



Interim Report

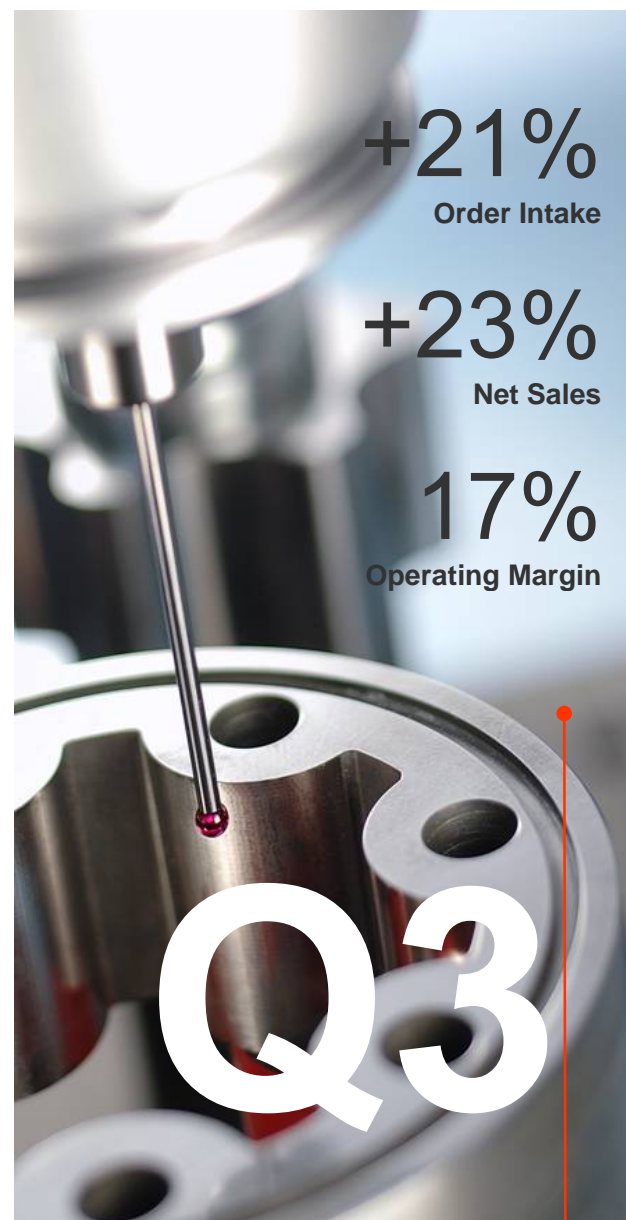
1 JANUARY – 30 SEPTEMBER 2010

THIRD QUARTER 2010

- Order intake increased by 21¹⁾ per cent to 3,262 MSEK (2,757)
- Net sales increased by 23¹⁾ per cent to 3,160 MSEK (2,629)
- Operating earnings increased by 52 per cent to 544 MSEK (359)
- Earnings before taxes increased by 53 per cent to 502 MSEK (329)
- Net earnings increased by 53 per cent to 437 MSEK (286)
- Earnings per share increased by 52 per cent to 1.63 SEK (1.07)

MSEK	Q3 2010	Q3 2009	Δ%	Q1-3 2010	Q1-3 2009	Δ%
Order intake	3,262	2,757	21 ¹⁾	10,035	8,697	22 ¹⁾
Net sales	3,160	2,629	23 ¹⁾	9,458	8,735	14 ¹⁾
Operating earnings (EBIT1)	544	359	52	1,635	1,218	34
Operating margin, %	17.2	13.7	3.5	17.3	13.9	3.4
Earnings before taxes excl. non-recurring items	502	329	53	1,521	1,090	40
Non-recurring items	-	-	-	-	-175	n.a.
Earnings before taxes	502	329	53	1,521	915	66
Net earnings	437	286	53	1,313	791	66
Earnings per share, excl. non-recurring items, SEK	1.63	1.07	52	4.93	3.54	39
Earnings per share, SEK	1.63	1.07	52	4.93	2.97	66

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



COMMENTS FROM OLA ROLLÉN, PRESIDENT AND CEO, HEXAGON AB

"This year we are, perhaps more than ever before, seeing the benefits of having built a strong emerging market presence and a highly competitive product portfolio. The major economies in the West are in most cases experiencing an accelerated recovery, but the bulk of our organic growth is derived out of the emerging markets. Geosystems has been in a relatively slow but steady recovery since the first quarter of 2009 and is closing in on previous peak numbers. Metrology suffered harder in the recession, but is displaying a strong recovery. In both application areas the recovery has been fuelled by the many product innovations we have introduced over the past 18 months. Earlier this week we announced that we have obtained all necessary approvals regarding the acquisition of Intergraph. The closing of the transaction is set for today and Intergraph will thereby be a fully owned subsidiary of Hexagon."



GROUP DEVELOPMENT

The third quarter of 2010 saw a continued recovery in demand with organic growth in order intake and net sales of 21 and 23 per cent respectively.

The trend from previous quarters in 2010 remains where the emerging markets keep growing toward new peaks and the more mature markets are recovering.

Geosystems which represents 54 per cent of Group sales in the third quarter records an order intake and net sales organic growth of 7 and 12 per cent, respectively. Metrology which represents 39 per cent of Group sales displays order intake and net sales organic growth of 56 and 49 per cent, respectively. Technology which represents 4 per cent of sales displays order intake and net sales organic growth of -42 and -12 per cent, respectively.

SALES BRIDGE THIRD QUARTER

MSEK	Order intake	Net sales
2009	2,757	2,629
Structure, %	0	0
Currency, %	-3	-3
Organic growth, %	21	23
Total, %	18	20
2010	3,262	3,160

MARKET DEVELOPMENT

All geographic regions are displaying strong organic growth in order intake and net sales. Asia and South America are

continuing to display strong growth. North America and Europe have accelerated the recovery from the levels seen in the first half of 2010.

