

INTERIM REPORT

1 JANUARY – 30 SEPTEMBER 2013

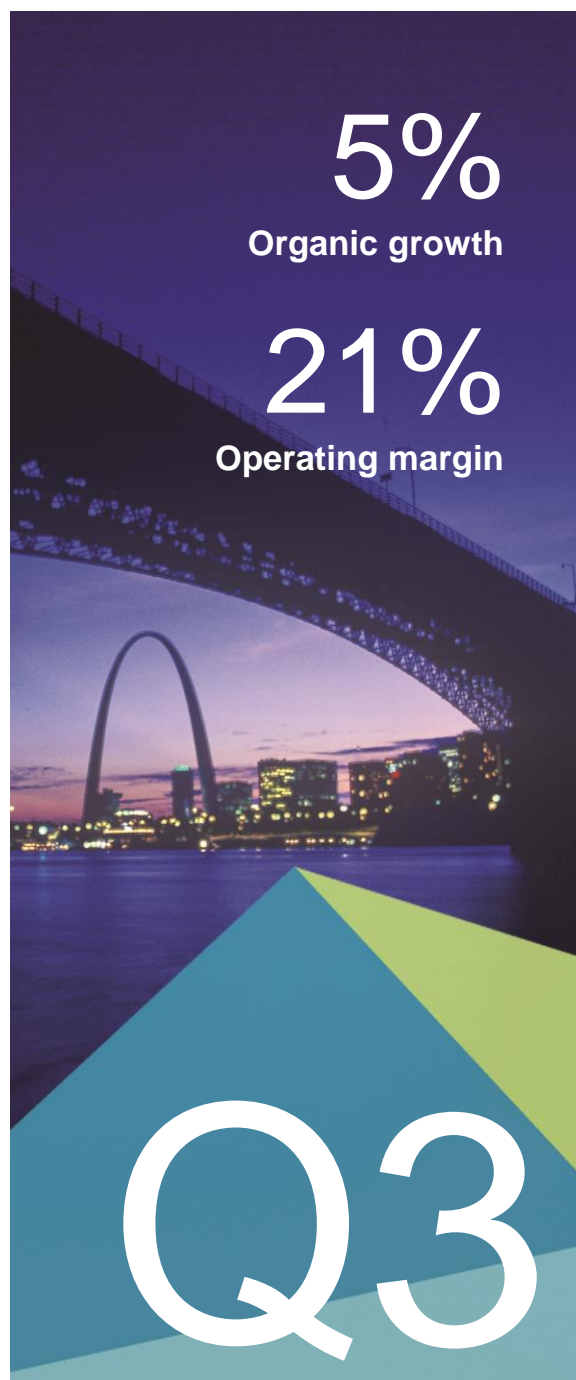
THIRD QUARTER 2013

- Net sales amounted to 576.6 MEUR (578.1). Using fixed exchange rates and a comparable group structure, net sales increased by 5 per cent
- Operating earnings (EBIT1) increased to 118.4 MEUR (115.4)
- Earnings before taxes, excluding non-recurring items, amounted to 109.9 MEUR (103.4)
- Net earnings, excluding non-recurring items, amounted to 89.0 MEUR (83.7)
- Earnings per share, excluding non-recurring items, increased by 4 per cent to 0.25 EUR (0.24)
- Operating cash flow increased by 11 per cent to 94.3 MEUR (84.6)

MEUR	Q3 2013	Q3 2012	Δ%	Q1-Q3 2013	Q1-Q3 2012	Δ%
Net sales	576.6	578.1	5 ¹⁾	1,798.0	1,751.0	5 ¹⁾
Operating earnings (EBIT1)	118.4	115.4	3	371.0	351.3	6
Operating margin, %	20.5	20.0	0.5	20.6	20.1	0.5
Earnings before taxes excl. non-recurring items	109.9	103.4	6	344.4	311.8	10
Non-recurring items 2)	-14.9	-	n.a.	-14.9	-	n.a.
Earnings before taxes	95.0	103.4	-8	329.5	311.8	6
Net earnings	76.4	83.7	-9	266.3	252.1	6
Net earnings, excl. non- recurring items	89.0	83.7	6	278.9	252.1	11
Earnings per share, EUR	0.21	0.24	-13	0.75	0.71	6
Earnings per share excl. non-recurring items, EUR	0.25	0.24	4	0.78	0.71	10

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

2) The non-recurring items relate to Other Operations, a write-down of the Blom investment and a cost reduction programme in MT.



Ola Rollén, President and CEO, Hexagon AB

COMMENTS FROM OLA ROLLÉN, PRESIDENT AND CEO, HEXAGON AB

"Hexagon reports 5 per cent organic growth in the third quarter. Geosystems' growth accelerated, supported by an improving European construction market and strong customer demand for the new products launched in July. We experienced solid demand in the aerospace, power and energy sectors, but faced weakness in the US defence sector, as well as automotive, which is currently in the trough of its capex cycle. The operating margin expansion in the quarter underscores the shift in our business model as we move towards software centric solutions. We continue to report strong cash flow which has enabled us to increase expansion activity, evidenced by the acquisitions of Devex, AHAB, and the public offer for Veripos."

BUSINESS DEVELOPMENT Q3

Organic growth was 5 per cent in the third quarter while recorded sales grew by 0 per cent. Operating profit (EBIT1) increased by 3 per cent to 118.4 MEUR.

The organic growth in the Group's core business, Measurement Technologies (MT), was 5 per cent and net sales amounted to 566.1 MEUR. Operating earnings in MT increased to 122.3 MEUR, corresponding to an operating margin of 21.6 per cent.

