

Press information 4 February 2010

Fourth quarter 2009

- Order intake increased by 1¹⁾ per cent to 3 145 MSEK (3 211).
- Net sales decreased by -9¹⁾ per cent to 3 076 MSEK (3 478).
- Operating earnings (EBIT 1) amounted to 566 MSEK (628).
- Earnings before taxes increased to 527 MSEK (443).
- Net earnings increased to 463 MSEK (397).
- Earnings per share increased by 18 percent to 1.74 SEK (1.48).
- Operating cash flow nearly doubled and amounted to 826 MSEK (422).

Proposed dividend

- The Hexagon Board of Directors proposes a dividend of 1.20 SEK per share (0.50).

Comments from Hexagon's CEO Ola Rollén

“As the down turn hit our business we already had modelled a scenario with a 20 percent drop in volume. We could therefore quickly launch a plan to protect our margins and cash flow. The plan included cost savings and working capital reductions but also large investments in R&D. Although the adjustments have been difficult I am pleased to see that our plan was successful. Our core business reports an operating margin of 20 percent in the fourth quarter and our cash flow is at an all-time high. We can now start looking forward again. We have gained significant market share in this down turn and as the measurement technologies market now resumes to growth Hexagon is ready to once again expand via organic growth and complementary acquisitions.”

MSEK	Q4 2009	Q4 2008	Change %	2009	2008 ²⁾	Change %
Order intake	3 145	3 211	1 ¹⁾	11 842	13 168	-16 ¹⁾
Net sales	3 076	3 478	-9 ¹⁾	11 811	13 060	-19 ¹⁾
Operating earnings (EBIT1)	566	628	-10	1 784	2 405	-26
Operating margin %	18.4	18.1	0.3	15.1	18.4	-3.3
Earnings before taxes excl. non-recurring items	536	543	-1	1 626	2 104	-23
Non-recurring items	-9	-100	n.a.	-184	-100	n.a.
Earnings before taxes	527	443	19	1 442	2 004	-28
Net earnings	463	397	17	1 254	1 770	-29
Earnings per share excl. non- recurring items, SEK	1.77	1.81	-2	5.31	6.95	-24
Earnings per share, SEK	1.74	1.48	18	4.71	6.63	-29

¹⁾ Adjusted to fixed exchange rates and a comparable group structure (organic growth).

²⁾ Excluding Hexpol AB which was de-consolidated from Hexagon AB as of 1 June 2008.

Hexagon's performance excluding Hexpol ¹⁾

The table below shows Hexagon's performance including and excluding non-recurring items and the subsidiary Hexpol, which was spun off during the second quarter 2008 to Hexagon's shareholders.

MSEK	Q4 2009	Q4 2008	2009	2008
Order intake excl. Hexpol	3 145	3 211	11 842	13 168
Order intake Hexpol	-	-	-	1 425
Order intake	3 145	3 211	11 842	14 593
Net sales excl. Hexpol	3 076	3 478	11 811	13 060
Net sales Hexpol	-	-	-	1 419
Net sales	3 076	3 478	11 811	14 479
Operating earnings (EBIT1)	566	628	1 784	2 405
Operating margin, %	18.4	18.1	15.1	18.4
Interest income and expenses, net	-30	-85	-158	-301
Earnings before taxes excl. non-recurring items	536	543	1 626	2 104
Taxes	-66	-59	-214	-247
Net earnings excl. non-recurring items	470	484	1 412	1 857
<i>Earnings per share excl. non-recurring items</i>	<i>1.77</i>	<i>1.81</i>	<i>5.31</i>	<i>6.95</i>
Non-recurring items	-9	-100	-184	-100
Tax on non-recurring items	2	13	26	13
Net earnings excl. Hexpol	463	397	1 254	1 770
<i>Earnings per share</i>	<i>1.74</i>	<i>1.48</i>	<i>4.71</i>	<i>6.63</i>
Hexpol net earnings	-	-	-	89
Total net earnings	463	397	1 254	1 859
<i>Earnings per share</i>	<i>1.74</i>	<i>1.48</i>	<i>4.71</i>	<i>6.96</i>

1) Hexpol AB was de-consolidated from Hexagon as of 1 June 2008.

Fourth quarter 2009

The fourth quarter of 2009 signals a recovery in demand from the very low levels seen in the first nine months of the year. The organic growth in order intake was 1 per cent. This is the first time since the third quarter of 2008 that we have recorded organic growth. Geosystems is now growing again. Metrology has seen a turn around in its markets. It is still recording negative growth compared to the corresponding period last year but the gap is significantly smaller than in previous quarters. Technology continued to grow during the quarter thanks to new emerging applications.