EMEA

The demand for Hexagon's products and services in EMEA increased during the third quarter. The organic growth in order intake and net sales was 23 and 23 per cent, respectively. For the Group's core business, Measurement Technologies (MT), order intake and net sales organic growth was 20 and 22 per cent, respectively. The organic growth in order intake and sales for Other Operations amounted to 50 per cent and 40 per cent, respectively.

The major markets in Western Europe experienced increased activity levels in the third quarter backed by improved demand for measurement solutions used in connection to infrastructural investments as well as for equipment used in industrial segments such as automotive and aerospace. Demand in Southern Europe remains weak. East Europe, Russia and the Middle East continue to grow.

EMEA is expected to continue its recovery in 2010.

AMERICAS

Americas recorded organic growth in order intake and net sales of 20 and 16 per cent, respectively, in the third quarter.

Several industries in NAFTA are recovering such as automotive, aerospace and general engineering. The construction

market, however, experienced a weakening recovery rate in the third quarter compared to the previous quarter.

NAFTA is expected to continue its recovery in 2010.

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

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

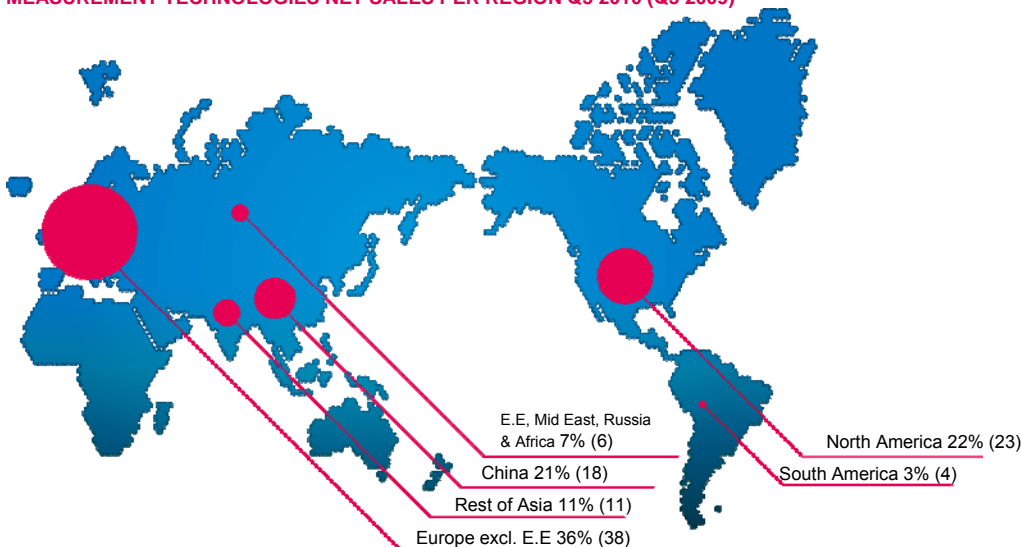
ASIA

Asia recorded continuous strong organic growth during the third quarter. The organic growth in order intake and net sales was 19 and 29 per cent, respectively.

The growth in the region was obtained from infrastructural activities in China, as well as, strong demand from the Chinese and Indian automotive and aerospace industries. In addition to India and China, several other markets and industries in the region are growing, as for example Japan, Korea, Australia and Southeast Asia.

Asia is expected to continue its growth during 2010 as the growth in China continues and other economies in the region return to growth compared to the situation in 2009.

MEASUREMENT TECHNOLOGIES NET SALES PER REGION Q3 2010 (Q3 2009)



FINANCIAL SUMMARY THIRD QUARTER

MSEK	Net sales			Earnings		
	Q3 2010	Q3 2009	Δ % ¹⁾	Q3 2010	Q3 2009	Δ %
Hexagon MT	3,058	2,556	22	569	391	46
Other operations	102	73	40	-7	-22	68
Group cost and eliminations				-18	-10	-80
Operating earnings (EBIT1)				544	359	52
Per cent of net sales				17.2	13.7	3.5
Interest income and expenses, net				-42	-30	-40
Net sales	3,160	2,629	23			
Earnings before taxes				502	329	53
Tax				-65	-43	-51
Net earnings				437	286	53

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

Q3 NET SALES AND EARNINGS

Order intake amounted to 3,262 MSEK (2,757) and net sales amounted to 3,160 MSEK (2,629) in the third quarter. Using fixed exchange rates and a comparable group structure, order intake increased by 21 per cent and net sales increased by 23 per cent.

Operating earnings (EBIT1) amounted to 544 MSEK (359), which corresponds to an operating margin of 17.2 per cent (13.7). Operating earnings were negatively affected by exchange rate movements of -17 MSEK.

The financial net amounted to -42 MSEK (-30) in the third quarter.

Earnings before taxes amounted to 502 MSEK (329). Earnings were negatively affected by exchange rate fluctuations of -16 MSEK.

Net earnings increased to 437 MSEK (286), or 1.63 SEK (1.07) per share.