Geosystems reported organic growth of 12 per cent and represented 35 per cent of net sales in the third quarter.

Metrology, which represented 30 per cent of net sales, reported organic growth of 3 per cent.

Technology, which represented 33 per cent of net sales, reported 0 per cent organic growth. Intergraph PP&M continued to expand and reported organic growth of 7 per cent despite tough comparison numbers from Q3 2012. Intergraph SG&I reported negative growth due to the continued downturn in the defence segment which contracted by -36 per cent in the quarter.

SALES BRIDGE THIRD QUARTER

	Net sales
2012, MEUR	578.1
Structure, %	0
Currency, %	-5
Organic growth, %	5
Total, %	0
2013, MEUR	576.6

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

Americas continue to report solid growth, largely due to the recovery in the U.S. construction sector coupled with strong demand in South America. Demand in EMEA improved in the quarter, particularly in the construction sector. Asia reported a mixed quarter where the main positives were the infrastructure, power and energy related businesses.

EMEA

Customer demand in EMEA increased in the third quarter. Organic growth in net sales was 5 per cent in MT and 27 per cent in Other Operations.

In Western Europe, Hexagon experienced increased activity levels. The positives were Germany, Italy, UK and the Nordic region whilst demand in France was weak. The growth in EMEA was primarily driven by increased demand for measurement solutions from customers involved in infrastructure-related activities. Additionally, recent product launches from Geosystems continue to have a positive impact on the growth in the region. Although demand from customers in the automotive and manufacturing sectors remains low, Hexagon still recorded growth in the quarter in both of these areas. Demand for public safety solutions weakened due to various government budget cuts.

Demand in the Middle East, Eastern Europe and Russia increased in the quarter.

AMERICAS

Americas recorded 6 per cent organic growth in net sales in the third quarter.

The primary growth drivers in NAFTA in the quarter were related to increased demand in the infrastructure, power and energy segments. As expected, the defence business had another weak quarter. The automotive segment recorded negative growth in the quarter whereas the aerospace segment continued to grow.

Demand for Hexagon's products remained favourable in South America. Hexagon recorded strong double digit organic growth in the region in the quarter.

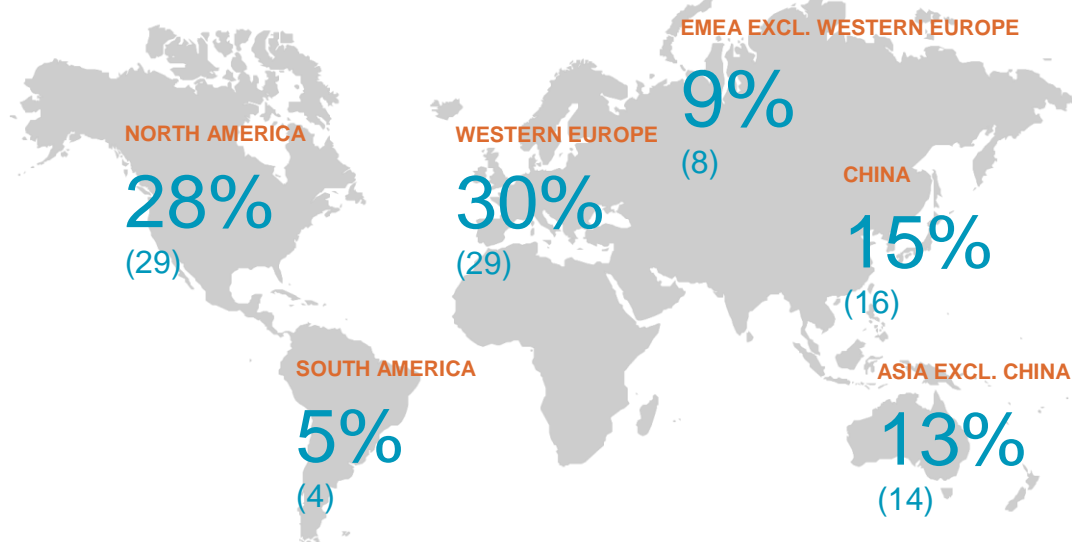
ASIA

Asia recorded organic growth in net sales of 4 per cent in the third quarter.

China recorded a mixed quarter where automotive, aerospace, surveying, power and energy segments saw increased demand; however, the project-related businesses (airborne sensors and mining) experienced a weak quarter.

Rapidly expanding markets were Malaysia, Indonesia, Philippines, New Zealand, India and Korea. Growth was held back in the region by Australia, due to the downturn in the mining sector.

MEASUREMENT TECHNOLOGIES NET SALES PER REGION Q3 2013 (Q3 2012)



FINANCIAL SUMMARY – THIRD QUARTER

MEUR	Net sales			Earnings		
	Q3 2013	Q3 2012	Δ % ¹⁾	Q3 2013	Q3 2012	Δ %
Hexagon MT	566.1	565.2	5	122.3	120.0	2
Other Operations	10.5	12.9	27	0.2	-0.2	n.a.
Net sales	576.6	578.1	5			
Group cost and eliminations				-4.1	-4.4	7
Operating earnings (EBIT1)				118.4	115.4	3
Operating margin, %				20.5	20.0	0.5
Interest income and expenses, net				-8.5	-12.0	29
Earnings before non-recurring items				109.9	103.4	6
Non-recurring items				-14.9	-	n.a.
Earnings before taxes				95.0	103.4	-8
Taxes				-18.6	-19.7	6
Net earnings				76.4	83.7	-9

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

Q3 NET SALES AND EARNINGS

Net sales amounted to 576.6 MEUR (578.1) in the third quarter. Organic growth in net sales amounted to 5 per cent.