Hexagon has continued to introduce new technologies to improve its position during the fourth quarter. The new GNSS system “Leica Viva” and the new Scanner “Leica C10” are successes since their sales launch in late September. The size of the market for measurement technologies has contracted by approximately 25 per cent in 2009. Our net sales in MT are down by 17 per cent during the same period.

Our cost reduction programme and our presence in the emerging markets enabled us to post an operating margin of 18 per cent in the quarter. The cost rationalisation programme has been concluded and savings are at the expected level. Since September of 2008 when the programme was initiated, Hexagon's work force has been reduced by 1 180 persons. Hexagon's capabilities in R&D, Assembly and Sales & Service are intact which is why the majority of the savings will help Hexagon to expand its EBIT margin for the long term. An additional 9 MSEK were charged in the fourth quarter in connection to further reduction in force in Other Operations.

The focus on working capital reduction in combination with the strong earnings has generated an operating cash flow of 826 MSEK in the quarter.

Regionally Asia is continuing to grow. NAFTA and EMEA continue to shrink, but at a substantially lower pace, compared to the fourth quarter of 2008. Asia is now Hexagon's second largest market representing almost 30 per cent of sales in MT.

Market trends

EMEA

The demand for Hexagon's products in EMEA improved during the fourth quarter. The organic decline in order intake and net sales was -5 and -14 per cent, respectively. For the Group's core business, Measurement Technologies (MT), order intake and net sales organic growth was -9 and -12 per cent, respectively. The organic growth in order intake and sales for Other operations was 132 per cent and -31 per cent, respectively.

Inventories are now at the desired levels at Hexagon's distribution partners. Stock replenishment orders were being booked during the quarter. Reductions in sales volumes were recorded in both the industrial, as well as, construction related segments across Western Europe, but at a significantly lower pace, compared to earlier quarters in 2009. The Eastern European markets continue to be depressed. Russia, the Middle East and Africa continue to grow albeit at significantly lower growth rates. The Geosystems business continued to close the gap to the previous year in terms of sales and recorded sales above the 2008 level in December. The major markets in Western Europe displayed increased activity in the fourth quarter backed by strong demand for equipment used in connection to infrastructural investments and refurbishments. Spain, however, did not see

such recovery. The Metrology business did also report signs of gradual improvement in demand from the major western European markets but for Spain. Metrology is usually later in the cycle as well as more volatile in its demand pattern. The fourth quarter is Metrology's most important quarter. This pattern was repeated even this year with a strong recovery seen in December. Hexagon's participation in the Galileo project continued according to plan even though the overall project will be rescheduled.

EMEA is expected to continue its recovery in 2010.

Americas

Americas displayed organic growth in order intake and net sales of -1 and -11 per cent, respectively, in the fourth quarter. Hexagon's distribution partners are indicating that the inventory reduction is concluded.

Metrology's sales are still shrinking in a year on year comparison but at much lower rates than in previous quarters indicating a recovery in demand. Geosystems' sales and orders were at the same level as in Q4 2008. Technology recorded strong double digit growth in the quarter thanks to break through orders at new customer groups.

NAFTA is expected to continue its recovery in 2010.

South America, led by Brazil, is seeing strong demand for Metrology, as well as, Geosystems products. The mining activity is increasing and Hexagon is gaining market share.

The South American market is expected to display strong growth during 2010.

Asia

Asia continued its organic growth during the fourth quarter. The organic growth in order intake and net sales was 17 and 4 per cent, respectively. The gross order intake in Hexagon's Chinese entities was 18 MSEK higher than reported in this release. The Chinese entities cleaned up their back log in the fourth quarter annulling orders booked in 2006 where the customers intentions to take delivery are unclear.

The growth in the region was obtained from, primarily, infrastructural activities in China, as well as, strong demand from the Chinese Automotive and Aerospace industries. Chinese and Indian car manufacturers recorded record sales and have continued to place orders to increase volume capacity and model capability. Apart from India and China several other markets and industries in the region are now resuming to growth. Korea, Australia and Japan are growing again. The region now represents almost 30 per cent of Hexagon's sales in MT.

Asia is expected to continue its growth during 2010 as the Chinese growth continues and other economies in the region return to growth.

Change % ¹⁾	Order intake		Sales	
	Q4 2009	2009	Q4 2009	2009
EMEA	-5	-25	-14	-27
Americas	-1	-19	-11	-23
Asia	17	9	4	9
Total	1	-16	-9	-19

1) Adjusted to fixed exchange rates and a comparable group structure (organic growth).

Net sales and earnings fourth quarter

Order intake amounted to 3 145 MSEK (3 211) and net sales amounted to 3 076 MSEK (3 478) in the fourth quarter. Using fixed exchange rates and a comparable group structure, order intake increased by 1 per cent and net sales decreased by -9 per cent.