CURRENCY IMPACT THIRD QUARTER (AS COMPARED TO SEK)

	Movement ¹⁾	Income-cost	Profit impact
CHF	Strengthened ↗	Negative ↘	Negative ↘
USD	Strengthened ↗	Positive ↗	Positive ↗
EUR	Weakened ↘	Positive ↗	Negative ↘
CNY	Strengthened ↗	Positive ↗	Positive ↗
EBIT1, MSEK			-17

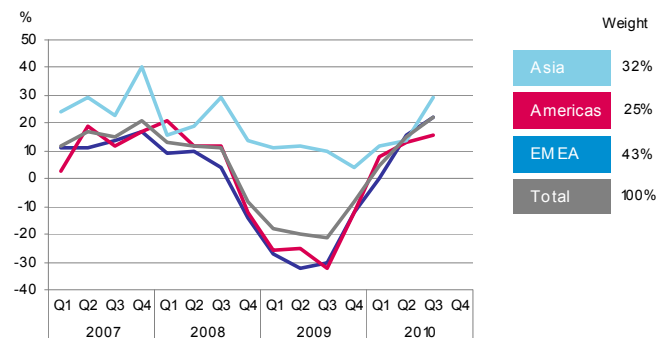
1) Compared to Q3 2009.

ORDER INTAKE – ORGANIC GROWTH BY REGION (HEXAGON MT)



Order intake growth is strong in all regions. Americas and EMEA both display organic growth in order intake of 20 per cent. Asia coming from an already high level reports organic growth in order intake of 19 per cent.

NET SALES – ORGANIC GROWTH BY REGION (HEXAGON MT)



Asia continues to grow towards new peak levels whereas EMEA and Americas are still in a recovery phase.

FINANCIAL SUMMARY Q1-3

MSEK	Net sales			Earnings		
	Q1-3 2010	Q1-3 2009	Δ % ¹⁾	Q1-3 2010	Q1-3 2009	Δ %
Hexagon MT	9,110	8,481	14	1,703	1,313	30
Other operations	348	254	37	-16	-59	73
Group cost and eliminations				-52	-36	-44
Operating earnings (EBIT1)				1,635	1,218	34
Per cent of net sales				17.3	13.9	3.4
Interest income and expenses, net				-114	-128	11
Earnings before non-recurring items				1,521	1,090	40
Non recurring items				-	-175	n.a.
Net sales	9,458	8,735	14			
Earnings before taxes				1,521	915	66
Tax				-208	-124	-68
Net earnings				1,313	791	66

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

CURRENCY IMPACT Q1-3 (AS COMPARED TO SEK)

	Movement ¹⁾	Income-cost	Profit impact
CHF	Weakened ↘	Negative ↘	Positive ↗
USD	Weakened ↘	Positive ↗	Negative ↘
EUR	Weakened ↘	Positive ↗	Negative ↘
CNY	Weakened ↘	Positive ↗	Negative ↘
EBIT1, MSEK			-103

1) Compared to Q1-3 2009.

Q1-3 NET SALES AND EARNINGS

Order intake amounted to 10,035 MSEK (8,697) and net sales amounted to 9,458 MSEK (8,735) in the first nine months. Using fixed exchange rates and a comparable group structure, order intake increased by 22 per cent and net sales increased by 14 per cent.

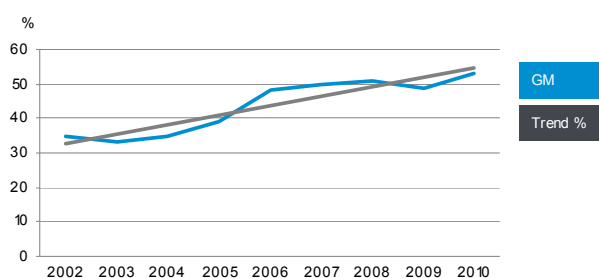
Operating earnings (EBIT1) amounted to 1,635 MSEK (1,218), which corresponds to an operating margin of 17.3 per cent (13.9). Operating earnings were negatively affected by -103 MSEK from exchange rate movements.

The financial net amounted to -114 MSEK (-128) in the period. The decrease is mainly explained by a lower net debt.

Earnings before taxes, excluding non-recurring items, amounted to 1,521 MSEK (1,090). In the first nine months of 2009, non-recurring items amounted to -175 MSEK related to the cost reduction programme. Earnings before taxes, including non-recurring items, amounted to 1,521 MSEK (915). Earnings were negatively affected by exchange rate fluctuations of -99 MSEK.

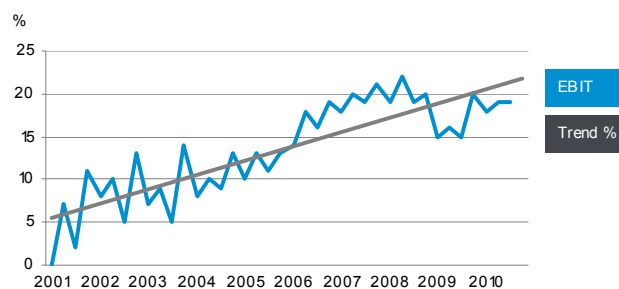
Net earnings, excluding non-recurring items, amounted to 1,313 MSEK (942), or 4.93 SEK (3.54) per share. Net earnings, including these items, increased to 1,313 MSEK (791). This corresponds to an increase in earnings per share of 66 per cent to 4.93 SEK (2.97).

GROSS MARGIN (HEXAGON MT) YEARLY DATA



Product innovations including new technology, lower manufacturing costs and an increasing software content have allowed Hexagon to improve the gross margin from 35 per cent in 2002 to 51 per cent in 2008. In 2009 the gross margin decreased to 49 per cent. In the first nine months in 2010 it improved to 53 per cent.

OPERATING MARGIN (HEXAGON MT) QUARTERLY DATA



Hexagon improved its operating margin from 5 per cent in 2001 to 20 per cent in 2008. In 2009 the margin decreased to approximately 17 per cent due to reduced volumes caused by the global economic downturn. In the third quarter 2010 the margin improved to 18.6 per cent (15.3).