Operating earnings (EBIT1) increased by 3 per cent to 118.4 MEUR (115.4), which corresponds to an operating margin of 20.5 per cent (20.0). Operating earnings (EBIT1) were negatively affected by exchange rate movements of -6.3 MEUR.

The financial net amounted to -8.5 MEUR (-12.0) in the third quarter.

In the quarter, Hexagon posted non-recurring items of -14.9 MEUR (-) related to Other Operations, a write-down of the Blom investment and a cost reduction programme in MT. The items in Other Operations and the write-down resulting from the divestiture of Blom amounted to -8.8 MEUR. EBP i Olofström AB (EBP), that was part of Other Operations, was divested in July and Swepart Transmission is expected to be divested later this year. The cost reduction programme in MT amounted to -6.1 MEUR and primarily relates to Metrology, where we have accelerated the cost programme announced in Q2 2013, and Intergraph SG&I, where further cutbacks in the defence business have been made. Cost savings were also implemented in Geosystems and Intergraph PP&M. In total, the programme will affect about 200 employees and generate annual savings of approximately 15.0 MEUR, with full effect expected as of Q2 2014.

Earnings before taxes, excluding non-recurring items, amounted to 109.9 MEUR (103.4). Earnings before taxes, including these items, amounted to 95.0 MEUR (103.4). Earnings were negatively affected by exchange rate movements of -6.4 MEUR.

Net earnings amounted to 76.4 MEUR (83.7) or 0.21 EUR (0.24) per share.

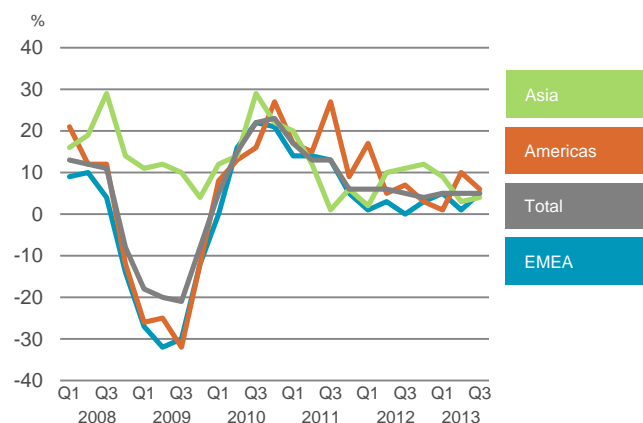
CURRENCY IMPACT – THIRD QUARTER AS COMPARED TO EUR

	Movement ¹⁾	Income less cost	Profit impact
CHF	Weakened -3%	Negative	Positive ↗
USD	Weakened -6%	Positive	Negative ↘
CNY	Weakened -2%	Positive	Negative ↘
EBIT1, MEUR			-6.3

¹⁾ Compared to Q3 2012.

The Japanese Yen and the Brazilian Real had negative impact on net sales and profit.

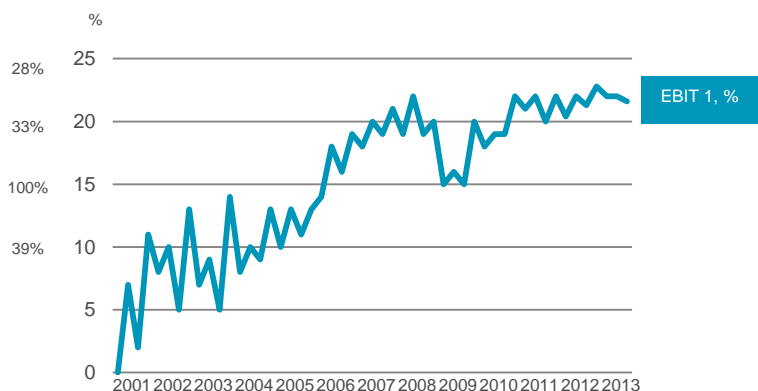
NET SALES – ORGANIC GROWTH BY REGION (MT ¹⁾)



EMEA reported organic growth of 5 per cent in the third quarter, whilst Americas reported organic growth of 6 per cent. Asia reported 4 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 third quarter of 2013, the margin was 21.6 per cent (21.2).

FINANCIAL SUMMARY – FIRST NINE MONTHS

MEUR	Net sales			Earnings		
	Q1-Q3 2013	Q1-Q3 2012	Δ % ¹⁾	Q1-Q3 2013	Q1-Q3 2012	Δ %
Hexagon MT	1,749.4	1,704.0	5	382.5	361.7	6
Other Operations	48.6	47.0	16	1.9	1.1	73
Net sales	1,798.0	1,751.0	5			
Group cost and eliminations				-13.4	-11.5	-17
Operating earnings (EBIT1)				371.0	351.3	6
Operating margin, %				20.6	20.1	0.5
Interest income and expenses, net				-26.6	-39.5	33
Earnings before non-recurring items				344.4	311.8	10
Non-recurring items				-14.9	-	n.a.
Earnings before taxes				329.5	311.8	6
Taxes				-63.2	-59.7	-6
Net earnings				266.3	252.1	6

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 less cost	Profit impact
CHF	Weakened -2%	Negative	Positive ↗
USD	Weakened -3%	Positive	Negative ↘
CNY	Weakened -0%	Positive	Negative ↘
EBIT1, MEUR			-9.7

¹⁾ Compared to Q1-3 2012.