Operating earnings (EBIT 1) amounted to 566 MSEK (628), which corresponds to an operating margin of 18.4 per cent (18.1). Operating earnings were negatively affected by exchange rate movements of -24 MSEK.

The financial net amounted to -30 MSEK (-85) in the fourth quarter. The decrease is mainly explained by lower interest rates and a lower net debt.

Earnings before taxes, excluding non-recurring items, amounted to 536 MSEK (543).

In the fourth quarter an additional 9 MSEK were charged as non-recurring expenses in connection to further reduction in force in Other Operations. In the fourth quarter 2008 the non-recurring items were 100 MSEK.

Earnings before taxes, including non-recurring items, amounted to 527 MSEK (443). Earnings were negatively affected by exchange rate fluctuations of -23 MSEK.

Net earnings, excluding non-recurring items, amounted to 470 MSEK (484) or 1.77 SEK (1.81) per share. Net earnings, including these items, increased to 463 MSEK (397), or 1.74 SEK (1.48) per share.

Net sales and earnings per business area

MSEK	Net sales			Earnings		
	Q4 2009	Q4 2008	Change % ¹⁾	Q4 2009	Q4 2008	Change % ¹⁾
Hexagon MT	2 977	3 334	-8	592	659	-10
Other operations	99	144	-31	-15	-13	-15
Group costs and eliminations				-11	-18	-39
Operating earnings (EBIT1)				566	628	-10
Per cent of net sales				18.4	18.1	0.3
Interest income and expenses, net				-30	-85	-65
Earnings before non-recurring items				536	543	-1
Non-recurring items				-9	-100	n.a.
Net sales	3 076	3 478	-9			
Earnings before taxes				527	443	19

1) Adjusted to fixed exchange rates and a comparable group structure (organic growth).

Changes in the most important currencies & earnings impact in the fourth quarter 2009¹⁾

	Movement ²⁾	Income - cost	Profit impact
CHF	Strengthened	Negative	Negative
USD	Weakened	Positive	Negative
EUR	Strengthened	Positive	Positive
CNY	Weakened	Positive	Negative
EBIT1, MSEK			-24

1) Compared to Q4 2008.

2) As compared to SEK.

Net sales and earnings 2009

Order intake, excluding Hexpol, amounted to 11 842 MSEK (13 168) and net sales amounted to 11 811 MSEK (13 060) in 2009. Using fixed exchange rates and a comparable group structure, order intake decreased by -16 per cent and net sales decreased by -19 per cent.

Operating earnings (EBIT1), excluding Hexpol, amounted to 1 784 MSEK (2 405), which corresponds to an operating margin of 15.1 per cent (18.4). Operating earnings were positively affected by exchange rate movements of 106 MSEK.

The financial net amounted to -158 MSEK (-319) in 2009. The decrease is mainly explained by lower interest rates and a lower net debt.

Earnings before taxes, excluding Hexpol and non-recurring items, amounted to 1 626 MSEK (2 104). Including these items, earnings before taxes amounted to 1 442 MSEK (2 129). Earnings were positively affected by exchange rate fluctuations of 95 MSEK.

Net earnings, excluding Hexpol and non-recurring items, amounted to 1 412 MSEK (1 857) or 5.31 SEK (6.95) per share. Net earnings, including these items, amounted to 1 254 MSEK (1 859) or 4.71 SEK (6.96) per share.

Net sales and earnings per business area

MSEK	Net sales			Earnings		
	2009	2008	Change %¹⁾	2009	2008	Change %
Hexagon MT	11 458	12 356	-17	1 905	2 469	-23 ¹⁾
Hexpol ²⁾	-	1 419	n.a.	-	143	n.a.
Other operations	353	704	-50	-74	6	n.a.
Group costs and eliminations				-47	-70	-33
Operating earnings (EBIT1)				1 784	2 548	-30
Per cent of net sales				15.1	17.6	-2.5
Interest income and expenses, net				-158	-319	-50
Earnings before non-recurring items				1 626	2 229	-29
Non-recurring items				-184	-100	n.a.
Net sales	11 811	14 479	-19			
Earnings before taxes				1 442	2 129	-32

1) Adjusted to fixed exchange rates and a comparable group structure (organic growth).

2) Hexpol AB was de-consolidated from Hexagon AB as of 1 June 2008.

Changes in the most important currencies and earnings impact in 2009¹⁾

	Movement ²⁾	Income - cost	Profit impact
CHF	Strengthened	Negative	Negative
USD	Strengthened	Positive	Positive
EUR	Strengthened	Positive	Positive
CNY	Strengthened	Positive	Positive
EBIT1, MSEK			106

1) Compared to 2008.

2) As compared to SEK.