Once finished, the "Bridge to Russky Island" will connect the city of Vladivostok with Russky Island. With a total span length of 3,100m, it will be one of the largest bridges in the world. The bridge is scheduled to be finished by the opening of the Asia-Pacific Economical Cooperation summit to be held in 2012 in Vladivostok. Hexagon Total Stations and GNSS equipment are used in the surveying and construction of the bridge.

PROFITABILITY

Capital employed, defined as total assets less non-interest bearing liabilities, increased to 22,267 MSEK (21,761). Return on average capital employed, excluding non-recurring items, for the last twelve months was 9.8 per cent (8.1). Return on average shareholders' equity for the last twelve months was 13.8 per cent (10.0). The capital turnover rate was 0.8 times (0.5).

FINANCIAL POSITION

Total shareholders' equity increased to 13,052 MSEK (11,754). The equity ratio increased to 50 per cent (48). Hexagon's total assets increased to 26,325 MSEK (24,680).

Hexagon's primary source for financing the company's operations is a syndicated loan facility amounting to 1 billion EUR that expires in June 2011. In connection with the acquisition of Intergraph commitments have been secured to finance the acquisition and to refinance the existing revolving credit facility.

On 30 September 2010, cash and unutilised credit limits totalled 4,028 MSEK (2,753). Hexagon's net debt was 7,588 MSEK (8,678). The net indebtedness was 0.58 times (0.74). Interest coverage ratio was 13.5 times (7.5).

CASH FLOW

During the third quarter cash flow from operations before changes in working capital increased to 663 MSEK (390), corresponding to 2.51 SEK (1.48) per share.

Cash flow from operations in the third quarter amounted to 650 MSEK (615), corresponding to 2.46 SEK (2.33) per share. The cash flow was negatively affected by the settlement of restructuring programme obligations, amounting to -10 MSEK (-30). The operating cash flow in the third quarter after restructuring amounted to 448 MSEK (411).

For the first nine months, cash flow from operations was 1,732 MSEK (1,579), corresponding to 6.55 SEK (5.97) per share and the operating cash flow after restructuring amounted to 1,077 MSEK (833).

INVESTMENTS AND DEPRECIATION

Hexagon's net investments, excluding acquisitions and divestitures, amounted to -192 MSEK (-174) in the third quarter and -600 MSEK (-605) in the first nine months. Depreciation and write-downs amounted to -219 MSEK (-169) in the third quarter and -640 MSEK (-548) in the first nine months.

TAX RATE

The Group's tax expense for the first nine months totalled -208 MSEK (-124), corresponding to an effective tax rate of 14 per cent (14). 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 the first nine months was 7,432 (7,646). The number of employees at

the end of the third quarter was 7,763 (7,627).

SHARE DATA

Earnings per share for the third quarter amounted to 1.63 SEK (1.07). Earnings per share for the first nine months increased to 4.93 SEK (2.97). Excluding non-recurring items, earnings per share for the first nine months amounted to 4.93 SEK (3.54). On 30 September 2010, equity per share was 49.19 SEK (44.28) and the share price was 145 SEK (83). 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.

ASSOCIATED COMPANIES

Associated companies affected Hexagon's earnings during the first nine months by 1 MSEK (-2).

PARENT COMPANY

The parent company's earnings after financial items for the first nine months amounted to 734 MSEK (256). The solvency ratio of the parent company was 39 per cent (38). The equity was 7,519 MSEK (6,997). Liquid funds including unutilised credit limits were 3,111 MSEK (1,908).

BUSINESS AREA

MEASUREMENT TECHNOLOGIES - SALES AND EARNINGS

MSEK	Q3 2010	Q3 2009	Δ%	Q1-3 2010	Q1-3 2009	Δ%
Order intake	3,103	2,651	20 ¹⁾	9,596	8,469	20 ¹⁾
Net sales	3,058	2,556	22 ¹⁾	9,110	8,481	14 ¹⁾
Operating earnings (EBIT1)	569	391	46	1,703	1,313	30
Operating margin,%	18.6	15.3	3.3	18.7	15.5	3.2

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

MEASUREMENT TECHNOLOGIES

Order intake amounted to 3,103 MSEK (2,651) during the third quarter. Net sales amounted to 3,058 MSEK (2,556). Using fixed exchange rates and a comparable group structure, order intake increased by 20 per cent and net sales by 22 per cent.

Operating earnings (EBIT1) amounted to 569 MSEK (391), which corresponds to an operating margin of 19 per cent (15).

The number of employees by the end of the quarter was 7,439 (7,293).

OTHER OPERATIONS - SALES AND EARNINGS

MSEK	Q3 2010	Q3 2009	Δ%	Q1-3 2010	Q1-3 2009	Δ%
Order intake	159	106	50 ¹⁾	439	228	92 ¹⁾
Net sales	102	73	40 ¹⁾	348	254	37 ¹⁾
Operating earnings (EBIT1)	-7	-22	68	-16	-59	73
Operating margin,%	-6.9	-30.1	23.2	-4.6	-23.2	18.6

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

OTHER OPERATIONS

Order intake amounted to 159 MSEK (106) during the third quarter. Net sales amounted to 102 MSEK (73). Using fixed exchange rates and a comparable group structure, order intake increased by 50 per cent and net sales by 40 per cent.

Operating earnings (EBIT1) amounted to -7 MSEK (-22), which corresponds to an operating margin of -7 per cent (-30).

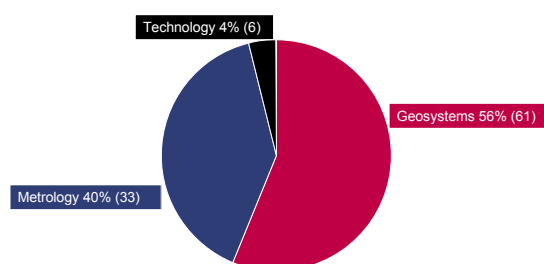
The number of employees by the end of the quarter was 312 (323).