The Japanese Yen and the Brazilian Real had negative impact on net sales and profit.

Q1-Q3 NET SALES AND EARNINGS

Net sales amounted to 1,798.0 MEUR (1,751.0) in the first nine months of the year. Using fixed exchange rates and a comparable group structure, net sales increased by 5 per cent.

Operating earnings (EBIT1) amounted to 371.0 MEUR (351.3), which corresponds to an operating margin of 20.6 per cent (20.1). Operating earnings (EBIT1) were negatively affected by exchange rate movements of -9.7 MEUR.

The financial net amounted to -26.6 MEUR (-39.5) in the first nine months.

In the third quarter, Hexagon posted non-recurring items of -14.9 MEUR (-) related to Other Operations, a write-down of the Blom investment and a cost reduction programme in MT (for details see page 3 of this report).

Earnings before taxes, excluding non-recurring items, amounted to 344.4 MEUR (311.8). Earnings before taxes, including these items, amounted to 329.5 MEUR (311.8). Earnings were negatively affected by exchange rate movements of -9.8 MEUR.

Net earnings amounted to 266.3 MEUR (252.1) or 0.75 EUR (0.71) per share.



Shell is taking an industry lead in adopting the Intergraph Cloud solution as the foundation element of a multi-vendor Integrated Engineering Environment for Shell Capital Projects delivered through their EPC Contractors. This new approach of capital project data sharing will reduce existing information barriers and raise efficiency and data quality of project hand-over. The Integrated Engineering Environment provides all companies involved with the ability to get high quality and accurate data at any time, in any place, as and when required. The project is expected to go into production towards the end of 2013 or early 2014.

PROFITABILITY

Capital employed decreased to 4,520.4 MEUR (4,532.2). Return on average capital employed, excluding non-recurring items, for the last twelve months was 11.1 per cent (10.7). Return on average shareholders' equity for the last twelve months was 12.9 per cent (13.1). The capital turnover rate was 0.5 times (0.5).

FINANCIAL POSITION

Total shareholders' equity increased to 2,836.4 MEUR (2,695.9). The equity ratio was 52 per cent (50). Hexagon's total assets increased to 5,447.5 MEUR (5,426.7).

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. To further diversify the debt structure, Hexagon established a Swedish Commercial Paper Programme in the first quarter of 2012. 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 30 September 2013, cash and unutilised credit limits totalled 468.5 MEUR (456.4). Hexagon's net debt was 1,520.1 MEUR (1,717.5). The net indebtedness was 0.50 times (0.59). Interest coverage ratio was 12.1 times (8.2).

CASH FLOW

During the third quarter, cash flow from operations before changes in working capital increased to 119.7 MEUR (116.0),

corresponding to 0.34 EUR (0.33) per share. Cash flow from operations in the third quarter increased to 148.4 MEUR (129.8), corresponding to 0.42 EUR (0.37) per share. The operating cash flow in the third quarter 2013 amounted to 94.3 MEUR (84.6).

For the first nine months, cash flow from operations amounted to 355.2 MEUR (329.4), corresponding to 1.01 EUR (0.93) per share and the operating cash flow amounted to 206.0 MEUR (208.6).

INVESTMENTS, DEPRECIATION AND AMORTISATION

Hexagon's net investments, excluding acquisitions and divestitures, amounted to -54.1 MEUR (-45.2) in the third quarter and -149.2 MEUR (-120.8) in the first nine months.

Depreciation, amortisation and impairment amounted to -34.9 MEUR (-31.6) in the third quarter and -99.7 MEUR (-90.7) in the first nine months.

TAX RATE

The Group's tax expense for the first nine months totalled -63.2 MEUR (-59.7).

The reported tax rate was 19.6 per cent (19.1) for the quarter and 19.2 per cent (19.1) for the first nine months. The tax rate, excluding non-recurring items, was 19.0 per cent for both the quarter and the first nine months.

EMPLOYEES

The average number of employees in Hexagon during the first nine months was 13,948 (13,121). The number of employees at the end of the quarter was 14,291 (13,606).

SHARE DATA

Earnings per share for the third quarter amounted to 0.21 EUR (0.24). Earnings per share for the first nine months amounted to 0.75 EUR (0.71).

On 30 September 2013, equity per share was 7.98 EUR (7.63) and the share price was 193.80 SEK (140.80).

Hexagon's share capital amounts to 78,771,810 EUR, represented by 354,996,977 shares, of which 15,750,000 are of series A with 10 votes each and 339,246,977 are of series B with one vote each. Hexagon AB treasury shares amounted to 322,090 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 30 September 2013, 5,768,255 warrants were outstanding.

ASSOCIATED COMPANIES

Associated companies affected Hexagon's earnings during the first nine months by -2.0 MEUR (0.0).

PARENT COMPANY

The parent company's earnings after financial items in the first nine months amounted to 262.3 MEUR (-24.2). The equity was 1,766.1 MEUR (1,407.5). The solvency ratio of the parent company was 43 per cent (36). Liquid funds including unutilised credit limits were 300.8 MEUR (306.4).

