabilities		
Intangible fixed assets	0.7	3.7
Other fixed assets	0.5	0.1
Total fixed assets	1.2	3.8
Total current assets	13.4	1.3
Total assets	14.6	5.1
Total long-term liabilities	4.8	0.0
Total current liabilities	1.9	0.6
Total liabilities	6.7	0.6
Fair value of acquired assets and assumed liabilities, net	7.9	4.5
Shares in associated companies	-5.4	-
Non-controlling interest in equity in acquired companies	-0.2	-
Goodwill	5.0	2.7
Total purchase consideration transferred	7.3	7.2
Less cash and cash equivalents in acquired companies	-2.7	-0.2
Adjustment for non-paid part of acquisition costs incl. payment of items from prior years	-5.1	-3.0
Cash flow from acquisition of companies/businesses	-0.5	4.0

During the quarter, Hexagon acquired the following companies: Navgeocom, a Russian distributor and Listech, an Australian software development company.

Since the total size of the acquisitions is insignificant, no further information is presented for these acquisitions.

Cash flow from acquisitions as above is positive since payment of the initial purchase price for Navgeocom took place on 3 May but the company was consolidated as of 1 February and the initial balance sheet included cash and cash equivalents.

There were no divestments of companies during Q1 2013 or Q1 2012.

During April Hexagon has acquired MANFRA, a Brazil based distributor, with net sales excluding intercompany revenues of approximately 5.6 MEUR and a/m/t Software Service AG, a Swiss based software solutions company, with net sales of approximately 1.5 MEUR, excluding intercompany revenues.

Restatement of 2012 - IAS 19

On 1 January 2013, certain changes became effective in IAS 19 (Employee Benefits) concerning defined benefit plans altering the way the value of plan assets and pension obligations are calculated and presented. Historically, using the so-called "corridor method", actuarial differences within 10% of the plan asset value or the value of the defined benefit obligation, respectively, were not recognized in the financial statements. Following the changes in IAS 19, all such differences have to be recognized in the balance sheet. In addition, the changes in IAS 19 impact the income statement due to that the expected return rate on plan assets will have to be set to the discount rate as is used for the calculation of the defined benefit obligation liability, instead of applying a fair estimate of the return rate as was made earlier.

The following amendments have been made to the 2012 recorded full year numbers:

- Net debt increases by 26.9 MEUR
- EBIT decreases by 4.6 MEUR
- Interest expenses increases by 2.5 MEUR
- Earnings before tax decreases by 7.1 MEUR
- Net earnings decreases by 6.3 MEUR
- Equity decreases by 23.5 MEUR
- Total assets decreases by 1.4 MEUR

Condensed Parent Company Income Statement

MEUR	Q1 2013	Q1 2012	2012
Net sales	2.8	2.5	10.5
Administration cost	-4.1	-3.3	-17.7
Operating earnings	-1.3	-0.8	-7.2
Earnings from shares in Group companies	-	-	204.0
Interest income and expenses, net	38.2	-20.3	-70.6
Earnings after financial items	36.9	-21.1	126.2
Taxes	-8.1	5.6	37.4
Net earnings	28.8	-15.5	163.6

Condensed Parent Company Balance Sheet

MEUR	31/3 2013	31/3 2012	31/12 2012
Total fixed assets	3,928.6	3,726.3	3,902.3
Total current receivables	165.2	125.2	155.3
Cash and cash equivalents	0.2	0.0	4.5
Total current assets	165.4	125.2	159.8
Total assets	4,094.0	3,851.5	4,062.1
Total shareholders' equity	1,610.0	1,457.9	1,579.7
Total long-term liabilities	1,468.7	1,576.1	1,471.8
Total short-term liabilities	1,015.3	817.5	1,010.6
Total equity and liabilities	4,094.0	3,851.5	4,062.1

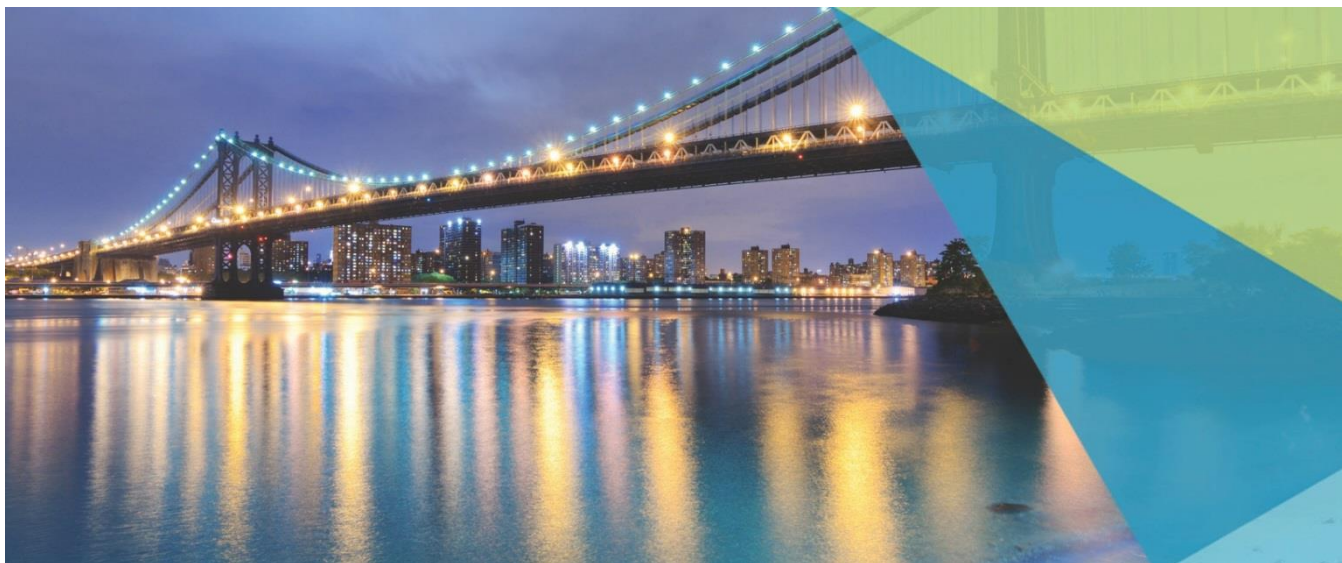
Definitions

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 (12 month average)	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	The segment, 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 close to 14 000 employees in more than 40 countries and net sales of about 2 400 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 Q2 2013	8 August 2013
Interim Report Q3 2013	23 October 2013
Year-End Report 2013	February 2014

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 first quarter 2013 will be presented on 13 May at 15:00 CET at a telephone conference. Please view instructions at Hexagon's website on how to participate.

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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 13 May 2013 at 12:00 CET.

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