MEASUREMENT TECHNOLOGIES APPLICATION AREAS

MSEK	Order intake						Net sales					
	Q3 2010	Q3 2009	Δ % ¹⁾	Q1-3 2010	Q1-3 2009	Δ % ¹⁾	Q3 2010	Q3 2009	Δ % ¹⁾	Q1-3 2010	Q1-3 2009	Δ % ¹⁾
Geosystems	1,688	1,598	7	5,539	5,108	14	1,712	1,559	12	5,306	5,036	11
Metrology	1,307	867	56	3,684	2,816	40	1,212	844	49	3,384	2,910	24
Technology	108	186	-42	373	545	-26	134	153	-12	420	535	-16
Total Hexagon MT	3,103	2,651	20	9,596	8,469	20	3,058	2,556	22	9,110	8,481	14

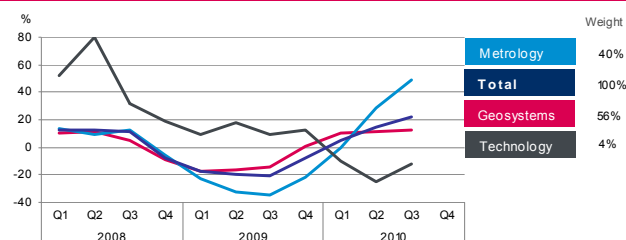
1) Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

NET SALES – BY APPLICATION AREA Q3 2010 (Q3 2009)



Metrology is usually later in the economic cycle than Geosystems. The strong recovery in Metrology in 2010 is reflected in the increase in the proportion of sales from 33 per cent to 40 per cent.

NET SALES – ORGANIC GROWTH BY APPLICATION AREA (MT)

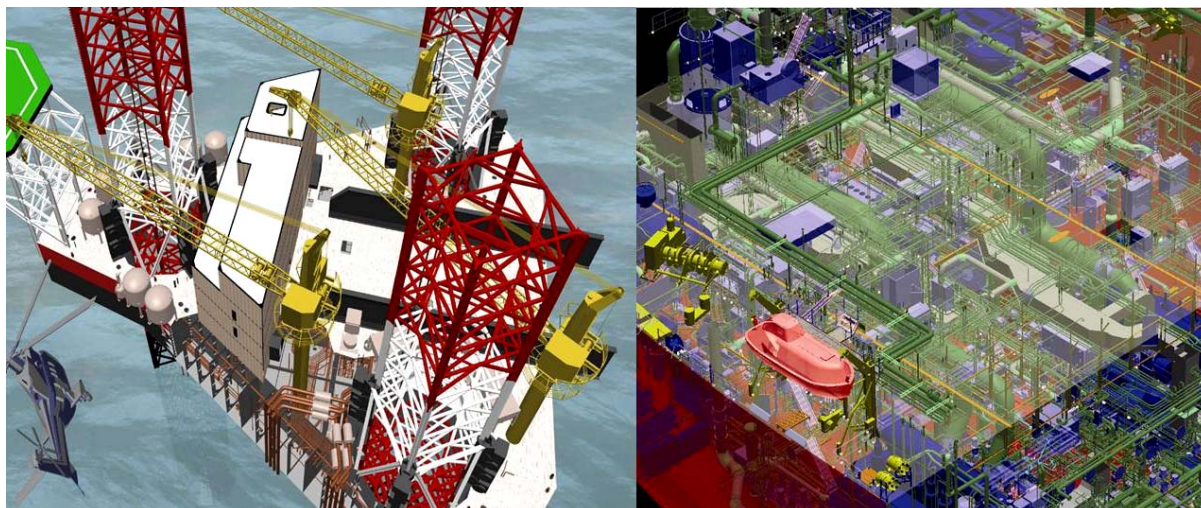


Geosystems continues to display double digit growth. The recovery in Metrology accelerated in the third quarter and the application area displays organic sales growth of 49 per cent compared to the corresponding period 2009. Technology has reported three consecutive quarters of negative organic growth.

SUBSEQUENT EVENTS

Below is a list of significant events that have occurred during the period between quarter-end and date of issuance of this report. Further information regarding all of the events can be found in separate press releases at Hexagon's website.

- On 25 October Hexagon announced that all approvals for the acquisition of Intergraph Corporation had been obtained. The closing of the transaction is set for today 28 October and Intergraph will thereby be a fully owned subsidiary of Hexagon.
- On 25 October Hexagon announced the upcoming rights issue of approximately 6 500 MSEK with preferential rights for Hexagon's shareholders. The background to the rights issue is to partly finance the acquisition of Intergraph.
- On 25 October Hexagon announced that the Board of Directors of Hexagon AB proposes to change the accounting and presentation currency from Swedish kronor (SEK) to Euro (EUR) effective as of 1 January 2011. A change of accounting currency from SEK to EUR will decrease the currency exposure in both the profit and loss statement as well as in comprehensive income. It will also allow the Hexagon Group to better match debt to the net assets which will have a stabilising effect on certain key ratios that are of importance to Hexagon's cost of capital. The Parent Company will also be affected by the change of accounting currency.
- On 25 October Hexagon announced that an Extraordinary Shareholders' Meeting will be held at 10:00 CET. Wednesday 24 November 2010 at Torsgatan 11 in Stockholm, Sweden. The Board proposes that the company shall have euro as accounting currency effective as of 1 January 2011. Further, the Board proposes that the EGM approves the Board's resolution to increase the company's share capital through a rights issue.



Intergraph's new version of SmartMarine 3D enterprise engineering and manufacturing software with expanded automation capabilities to increase design quality, consistency, productivity and accelerate project schedules.