BUSINESS AREAS

MEASUREMENT TECHNOLOGIES (MT) – SALES AND EARNINGS

MEUR	Q3 2013	Q3 2012	Δ%	Q1-Q3 2013	Q1-Q3 2012	Δ%
Net sales	566.1	565.2	5 ¹⁾	1,749.4	1,704.0	5 ¹⁾
Operating earnings (EBIT1)	122.3	120.0	2	371.0	351.3	6
Operating margin, %	21.6	21.2	0.4	20.6	20.1	0.5

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

OTHER OPERATIONS – SALES AND EARNINGS

MEUR	Q3 2013	Q3 2012	Δ%	Q1-Q3 2013	Q1-Q3 2012	Δ%
Net sales	10.5	12.9	27 ¹⁾	48.6	47.0	16 ¹⁾
Operating earnings (EBIT1)	0.2	-0.2	n.a.	1.9	1.1	73
Operating margin, %	1.9	-1.6	3.5	3.9	2.3	1.6

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 566.1 MEUR (565.2). Using fixed exchange rates and a comparable group structure, net sales increased by 5 per cent.

Operating earnings (EBIT1) amounted to 122.3 MEUR (120.0), which corresponds to an operating margin of 21.6 per cent (21.2).

The number of employees by the end of the quarter was 14,041 (13,265).

OTHER OPERATIONS

In the third quarter, net sales amounted to 10.5 MEUR (12.9). Using fixed exchange rates and a comparable group structure, net sales increased by 27 per cent.

Operating earnings (EBIT1) amounted to 0.2 MEUR (-0.2), which corresponds to an operating margin of 1.9 per cent (-1.6).

The number of employees by the end of the quarter was 231 (324).

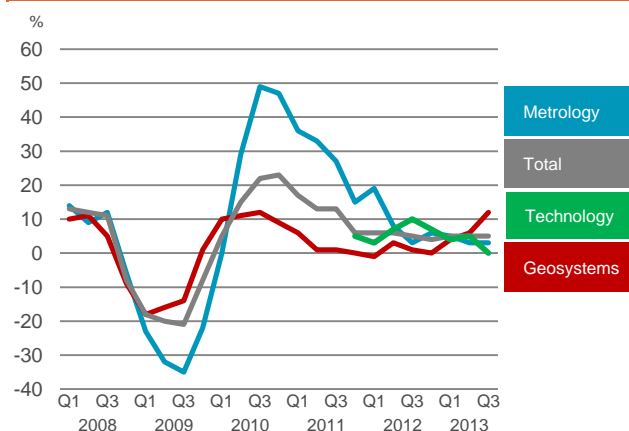
In July 2013, EBP was divested and is therefore no longer part of Other Operations.

MEASUREMENT TECHNOLOGIES – APPLICATION AREAS

MEUR	Net sales			Net sales		
	Q3 2013	Q3 2012	Δ % ¹⁾	Q1-Q3 2013	Q1-Q3 2012	Δ % ¹⁾
Geosystems	203.9	188.4	12	625.8	587.4	8
Metrology	173.3	173.8	3	535.4	521.1	3
Technology	188.9	203.0	0	588.2	595.5	3
Total Hexagon MT	566.1	565.2	5	1,749.4	1,704.0	5

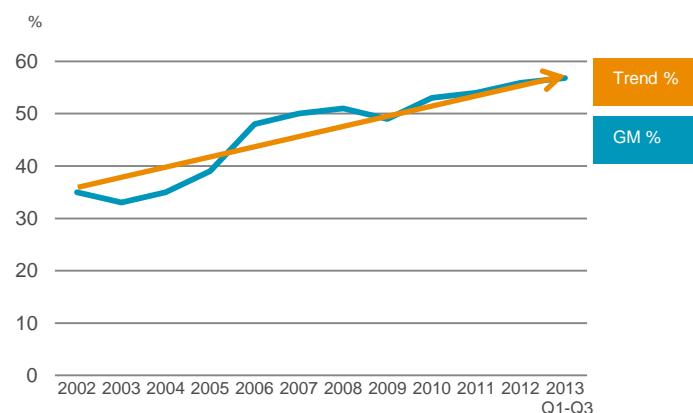
¹⁾ Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

NET SALES – ORGANIC GROWTH BY APPLICATION AREA (MT)



Geosystems reported 12 per cent organic growth in net sales in the third quarter. Metrology displayed organic sales growth of 3 per cent. Technology, including Intergraph, reported 0 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 nine months of 2013, the gross margin reached 57 per cent (56).



Customer interest in the recently launched Leica Nova MS50 MultiStation is strong and growing. The MS50 is a new category of instrument that combines laser scanning, total station measurement, GNSS and imaging in a single solution. Over four hundred instruments have been sold in the complete Leica Nova family of solutions in the first four months of availability.

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, 23 October 2013
Hexagon AB (publ)

Melker Schörling
Chairman of the Board

Ulrika Francke
Board Member

Gun Nilsson
Board Member

Jill Smith
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 interim 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.

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 occurred during Q1-Q3 2013.

NOMINATION COMMITTEE PRIOR TO THE ANNUAL GENERAL MEETING

The composition of the Hexagon Nomination Committee for the Annual General Meeting 2014 is: Mikael Ekdahl, Melker Schörling AB (Chairman), Anders Oscarsson, AMF Fonder, Jan Andersson, Swedbank Robur fonder and Tomas Ehlin, Nordea Fonder.

SUBSEQUENT EVENTS

On 7 October 2013, Hexagon signed an agreement to acquire Devex, a leading player in the field of automation solutions for mining operations in Brazil.

On 8 October 2013, Hexagon entered into an agreement to acquire Airborne Hydrography AB, a Swedish based provider of airborne laser survey systems.

On 14 October, Hexagon announced that it will make a public voluntary offer for Veripos, a position services company listed in Oslo.