Profitability

Capital employed, defined as total assets less non-interest bearing liabilities, decreased to 22 300 MSEK (23 668). Return on average capital employed, excluding non-recurring items, for the last twelve months was 8.9 per cent (12.5). Return on average shareholders' equity for the last twelve months was 11.9 per cent (18.2). The capital turnover rate was 0.6 times (0.7).

Financial position

Shareholders' equity, including minority interests, increased to 12 484 MSEK (12 014). The equity ratio increased to 49 per cent (44). Hexagon's total assets decreased to 25 426 MSEK (27 501).

Hexagon's primary source for financing the company's operations is a syndicated loan facility amounting to 1 billion EUR that expires in 2011.

To differentiate the debt portfolio and to prepare for the refinancing of the syndicated loan facility, Hexagon issued a 2 000 MSEK five year bond, during the fourth quarter, to a Swedish institutional investor.

On 31 December 2009, cash and unutilised credit limits totalled 4 737 MSEK (3 001). Hexagon's net debt was 8 298 MSEK (10 676). The net indebtedness was 0.66 times (0.89). Interest coverage ratio was 9.5 (7.0).

Cash flow

Cash flow from operations before changes in working capital amounted to 735 MSEK (688), corresponding to 2.78 SEK (2.60) per share. Cash flow from operations was 1 042 MSEK (774), corresponding to 3.94 SEK (2.92) per share. The cash flow was adversely affected by the settlement of restructuring programme obligations, amounting to -49 MSEK (-). The operating cash flow in the fourth quarter after restructuring was 777 MSEK (422).

For the year, cash flow from operations was 2 621 MSEK (1 755), corresponding to 9.92 SEK (6.61) per share and the operating cash flow after restructuring was 1 610 MSEK (750).

The group-wide programme to reduce working capital developed according to plan contributing to a release of 307 MSEK in cash in the quarter and 618 MSEK in total for the year.

Investments and depreciation

Hexagon's net investments, excluding acquisitions and divestitures, were -216 MSEK (-352) for the fourth quarter and -821 MSEK (-1 005) for the year. Depreciation and write-downs were -208 MSEK (-216) for the fourth quarter and -756 MSEK (-719) for the year.

Tax rate

The Group's tax expense for 2009 totalled -188 MSEK (-270), corresponding to an effective tax rate of 13 per cent (13). The tax expense is affected by the fact that the majority of Hexagon's earnings is generated in foreign subsidiaries located in countries where the tax rates differ from the enacted rate in Sweden.

Employees

The average number of employees in Hexagon during 2009 was 7 549 (9 062). Excluding Hexpol, the average number of employees in 2008 was 8 112. The number of employees at the end of the year was 7 476 (8 436).

Share data

Earnings per share for the fourth quarter amounted to 1.74 SEK (1.48). Earnings per share for the year amounted to 4.71 SEK (6.63). Excluding non-recurring items and Hexpol, earnings per share for the year amounted to 5.31 SEK (6.95).

On 31 December 2009, equity per share was 47.03 SEK (45.26) and the share price was 106 SEK (38). At full exercise of existing stock option programmes, the dilution effect would be 1.0 per cent of the share capital and 0.7 per cent of the number of votes.

Business area net sales and earnings

Measurement Technologies

Order intake amounted to 3 043 MSEK (3 167) during the fourth quarter. Net sales amounted to 2 977 MSEK (3 334). Using fixed exchange rates and a comparable group structure, order intake decreased by -1 per cent and net sales by -8 per cent. Operating earnings (EBIT1) amounted to 592 MSEK (659), which corresponds to an operating margin of 20 per cent (20).

The number of employees by the end of the quarter was 7 152 (8 024).

MSEK	Q4 2009	Q4 2008	Change %	2009	2008	Change %
Order intake	3 043	3 167	-1 ¹⁾	11 512	12 481	-15 ¹⁾
Net sales	2 977	3 334	-8 ¹⁾	11 458	12 356	-17 ¹⁾
Operating earnings (EBIT1)	592	659	-10	1 905	2 469	-23
Operating margin, %	19.9	19.8	0.1	16.6	20.0	-3.4

1) Adjusted to fixed exchange rates and a comparable group structure (organic growth).

Measurement Technologies applications

Measurement Technologies include Geosystems; that mainly serves the construction, infrastructure and geographic information systems (GIS) markets. It also serves industrial and consumer related applications with Metrology systems. Hexagon sales of proprietary technology to OEMs, is referred to below as Technology. The common denominator for these applications is the core technologies that tie them together. For more detailed information please refer to the 2008 Annual Report page 21.