Visitors at the Shanghai World Expo 2010 could see how Intergraph's software and Cisco's networking and communications solutions can monitor, detect, and assess threats, coordinate emergency response, and manage data for improved decision-making to protect lives and property.

The Board of Directors and the President and CEO declare that this nine-month 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, 28 October 2010

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

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 2009 with the following exception: the new IFRS 3 Business Combinations, which came into effect on 1 January 2010, has changed how acquisitions are to be reported, where, among others, transaction expenses are no longer allowed for capitalisation but must be expensed over the income statement as incurred. This change has had no impact on this interim report. However, the acquisition of Intergraph will incur transaction costs which will be expensed in the income statement.

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, the giving of credit, raw materials and financial instruments. The execution of the acquisition of Intergraph implies risk. In addition to company-specific risks, the acquired company's relations with customers, suppliers and key personnel may be negatively affected. There is also a risk that integration processes may prove more costly or more time consuming than estimated and that anticipated synergies in whole or in part fail to materialise. 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, see the 2009 Annual Report. No significant risks other than the risks referred to above are deemed to be currently relevant.

RELATED PARTY TRANSACTIONS

No significant related party transaction have occurred in 2010.

NOMINATION COMMITTEE PRIOR TO THE ANNUAL GENERAL MEETING 2011

The composition of the Hexagon Nomination Committee for the Annual General Meeting 2011 is:

Mikael Ekdahl, Melker Schörling AB (Chairman)
Anders Algotsson, AFA Försäkring
Fredrik Nordström, AMF Pension
Jan Andersson, Swedbank Robur fonder
Henrik Didner, Didner & Gerge Aktiefond

AUDITORS' REVIEW REPORT

Introduction

We have performed a review of the condensed interim financial statements for Hexagon AB at 30 September 2010 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of these Interim financial statements in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on the condensed interim financial statements based on our review.

Scope of Review

We have conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity", issued by the Swedish Federation of Authorized Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different purpose and a substantially less scope than an audit conducted in accordance with the Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain such a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, a conclusion based on a review does not constitute the same level of assurance as an opinion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material aspects, for the group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Stockholm, 28 October 2010

Ernst & Young AB

Hamish Mabon
Authorized public accountant

Condensed income statement

MSEK	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009
Net sales	3,160	2,629	9,458	8,735	11,811
Cost of goods sold	-1,552	-1,380	-4,641	-4,630	-6,231
Gross earnings	1,608	1,249	4,817	4,105	5,580
Sales and administration costs, etc.	-1,064	-890	-3,183	-3,060	-3,978
Earnings from shares in associated companies	0	0	1	-2	-2
Operating earnings 1), 2)	544	359	1,635	1,043	1,600
Interest income and expenses, net	-42	-30	-114	-128	-158
Earnings before taxes	502	329	1,521	915	1,442
Taxes	-65	-43	-208	-124	-188
Net earnings 3)	437	286	1,313	791	1,254
1) of which non-recurring items	-	-	-	-175	-184
2) Including depreciation and write-downs	-219	-169	-640	-548	-756
of which amortisation on excess values identified at acquisition	-24	-29	-77	-88	-116
3) of which non-controlling interest	5	2	11	6	9
Basic earnings per share, SEK	1.63	1.07	4.93	2.97	4.71
Earnings per share after dilution, SEK	1.63	1.07	4.92	2.97	4.71
Total shareholder's equity per share, SEK	49.19	44.28	49.19	44.28	47.03
Closing number of shares, thousands	264,367	264,347	264,367	264,347	264,347
Average number of shares, thousands	264,367	264,347	264,537	264,263	264,284
Average number of shares after dilution, thousands	264,367	264,448	264,383	264,538	264,511

Condensed comprehensive income

MSEK	Q3 2010	Q3 2009	Q1-3 2010	Q1-3 2009	2009
Net earnings	437	286	1,313	791	1,254
Other comprehensive income:					
Exchange rate differences	-953	-875	-293	-1,270	-953
Effect of hedging of net investments in foreign operations	21	183	-170	496	430
Cash flow hedges, net	9	3	5	7	1
Tax attributable to Other comprehensive income	-8	-39	43	-135	-113
Other comprehensive income, net of tax	-931	-728	-415	-902	-635
Total comprehensive income for the period	-494	-442	898	-111	619
Attributable to:					
Parent company shareholders	-496	-443	887	-118	609
Non-controlling interest	2	1	11	7	10

Condensed balance sheet

MSEK	30/9 2010	30/9 2009	31/12 2009
Intangible fixed assets	16,110	15,973	16,396
Tangible fixed assets	1,576	1,698	1,694
Financial fixed assets	1,147	116	129
Deferred tax assets	549	485	590
Total fixed assets	19,382	18,272	18,809
Inventories	2,789	2,692	2,597
Accounts receivable	2,706	2,551	2,630
Other receivables	306	305	306
Prepaid expenses and accrued income	259	309	290
Total current receivables	3,271	3,165	3,226
Cash and cash equivalents	883	551	794
Total current assets	6,943	6,408	6,617
Total assets	26,325	24,680	25,426
Attributable to parent company shareholders	13,002	11,706	12,433
Attributable to non-controlling interest	50	48	51
Total shareholders' equity	13,052	11,754	12,484
Interest bearing liabilities	2,079 ¹⁾	9,462	9,251
Other liabilities	12	15	14
Pension provisions	320	396	383
Deferred tax provisions	290	273	409
Other provisions	23	144	65
Total long-term liabilities	2,724	10,290	10,122
Other provisions	147	261	265
Interest bearing liabilities	6,805 ¹⁾	82	117
Accounts payable	885	735	864
Other liabilities	1,414	417	477
Accrued expenses and deferred income	1,298	1,141	1,097
Total short-term liabilities	10,549	2,636	2,820
Total equity and liabilities	26,325	24,680	25,426

1) The Group's syndicated loan facility expires in June 2011 and was therefore reclassified as a short-term liability in the second quarter 2010.