AUDITORS' REVIEW REPORT

Introduction

We have reviewed the condensed interim report for Hexagon AB as at September 30, 2013 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the Swedish Standard on Review Engagements, SÖG 2410 *Review of Interim Reports Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material aspects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 23 October 2013

Ernst & Young AB

Rickard Andersson
Authorised Public Accountant

Condensed Income Statement

MEUR	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012
Net sales	576.6	578.1	1,798.0	1,751.0	2,380.0
Cost of goods sold	-254.9	-258.7	-800.0	-793.1	-1,078.9
Gross earnings	321.7	319.4	998.0	957.9	1,301.1
Sales and administration costs, etc.	-212.7	-204.0	-634.7	-606.6	-815.7
Earnings from shares in associated companies	-0.3	0.0	-2.0	0.0	-0.5
Capital loss from sale of shares in Group companies	-5.2	-	-5.2	-	-
Operating earnings 1)	103.5	115.4	356.1	351.3	484.9
Interest income and expenses, net	-8.5	-12.0	-26.6	-39.5	-50.7
Earnings before taxes	95.0	103.4	329.5	311.8	434.2
Taxes	-18.6	-19.7	-63.2	-59.7	-83.1
Net earnings	76.4	83.7	266.3	252.1	351.1
Attributable to:					
Parent company shareholders	75.5	83.0	263.8	250.0	348.2
Non-controlling interest	0.9	0.7	2.5	2.1	2.9
1) of which non-recurring items	-14.9	-	-14.9	-	-
Earnings include depreciation, amortisation and impairments of	-34.9	-31.6	-99.7	-90.7	-120.8
Basic earnings per share, EUR	0.21	0.24	0.75	0.71	0.99
Earnings per share after dilution, EUR	0.21	0.23	0.74	0.71	0.99
Total shareholder's equity per share, EUR	7.98	7.63	7.98	7.63	7.77
Closing number of shares, thousands	354,675	352,490	354,675	352,490	352,675
Average number of shares, thousands	353,629	352,490	353,046	352,490	352,499
Average number of shares after dilution, thousands	355,708	353,422	355,307	353,198	353,494

Condensed Comprehensive Income

MEUR	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012
Net earnings	76.4	83.7	266.3	252.1	351.1
Other comprehensive income					
Items that will not be reclassified to income statement					
Actuarial gains/losses	-	-	-	-	20.8
Taxes on items that will not be reclassified to income statement	-	-	-	-	-1.3
Total items that will not be reclassified to income statement, net of taxes	-	-	-	-	19.5
Items that may be reclassified subsequently to income statement					
Exchange rate differences	-71.1	-36.9	-113.8	19.6	-45.8
Effect of hedging of net investments in foreign operations	6.8	-16.9	3.1	-5.8	1.9
Fair value adjustment	-	-	-	-	-4.8
Cash flow hedges, net	0.2	1.5	0.2	1.3	1.5
Taxes on items that may be reclassified subsequently to income statement	6.4	4.1	4.4	1.2	-4.6
Total items that may be reclassified subsequently to income statement, net of taxes	-57.7	-48.2	-106.1	16.3	-51.8
Other comprehensive income, net of taxes	-57.7	-48.2	-106.1	16.3	-32.3
Total comprehensive income for the period	18.7	35.5	160.2	268.4	318.8
Attributable to:					
Parent company shareholders	18.0	34.8	157.7	266.2	316.0
Non-controlling interest	0.7	0.7	2.5	2.2	2.8

Condensed Balance Sheet

MEUR	30/9 2013	30/9 2012	31/12 2012
Intangible fixed assets	3,906.7	3,922.7	3,931.6
Tangible fixed assets	240.9	234.8	239.0
Financial fixed assets	17.9	41.1	37.3
Deferred tax assets	102.2	95.5	90.1
Total fixed assets	4,267.7	4,294.1	4,298.0
Inventories	388.3	392.9	376.8
Accounts receivable	486.5	499.5	514.5
Other receivables	57.3	56.0	53.4
Prepaid expenses and accrued income	83.8	65.4	60.5
Total current receivables	627.6	620.9	628.4
Cash and cash equivalents	163.9	118.8	130.7
Total current assets	1,179.8	1,132.6	1,135.9
Total assets	5,447.5	5,426.7	5,433.9
Equity attributable to parent company shareholders	2,830.5	2,689.1	2,741.8
Equity attributable to non-controlling interest	5.9	6.8	7.3
Total shareholders' equity	2,836.4	2,695.9	2,749.1
Interest bearing liabilities	1,324.5	1,550.0	1,503.8
Other liabilities	8.5	15.6	12.5
Pension liabilities	64.1	83.8	64.1
Deferred tax liabilities	288.0	260.5	281.4
Other provisions	16.4	40.8	15.3
Total long-term liabilities	1,701.5	1,950.7	1,877.1
Interest bearing liabilities	286.4	202.4	187.6
Accounts payable	134.6	118.9	156.3
Other liabilities	95.6	89.0	84.7
Other provisions	30.1	6.7	34.1
Accrued expenses and deferred income	362.9	363.1	345.0
Total short-term liabilities	909.6	780.1	807.7
Total equity and liabilities	5,447.5	5,426.7	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-Q3 2013	Q1-Q3 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)	160.2	268.4	318.8
New share issue	19.4	-	-
Dividend	-101.6	-62.4	-62.5
Sale of repurchased shares	9.2	-	2.7
Stock options issued	-	0.6	0.8
Effect of acquisitions and divestments of subsidiaries	0.1	-	-
Closing shareholders' equity 2)	2,836.4	2,695.9	2,749.1
1) of which: Parent company shareholders	157.7	266.2	316.0
Non-controlling interest	2.5	2.2	2.8
2) of which: Parent company shareholders	2,830.5	2,689.1	2,741.8
Non-controlling interest	5.9	6.8	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	-	645,250	645,250
New issue, options exercised	-	1,354,800	1,354,800
2013-09-30 Total issued and outstanding 1)	15,750,000	338,924,887	354,674,887

¹⁾ As per 30 September 2013, there were in total 354,996,977 shares in the Company, of which 15,750,000 are of series A with ten votes each and 339,246,977 are of series B with one vote each. Hexagon AB treasury shares amounted to 322,090 shares of series B.