MSEK	Order intake			Net sales		
	Q4 2009	Q4 2008	Change % ¹⁾	Q4 2009	Q4 2008	Change % ¹⁾
Geosystems	1 752	1 757	1	1 775	1 779	1
Metrology	1 143	1 263	-5	1 066	1 421	-22
Technology	148	147	11	136	134	12
Total Hexagon MT	3 043	3 167	-1	2 977	3 334	-8

MSEK	Order intake			Net sales		
	2009	2008	Change % ¹⁾	2009	2008	Change % ¹⁾
Geosystems	6 860	7 054	-11	6 811	6 946	-11
Metrology	3 959	4 838	-26	3 976	4 882	-28
Technology	693	589	4	671	528	12
Total Hexagon MT	11 512	12 481	-15	11 458	12 356	-17

1) Adjusted to fixed exchange rates and a comparable group structure (organic growth).

Other operations

Order intake amounted to 102 MSEK (44) during the fourth quarter. Net sales amounted to 99 MSEK (144). Using fixed exchange rates and a comparable group structure, order intake increased by 132 per cent and net sales decreased by -31 per cent. The negative trend is caused by the severe downturn the Swedish heavy vehicle industry is experiencing. Operating earnings (EBIT1) amounted to -15 MSEK (-13).

The number of employees by the end of the quarter was 312 (401).

MSEK	Q4 2009	Q4 2008	Change %	2009	2008	Change %
Order intake	102	44	132 ¹⁾	330	617	-47 ¹⁾
Net sales	99	144	-31 ¹⁾	353	704	-50 ¹⁾
Operating earnings (EBIT1)	-15	-13	n.a.	-74	6	n.a.

1) Adjusted to fixed exchange rates and a comparable group structure (organic growth).

Associated companies

Associated companies affected Hexagon's earnings during 2009 by -2 MSEK (1).

Parent company

The parent company's earnings after financial items for the year amounted to 302 MSEK (1 444). The solvency ratio of the parent company was 38 per cent (36). The equity was 7 046 MSEK (6 786). Liquid funds including unutilised credit limits were 3 734 MSEK (2 105).

Accounting principles

Hexagon applies International Financial Reporting Standards (IFRS) as adopted by the European Union. Hexagon's report for the Group is designed 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 2008.

Hexagon has elected to account for the distribution of Hexpol to its shareholders as a reduction of shareholders' equity.

Presentation of financial statements

An amendment to IAS 1 concerns the form for presentation of financial position, comprehensive income and cash flow and includes a requirement for statement of comprehensive income. As a consequence of the amendment, Hexagon reports an additional statement showing total comprehensive income for the period in connection with the income statement. The new statement includes items previously reported under 'Changes in shareholder's equity'.

Operating segments

As of financial year 2009 Hexagon applies the "IFRS 8 Operating Segments" standard. The new standard sets disclosure requirements for the Group's Operating Segments and replaces the need to define primary and secondary segments based on operating and geographical segments. Adoption of this standard has a minor impact on Hexagon's financial reporting.

Hexagon's Board of Directors is responsible for determining the Group's overall objectives, developing and monitoring the overall strategy, decisions on major acquisitions, divestments and investments, and ongoing monitoring of operations.

The CEO is responsible for leading and controlling Hexagon's operations in accordance with the strategy determined by the Board. Group Management is responsible for overall business development, allocating financial resources between the business areas, and matters involving financing and capital structure. Group management is therefore equal to what IFRS 8 defines as the Group's chief operating decision maker and is the function that internally within the Hexagon Group allocates resources and evaluates results. The Group's chief operating decision maker assesses the performance in the operating segments based on earnings before financial items, excluding non-recurring items. Financial items and taxes are reported for the Group as a whole.

Hexagon's operations are organised, governed and reported on the basis of the two operating segments Hexagon Measurement Technologies and Other Operations. The operating segment Hexagon Measurement Technologies comprises of the product areas Geosystems, Metrology and Technology and to that relating aftermarket services and support. The product portfolio consists of systems that are designed to measure in one, two or three dimensions and to position and update objects. The portfolio's different measuring instruments are built upon common core technologies and have to a large extent coordinated development and production. The operating segment Other Operations is mainly focused towards the transportation industry including cars as well as heavy vehicles. Other Operations has its business in the Nordic region.

The two segments have separate product offerings, customer groups and geographical exposure and hence differentiated risk composition. No sales between the two operating segments exist. Both segments report applying the same accounting principles as the Group. Hexagon's internal reporting, representing the base for detailed review and analysis, is designed in alignment with the described division into operating segments. Sales within each operating segment are consequently analysed geographically.

Risks and uncertainty factors

As an international Group with a wide geographic scope, 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, the giving of credit, raw materials and financial instruments. 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. For a detailed description of risks and risk management, refer to the Annual Report for 2008. Due to the financial crisis, there is a risk for increased cost for, and lack of availability of, refinancing. Hexagon will continuously monitor the credit market as well as safeguard the Group's financial position via release of working capital and improved cash flow to ensure access to credit. No significant risks other than the risks referred to above are deemed to be currently relevant.