Condensed statement of changes in equity

MSEK	Q1-3 2010	Q1-3 2009	31/12 2009
Opening shareholders' equity as of 1 January	12,484	12,014	12,014
Total comprehensive income for the period 1)	898	-111	619
Dividend	-329	-148	-148
Effect of acquisitions of subsidiaries	-1	-3	-3
Effect of share-based payments	-	2	2
Closing shareholders' equity 2)	13,052	11,754	12,484
1) of which: Parent company shareholders	887	-118	609
Non-controlling interest	11	7	10
2) of which: Parent company shareholders	13,002	11,706	12,433
Non-controlling interest	50	48	51

Number of shares, analysis

	Nominal value, SEK	series A	series B	Total
2008-12-31 Total issued	2	11,812,500	253,707,270	265,519,770
Repurchase	2	-	-1,311,442	-1,311,442
2008-12-31 Total issued and outstanding	2	11,812,500	252,395,828	264,208,328
Options exercised	2	-	138,825	138,825
2009-12-31 Total issued and outstanding	2	11,812,500	252,534,653	264,347,153
Options exercised	2	-	20,070	20,070
2010-09-30 Total issued and outstanding	2	11,812,500	252,554,723	264,367,223

Condensed cash flow statement

MSEK	Q3 2010	Q3 2009	Q1-3 2010	Q1-3 2009	2009
Cash flow from operations before change in working capital	663	390	1,877	1,268	2,003
Cash flow from change in working capital	-13	225	-145	311	618
Cash flow from operations	650	615	1,732	1,579	2,621
Cash flow from ordinary investing activities	-192	-174	-600	-605	-821
Operating cash flow	458	441	1,132	974	1,800
Cash flow from restructuring	-10	-30	-55	-141	-190
Operating cash flow after restructuring	448	411	1,077	833	1,610
Cash flow from other investing activities 1)	-103	-62	-162	-131	-268
Cash flow after other investing activities	345	349	915	702	1,342
Dividends paid	-	-2	-329	-148	-148
Cash flow from other financing activities	-258	-584	-469	-925	-1,327
Change in liquid assets	87	-237	117	-371	-133
Cash and cash equivalents, beginning of period	834	796	794	919	919
Effect of translation differences on Cash and cash equivalents	-38	-8	-28	3	8
Cash flow for the period	87	-237	117	-371	-133
Cash and cash equivalents, end of period	883	551	883	551	794

1) Acquisitions -112 MSEK and other -50 MSEK in Q1-Q3 2010.

Key ratios

	Q3 2010	Q3 2009	Q1-3 2010	Q1-3 2009	2009
Operating margin, %	17.2	13.7	17.3	13.9	15.1
Profit margin before taxes, %	15.9	12.5	16.1	10.5	12.2
Return on shareholders' equity, %	13.8	10.0	13.8	10.0	10.3
Return on capital employed, %	9.8	8.1	9.8	8.1	7.8
Equity ratio, %	49.6	47.6	49.6	47.6	49.1
Net indebtedness	0.58	0.74	0.58	0.74	0.66
Interest coverage ratio	11.9	10.7	13.5	7.5	9.5
Average number of shares, thousands	264,367	264,347	264,537	264,263	264,284
Basic earnings per share excl. non-recurring items, SEK	1.63	1.07	4.93	3.54	5.31
Basic earnings per share, SEK	1.63	1.07	4.93	2.97	4.71
Cash flow per share, SEK	2.46	2.33	6.55	5.97	9.92
Cash flow per share before change in working cap, SEK	2.51	1.48	7.10	4.80	7.58
Share price, SEK	145	83	145	83	106

Order intake

MSEK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	2009
Hexagon MT	3,103	3,496	2,997	3,043	2,651	2,884	2,934	11,512
- Of which Geosystems	1,688	2,078	1,773	1,752	1,598	1,783	1,727	6,860
Metrology	1,307	1,282	1,095	1,143	867	936	1,013	3,959
Technology	108	136	129	148	186	165	194	693
Other operations	159	153	127	102	106	67	55	330
Group	3,262	3,649	3,124	3,145	2,757	2,951	2,989	11,842

Net sales

MSEK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	2009
Hexagon MT	3,058	3,256	2,796	2,977	2,556	2,983	2,942	11,458
- Of which Geosystems	1,712	1,914	1,680	1,775	1,559	1,806	1,671	6,811
Metrology	1,212	1,197	975	1,066	844	976	1,090	3,976
Technology	134	145	141	136	153	201	181	671
Other operations	102	134	112	99	73	85	96	353
Group	3,160	3,390	2,908	3,076	2,629	3,068	3,038	11,811

Operating earnings (EBIT1)

MSEK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	2009
Hexagon MT	569	633	501	592	391	489	433	1,905
Other operations	-7	-2	-7	-15	-22	-22	-15	-74
Group costs and eliminations	-18	-18	-16	-11	-10	-13	-13	-47
Group	544	613	478	566	359	454	405	1,784
Margin, %	17.2	18.1	16.4	18.4	13.7	14.8	13.3	15.1

Net sales

MSEK	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	2009
EMEA	1,405	1,597	1,404	1,570	1,207	1,455	1,497	5,729
Americas	766	809	680	710	678	741	753	2,882
Asia	989	984	824	796	744	872	788	3,200
Group	3,160	3,390	2,908	3,076	2,629	3,068	3,038	11,811

Acquisitions and divestments

MSEK	Q1-3 2010		Q1-3 2009	
	Acquisitions	Divestments	Acquisitions	Divestments
Intangible fixed assets	-7	-	11	-
Other fixed assets	19	-	4	-
Total fixed assets	12	-	15	-
Total current assets	-	-	6	-
Total assets	12	-	21	-
Shareholders' equity incl. non-controlling interests	-1	-	-5	-
Total long-term liabilities	-59	-	-77	-
Total short-term liabilities	-40	-	-27	-
Total liabilities	-100	-	-109	-
Total net assets	112	-	130	-
Total acquisition cost/ divestment income	-20	-	-14	-
Adjustment for cash and bank balances in acquired entities	-	-	-	-
Adjustment for non-paid part of acquisition cost/ divestment income incl. payment of items from prior year	-92	-	-116	-
Cash flow from acquisitions	-112	-	-130	-

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. There were no divestments in the first nine months 2010 or in the first nine months 2009.