Condensed Cash Flow Statement

MEUR	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012
Cash flow from operations before change in working capital excluding taxes and interest	146.8	142.9	461.3	428.4	596.9
Taxes paid	-20.0	-15.6	-51.9	-41.6	-57.2
Interest received and paid, net	-7.1	-11.3	-22.6	-37.6	-45.3
Cash flow from operations before change in working capital	119.7	116.0	386.8	349.2	494.4
Cash flow from change in working capital	28.7	13.8	-31.6	-19.8	2.9
Cash flow from operations	148.4	129.8	355.2	329.4	497.3
Cash flow from ordinary investing activities	-54.1	-45.2	-149.2	-120.8	-171.8
Operating cash flow	94.3	84.6	206.0	208.6	325.5
Cash flow from other investing activities 1)	-0.9	-3.3	-14.8	-31.1	-81.0
Cash flow after other investing activities	93.4	81.3	191.2	177.5	244.5
Dividends paid	-2.8	-2.5	-101.6	-62.4	-62.5
Sale of repurchased shares	7.6	-	9.2	-	2.7
New share issue	2.5	-	19.4	-	-
Stock options issued	-	0.6	-	8.8	9.0
Cash flow from other financing activities	-116.1	-72.0	-81.1	-123.4	-177.4
Cash flow for the period	-15.4	7.4	37.1	0.5	16.3
Cash and cash equivalents, beginning of period	184.0	110.6	130.7	116.4	116.4
Effect of translation differences on cash and cash equivalents	-4.7	0.8	-3.9	1.9	-2.0
Cash flow for the period	-15.4	7.4	37.1	0.5	16.3
Cash and cash equivalents, end of period	163.9	118.8	163.9	118.8	130.7

¹⁾Acquisitions and divestments totalled -1.0 MEUR (-0.2) and other was 0.1 MEUR (-3.1) in the third quarter 2013.

Key Ratios

	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012
Operating margin, %	20.5	20.0	20.6	20.1	20.4
Profit margin before taxes, %	16.5	17.9	18.3	17.8	18.2
Return on shareholders' equity, 12 month average, %	12.9	13.1	12.9	13.1	13.3
Return on capital employed, 12 month average, %	11.1	10.7	11.1	10.7	10.9
Equity ratio, %	52.1	49.7	52.1	49.7	50.6
Net indebtedness	0.50	0.59	0.50	0.59	0.56
Interest coverage ratio	11.0	8.7	12.1	8.2	8.8
Average number of shares, thousands	353,629	352,490	353,046	352,490	352,499
Basic earnings per share excl. non-recurring items, EUR	0.25	0.24	0.78	0.71	0.99
Basic earnings per share, EUR	0.21	0.24	0.75	0.71	0.99
Cash flow per share, EUR	0.42	0.37	1.01	0.93	1.41
Cash flow per share before change in working cap, EUR	0.34	0.33	1.10	0.99	1.40
Share price, SEK	193.80	140.80	193.80	140.80	163.10
Share price, translated to EUR	22.39	16.70	22.39	16.70	19.00

Supplementary Information

NET SALES

MEUR	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	2012
Hexagon MT	566.1	614.2	569.1	613.6	565.2	590.3	548.5	2,317.6
- Of w hich								
Geosystems	203.9	226.7	195.2	203.3	188.4	210.8	188.2	790.7
Metrology	173.3	186.3	175.8	201.0	173.8	179.9	167.4	722.1
Technology	188.9	201.2	198.1	209.3	203.0	199.6	192.9	804.8
Other Operations	10.5	20.9	17.2	15.4	12.9	16.8	17.3	62.4
Group	576.6	635.1	586.3	629.0	578.1	607.1	565.8	2,380.0

OPERATING EARNINGS (EBIT1)

MEUR	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	2012
Hexagon MT	122.3	135.2	125.0	138.0	120.0	129.9	111.8	499.7
Other Operations	0.2	1.1	0.6	0.2	-0.2	0.5	0.8	1.3
Group costs	-4.1	-4.7	-4.6	-4.6	-4.4	-3.9	-3.2	-16.1
Group	118.4	131.6	121.0	133.6	115.4	126.5	109.4	484.9
Margin, %	20.5	20.7	20.6	21.2	20.0	20.8	19.3	20.4

NET SALES

MEUR	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	2012
EMEA	230.4	261.9	249.6	268.1	224.1	251.4	237.1	980.7
Americas	187.9	201.7	183.5	196.6	189.3	185.9	184.8	756.6
Asia	158.3	171.5	153.2	164.3	164.7	169.8	143.9	642.7
Group	576.6	635.1	586.3	629.0	578.1	607.1	565.8	2,380.0