Significant events during the fourth quarter

- On 1 December, Hexagon hosted a capital markets day in Stockholm where a global overview and an update of Hexagon's financial plan were presented.
- On 10 December, Hexagon acquired all outstanding assets and intellectual property of two German companies within the vision metrology industry. The acquisitions will further enhance Hexagon's worldwide product offering in multisensor vision technology. Excluding inter-company transactions, the acquisitions will add approximately 50-70 MSEK to Hexagon's sales in 2010.
- On 27 November, Hexagon issued a SEK 2 000 million, 5 year, bond to a Swedish institutional investor.

Subsequent events

No significant events have occurred during the period between quarter-end and date of issuance of this report.

Telephone conference 4 February

The year-end report will be presented on 4 February at 13:00 CET at a telephone conference. For participation, please see instructions at the Hexagon website.

Annual General Meeting on 5 May

The Annual General Meeting will be held on 5 May 2010, at 17:00 CET in Stockholm, Sweden (IVA, Grev Turegatan 16). The Annual Report for 2009 will be distributed to shareholders during the week starting 12 April and will then also be available on the Hexagon website and head office.

Shareholders who wish to participate at the Annual General Meeting must be registered in the share register maintained by Euroclear Sweden AB on 28 April 2010. Notification

of attendance should be made to Hexagon's head office no later than 12:00 CET on 29 April. To be eligible to participate in the Annual General Meeting, 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 28 April.

Proposed dividend

The Hexagon Board of Directors proposes a dividend of 1.20 SEK per share (0.50). The dividend corresponds to 25 per cent of the earnings per share after tax.

Financial information

Hexagon gives financial information at the following occasions:

Annual General Meeting 2010	5 May 2010
Interim Report Q1 2010	5 May 2010
Interim Report Q2 2010	5 August 2010
Interim Report Q3 2010	28 October 2010
Year-End Report 2010	February 2011

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.se

The Year-End Report 2009 has not been audited by the company's auditors.

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.

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 4 February 2010 at 08:00 CET.

Consolidated income statement in summary

MSEK	Q4 2009	Q4 2008	2009	2008
Net sales	3 076	3 478	11 811	14 479
Cost of goods sold	-1 601	-1 853	-6 231	-7 881
Gross profit	1 475	1 625	5 580	6 598
Sales and administration costs	-918	-1 096	-3 978	-4 151
Earnings from shares in associated companies	0	-1	-2	1
Operating earnings ¹⁾	557	528	1 600	2 448
Interest income and expenses, net	-30	-85	-158	-319
Earnings after financial items	527	443	1 442	2 129
Taxes	-64	-46	-188	-270
Net earnings ²⁾	463	397	1 254	1 859
¹⁾ of which non-recurring items	-9	-100	-184	-100
²⁾ of which minority interest	3	4	9	12
Including depreciation and write-downs of ³⁾	-208	-216	-756	-719
³⁾ of which amortization on excess values identified at acquisition	-28	-26	-116	-99
Earnings per share, SEK	1.74	1.48	4.71	6.96
Earnings per share after dilution, SEK	1.74	1.48	4.71	6.95
Shareholder's equity per share, SEK	47.03	45.26	47.03	45.26
Closing number of shares, thousand	264 347	264 208	264 347	264 208
Average number of shares, thousand	264 347	264 985	264 284	265 317
Average number of shares after dilution, thousand	264 431	265 607	264 511	265 768

Consolidated comprehensive income

MSEK	Q4 2009	Q4 2008	2009	2008
Net earnings	463	397	1 254	1 859
Other comprehensive income:				
Exchange rate differences	317	2 600	-953	3 688
Effect of hedging of net investments in foreign operations	-66	-1 694	430	-2 653
Cash flow hedges, net	-6	5	1	1
Tax attributable to Other comprehensive income	22	369	-113	607
Other comprehensive income, net of tax	267	1 280	-635	1 643
Total comprehensive income for the period	730	1 677	619	3 502
Attributable to:				
Parent company shareholders	727	1 668	609	3 483
Minority interest	3	9	10	19

Consolidated balance sheet in summary

MSEK	31/12 2009	31/12 2008
Intangible fixed assets	16 396	16 832
Tangible fixed assets	1 694	1 903
Financial fixed assets	129	109
Deferred tax assets	590	587
Total fixed assets	18 809	19 431
Inventories	2 597	3 294
Accounts receivable	2 630	3 161
Other receivables	306	439
Prepaid expenses and accrued income	290	257
Total current receivables	3 226	3 857
Cash and cash equivalents	794	919
Total current assets	6 617	8 070
Total assets	25 426	27 501
Attributable to the parent company's shareholders	12 433	11 957
Attributable to minority	51	57
Total shareholders' equity	12 484	12 014
Interest bearing liabilities	9 251	10 509
Other liabilities	14	26
Pension provisions	383	452
Deferred tax provisions	409	331
Other provisions	65	174
Total long-term liabilities	10 122	11 492
Other provisions	265	339
Interest bearing liabilities	117	500
Accounts payable	864	1 185
Other liabilities	477	545
Accrued expenses and deferred income	1 097	1 426
Total short-term liabilities	2 820	3 995
Total equity and liabilities	25 426	27 501