Condensed parent company income statement

MSEK	Q3 2010	Q3 2009	Q1-3 2010	Q1-3 2009	2009
Net sales	18	7	54	23	31
Administration cost	-10	-9	-60	-37	-48
Operating earnings	8	-2	-6	-14	-17
Earnings from shares in Group companies	-	-	939	549	549
Interest income and expenses, net	-364	-93	-199	-279	-230
Earnings after financial items	-356	-95	734	256	302
Tax	93	25	53	78	61
Net earnings	-263	-70	787	334	363

Condensed parent company balance sheet

MSEK	30/9 2010	30/9 2009	31/12 2009
Total fixed assets	18,382	17,325	17,433
Total current receivables	813	969	965
Cash and cash equivalents	323	125	171
Total current assets	1,136	1,094	1,136
Total assets	19,518	18,419	18,569
Total shareholders' equity	7,519	6,997	7,046
Total long-term liabilities	2,001	7,997	7,683
Total short-term liabilities	9,998	3,425	3,840
Total equity and liabilities	19,518	18,419	18,569

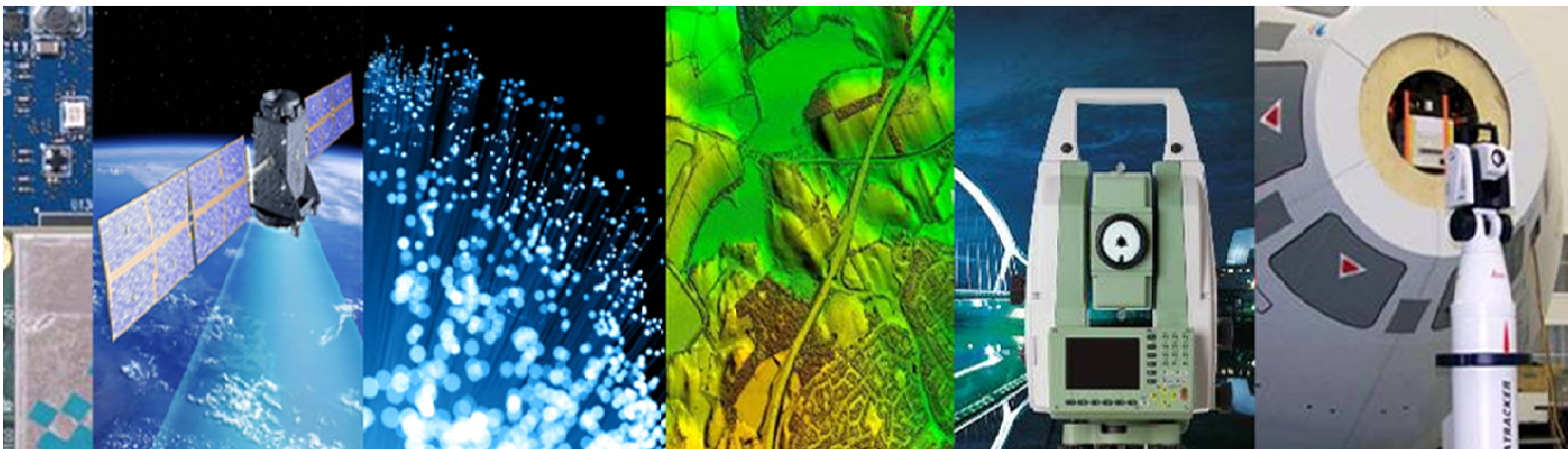
Definitions

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 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 and liquid assets divided by shareholders' equity excluding non-controlling 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 non-controlling interests as a percentage of twelve months to end of period average shareholders' equity excluding non-controlling interests last twelve months.
Shareholders' equity per share	Shareholders' equity excluding non-controlling interests divided by the number of shares at year-end.
Share price	Last settled transaction on NASDAQ OMX Nordic Exchange on the last business day for the period.

BUSINESS DEFINITIONS

Americas	North, South and Central America.
Asia	Asia, Australia and New Zealand.
EMEA	Europe, Middle East and Africa.
MT	Hexagon's core business Measurement Technologies.



Hexagon AB is a leading, global provider of 3D solutions to design, measure and position objects, and to process and present data. Hexagon's solutions enable customers to increase productivity, enhance quality and make better, faster operational decisions. Hexagon has about 11,000 employees in more than 42 countries and net sales of approximately 20,000 MSEK. Read more at www.hexagon.se.

FINANCIAL REPORT DATES

Hexagon gives financial information at the following occasions:

Year-End Report 2010	9 February 2011
Interim Report Q1 2011	10 May 2011
Interim Report Q2 2011	4 August 2011
Interim Report Q3 2011	27 October 2011

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.se

TELEPHONE CONFERENCE

The interim report for the third quarter 2010 will be presented 28 October at 13:00 CET at a telephone conference. Please view instructions on how to participate at Hexagon's website.

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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 28 October 2010 at 08:00 CET.

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