EXCHANGE RATES

Average	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	2012
SEK/EUR	0.1152	0.1167	0.1177	0.1159	0.1184	0.1122	0.1130	0.1149
USD/EUR	0.7550	0.7657	0.7571	0.7721	0.8000	0.7788	0.7624	0.7783
CNY/EUR	0.1233	0.1244	0.1217	0.1236	0.1260	0.1230	0.1208	0.1234
CHF/EUR	0.8100	0.8120	0.8139	0.8279	0.8309	0.8321	0.8278	0.8297
Closing	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	2012
SEK/EUR	0.1155	0.1139	0.1197	0.1165	0.1183	0.1140	0.1131	0.1165
USD/EUR	0.7405	0.7645	0.7809	0.7579	0.7734	0.7943	0.7487	0.7579
CNY/EUR	0.1210	0.1246	0.1256	0.1216	0.1231	0.1250	0.1189	0.1216
CHF/EUR	0.8180	0.8105	0.8200	0.8284	0.8265	0.8313	0.8302	0.8284

Acquisitions and Divestments

MEUR	Acquisitions	
	Q1-Q3 2013	Q1-Q3 2012
Fair value of acquired assets and assumed liabilities		
Intangible fixed assets	3.1	4.8
Other fixed assets	1.9	0.1
Total fixed assets	5.0	4.9
Total current assets	15.6	2.5
Total assets	20.6	7.4
Total long-term liabilities	0.1	-
Total current liabilities	9.6	0.9
Total liabilities	9.7	0.9
Fair value of acquired assets and assumed liabilities, net	10.9	6.5
Shares in associated companies	-5.4	-
Non-controlling interest in equity in acquired companies	-0.1	-
Goodwill	25.1	3.2
Total purchase consideration transferred	30.5	9.7
Less cash and cash equivalents in acquired companies	-4.1	-0.5
Adjustment for non-paid consideration and considerations paid for prior years' acquisitions	-9.5	10.4
Cash flow from acquisition of companies/businesses	16.9	19.6

MEUR	Divestments	
	Q1-Q3 2013	Q1-Q3 2012
Current assets	13.8	-
Current liabilities	8.4	-
Carrying value of divested assets and liabilities, net	5.4	-
Capital loss from sale of shares in Group companies	-5.2	-
Cash flow from sale of shares in Group companies	0.2	-

During the first nine months of 2013, Hexagon acquired the following companies: Navgeocom, a Russian distributor, Listech, an Australian software development company, Kompakt, a Hungarian distributor, MANFRA, a Brazil based distributor, a/m/t software service ag, a Swiss based software solutions company and Geosoft, an Italian software development company.

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

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

In October 2013, Hexagon has signed an agreement to acquire Devex, a leading player in the field of automation solutions for mining operations in Brazil and Airborne Hydrography AB, a Swedish based provider of airborne laser survey systems. On 14 October, Hexagon announced that it will make a public voluntary offer for Veripos, a position services company listed in Oslo.

In July 2013, Hexagon divested EBP i Olofström AB that was reported within the business area Other Operations. There were no divestments in Q1-Q3 2012.

Condensed Parent Company Income Statement

MEUR	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012
Net sales	2.8	2.5	8.4	7.5	10.5
Administration cost	-3.3	-4.0	-11.2	-12.0	-17.7
Operating earnings	-0.5	-1.5	-2.8	-4.5	-7.2
Earnings from shares in Group companies	50.4	0.0	236.8	50.0	204.0
Interest income and expenses, net	-10.0	-93.3	28.3	-69.7	-70.6
Earnings before taxes	39.9	-94.8	262.3	-24.2	126.2
Taxes	2.3	24.9	-5.7	18.3	37.4
Net earnings	42.2	-69.9	256.6	-5.9	163.6

Condensed Parent Company Balance Sheet

MEUR	30/9 2013	30/9 2012	31/12 2012
Total fixed assets	3,914.4	3,709.5	3,902.3
Total current receivables	164.9	165.3	155.3
Cash and cash equivalents	13.7	1.3	4.5
Total current assets	178.6	166.6	159.8
Total assets	4,093.0	3,876.1	4,062.1
Total shareholders' equity	1,766.1	1,407.5	1,579.7
Total long-term liabilities	1,323.5	1,517.4	1,471.8
Total short-term liabilities	1,003.4	951.2	1,010.6
Total equity and liabilities	4,093.0	3,876.1	4,062.1

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 recognised in the financial statements. Following the changes in IAS 19, all such differences have to be recognised in the balance sheet and other comprehensive income. In addition, the changes in IAS 19 impact the income statement due to that the same discount rate applied for the calculation of the defined benefit obligation liability also shall be used for the calculation of the return rate on plan assets, instead of applying a fair estimate of the return rate as was made earlier. The difference in outcome between calculated return and actual return is recognised in other comprehensive income.

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 taxes 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

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
Profit margin before taxes	Earnings before taxes 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.
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 core 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 more than 14,000 employees in over 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:

Year-End Report 2013	10 February 2014
Interim Report Q1 2014	9 May 2014
Interim Report Q2 2014	7 August 2014
Interim Report Q3 2014	22 October 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 third quarter 2013 will be presented 23 October 2013 at 10:00 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 23 October 2013 at 08:00 CET.

This communication may contain forward-looking statements. When used in this communication, words such as "anticipate", "believe", "estimate", "expect", "intend", "plan" and "project" are intended to identify forward-looking statements. They may involve risks and uncertainties, including technological advances in the measurement field, product demand and market acceptance, the effect of economic conditions, the impact of competitive products and pricing, foreign currency exchange rates and other risks. These forward-looking statements reflect the views of Hexagon's management as of the date made with respect to future events and are subject to risks and uncertainties. All of these forward-looking statements are based on estimates and assumptions made by Hexagon's management and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results or experience could differ materially from the forward-looking statements. Hexagon disclaims any intention or obligation to update these forward-looking statements.