Changes in shareholders' equity

MSEK	31/12 2009	31/12 2008
Opening shareholders' equity	12 014	10 046
Total comprehensive income for the period ¹⁾	619	3 502
Dividend	-148	-1 514
Stock option payments	-	27
Effect of acquisitions and divestments of subsidiaries	-3	-1
Effect of share-based payments	2	6
Repurchase of shares	-	-52
Closing shareholders' equity ²⁾	12 484	12 014
¹⁾ of which: Parent company shareholders	609	3 483
Minorities	10	19
²⁾ of which: Parent company shareholders	12 433	11 957
Minorities	51	57

Number of shares, analysis

	Nominal value	Series A	Series B	Total
2008-12-31 Total issued	2 SEK	11 812 500	253 707 270	265 519 770
Repurchase	2 SEK	-	-1 311 442	-1 311 442
2008-12-31 Total issued and outstanding	2 SEK	11 812 500	252 395 828	264 208 328
Options exercised	2 SEK	-	138 825	138 825
2009-12-31 Total issued and outstanding	2 SEK	11 812 500	252 534 653	264 347 153

Consolidated cash flow analysis

MSEK	Q4 2009	Q4 2008	2009	2008
Cash flow from operations before change in working capital	735	688	2 003	2 587
Cash flow from change in working capital	307	86	618	-832
Cash flow from operations	1 042	774	2 621	1 755
Cash flow from ordinary investing activities	-216	-352	-821	-1 005
Operating cash flow	826	422	1 800	750
Cash flow from restructuring	-49	-	-190	-
Operating cash flow after restructuring	777	422	1 610	750
Cash flow from other investment activities	-137	-36	-268 ¹⁾	-1 048
Cash flow after other investment activities	640	386	1 342	-298
Dividend	-	-2	-148	-634
Stock option payments	-	-	-	27
Repurchase of shares	-	-52	-	-52
Cash flow from other financing activities	-402	-95	-1 327	262
Change in liquid assets ²⁾	238	237	-133	-695

1) Acquisitions -222 MSEK and other -46 MSEK.

2) The currency effect in liquid assets was 8 MSEK (2).

Key ratios

	Q4 2009	Q4 2008	2009	2008
Operating margin, %	18.4	18.1	15.1	17.6
Profit margin before taxes, %	17.1	12.7	12.2	14.7
Return on shareholders' equity, %	11.9	18.2	11.9	18.2
Return on capital employed, %	8.9	12.5	8.9	12.5
Solvency ratio, %	49.1	43.7	49.1	43.7
Net indebtedness	0.66	0.89	0.66	0.89
Interest coverage ratio	18.6	5.9	9.5	7.0
Average number of shares, thousands	264 347	264 985	264 284	265 317
Earnings per share excl. Hexpol, SEK	1.74	1.48	4.71	6.63
Earnings per share excl. non-recurring items, SEK	1.77	1.81	5.31	7.28
Earnings per share, SEK	1.74	1.48	4.71	6.96
Cash flow per share, SEK	3.94	2.92	9.92	6.61
Cash flow per share before change in working capital, SEK	2.78	2.60	7.58	9.75
Share price, SEK	106	38	106	38

Order intake

MSEK	2009					2008				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Hexagon MT	2 934	2 884	2 651	3 043	11 512	3 149	3 227	2 938	3 167	12 481
- Of which Geosystems	1 727	1 783	1 598	1 752	6 860	1 842	1 827	1 628	1 757	7 054
Metrology	1 013	936	867	1 143	3 959	1 173	1 246	1 156	1 263	4 838
Technology	194	165	186	148	693	134	154	154 ²⁾	147	589
Hexpol ¹⁾	-	-	-	-	-	834	591	-	-	1 425
Other operations	55	67	106	102	330	174	198	201	44	617
Group	2 989	2 951	2 757	3 145	11 842	4 157	4 016	3 139	3 211	14 523

Net sales

MSEK	2009					2008				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Hexagon MT	2 942	2 983	2 556	2 977	11 458	2 974	3 135	2 913	3 334	12 356
- Of which Geosystems	1 671	1 806	1 559	1 775	6 811	1 709	1 830	1 628	1 779	6 946
Metrology	1 090	976	844	1 066	3 976	1 131	1 168	1 162	1 421	4 882
Technology	181	201	153	136	671	134	137	123	134	528
Hexpol ¹⁾	-	-	-	-	-	852	567	-	-	1 419
Other operations	96	85	73	99	353	201	202	157	144	704
Group	3 038	3 068	2 629	3 076	11 811	4 027	3 904	3 070	3 478	14 479

Operating earnings (EBIT1)

MSEK	2009					2008				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Hexagon MT	433	489	391	592	1 905	566	683	561	659	2 469
Hexpol ¹⁾	-	-	-	-	-	83	60	-	-	143
Other operations	-15	-22	-22	-15	-74	8	10	1	-13	6
Group costs and eliminations	-13	-13	-10	-11	-47	-14	-19	-19	-18	-70
Group	405	454	359	566	1 784	643	734	543	628	2 548
Margin, %	13.3	14.8	13.7	18.4	15.1	16.0	18.8	17.7	18.1	17.6

Net sales

MSEK	2009					2008				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
EMEA	1 497	1 455	1 207	1 570	5 729	2 347	2 232	1 630	1 797	8 006
Americas	753	741	678	710	2 882	995	947	767	880	3 589
Asia	788	872	744	796	3 200	685	725	673	801	2 884
Group	3 038	3 068	2 629	3 076	11 811	4 027	3 904	3 070	3 478	14 479

1) Hexpol AB was de-consolidated from Hexagon AB as of 1 June 2008.

2) Incorrectly reported order intake in Technology during Q3 2008 was identified and corrected in Q3 2009.

Acquisitions and divestments

MSEK	2009		2008	
	Acquisit.	Divest.	Acquisit.	Divest.
Intangible fixed assets	41	-	789	-1 108
Other fixed assets	9	-	29	-723
Total fixed assets	50	-	818	-1 831
Total current assets	35	-	294	-1 009
Total assets	85	-	1 112	-2 840
Shareholders' equity incl. minority interests	-6	-	-9	-
Total long-term liabilities	-89	-	72	-1 435
Total short-term liabilities	-42	-	178	-525
Total liabilities	-137	-	241	-1 960
Total net assets	222	-	871	-880
Total acquisition cost/ divestment income	-71	-	-874	-
Divested net assets	-	-	-	-880
Distributed to Hexagon's shareholders	-	-	-	-880
Total acquisition cost/ divestment income	-71	-	-874	-
Adjustment for cash and bank balances in acquired/ divested entities	-	-	73	-220
Adjustment for non-paid part of acquisition cost/ divestment income incl. payment of items from prior year	-151	-	3	-
Cash flow from acquisitions/ divestments	-222	-	-798	-220

Acquired entities have converted to IFRS at the acquisition date, which has entailed a change compared to the accounting standards previously applied. Due to the fact that results from operations and financial position in accordance with IFRS are not available, as well as the absence of materiality of the acquisitions, Hexagon does not present information as to how Hexagon's results would have appeared if the acquisitions were made as of the commencement of the reporting period.

Parent company income statement in summary

MSEK	Q4 2009	Q4 2008	2009	2008
Net sales	8	12	31	28
Administration cost	-11	-21	-48	-75
Operating earnings	-3	-9	-17	-47
Earnings from shares in Group companies	0	405	549	1 688
Interest income and expenses, net	49	80	-230	-197
Earnings after financial items	46	476	302	1 444
Tax	-17	-34	61	54
Net earnings	29	442	363	1 498

Parent company balance sheet in summary

MSEK	31/12 2009	31/12 2008
Total fixed assets	17 433	17 696
Total current receivables	965	828
Cash and cash equivalents	171	507
Total current assets	1 136	1 335
Total assets	18 569	19 031
Total shareholders' equity	7 046	6 786
Total long-term liabilities	7 683	8 315
Total short-term liabilities	3 840	3 930
Total equity and liabilities	18 569	19 031

Definitions

Financial definitions

Amortisation on excess values	Amortisation on the difference between carrying value of intangible fixed assets in acquired subsidiaries and the value Hexagon assigned those assets upon date of acquisition.
Capital employed	Total assets less non-interest bearing liabilities.
Capital turnover rate	Net sales divided by average capital employed
Cash flow	Cash flow from operating activities, excluding non-recurring items, after change in working capital.
Cash flow per share	Cash flow from operating activities, excluding non-recurring items, after change in working capital, divided by average number of shares.
Earnings per share	Net earnings divided by average number of shares.
Equity ratio	Shareholders' equity including minority 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 and liquid assets divided by shareholders' equity excluding minority interests.
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 net sales.
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	Twelve months to end of period net earnings excluding minority interests as a percentage of twelve months to end of period average shareholders' equity excluding minority interests last twelve months.
Shareholders' equity per share	Shareholders' equity excluding minority 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.