Interim Report 1 January – 31 March 2008

Press information 5 May 2008

Robust sales and profit growth in the first quarter 2008

- Order intake increased to 4 157 MSEK (3 780), corresponding to an organic growth of 11 per cent.
- Net sales grew to 4 027 MSEK (3 499), corresponding to an organic growth of 13 per cent.
- Operating earnings increased by 24 per cent to 643 MSEK (520). Earnings were adversely affected by exchange rate movements reducing earnings by -43 MSEK.
- Earnings before taxes, excluding non-recurring items[1)], increased by 19 per cent to 562 MSEK (474). Including these items earnings before taxes increased by 13 per cent. Earnings were adversely affected by exchange rate movements reducing earnings by -45 MSEK.
- Earnings after taxes, excluding non-recurring items[1)], increased by 19 per cent to 478 MSEK (403). Including these items earnings after taxes increased by 10 per cent.
- Earnings per share, before dilution and excluding non-recurring items[1)], increased by 19 per cent to 1.79 SEK (1.51). Including these items earnings per share grew by 9 per cent.

Comments from Hexagon's CEO Ola Rollén

"We are pleased to present yet another strong quarter from Hexagon. Our order intake and net sales grew by 11 and 13 per cent, respectively, using fixed exchange rates and a comparable structure. Our operating earnings grew by a healthy 24 per cent. Our earnings per share grew by 19 per cent in the quarter in spite of unfavourable impact from exchange rates costing us 0.14 SEK per share. The year 2008 will be challenging in certain market segments, such as light construction, balanced by other areas displaying accelerated growth. We expect to meet our long-term financial target of an increase in earnings per share after tax by 15 per cent in 2008."

MSEK	Q1 2008	Q1 2007	Change %
Order intake	4 157	3 780	11 [2)]
Net sales	4 027	3 499	13 [2)]
Operating earnings (EBIT1)	643	520	24
Operating margin, %	16.0	14.9	1.1
Operating earnings before taxes excl non-recurring items	562	474	19
Non-recurring items, net	-	22	n.a.
Earnings before taxes	562	496	13
Earnings after taxes excl non-recurring items	478	403	19
Earnings after taxes	478	436	10
Earnings per share excl non-recurring items, SEK	1.79	1.51	19
Earnings per share, SEK	1.79	1.64	9

1) Net capital gains of 120 MSEK and restructuring costs and write-downs of -98 MSEK.
2) Adjusted to fixed exchange rates and a comparable group structure (organic growth).

***Hexagon AB** is a global measurement technologies company with strong market positions. Hexagon's mission is to develop and market leading technologies and services to measure in one, two or three dimensions, to position and update objects and to time processes. The group has about 10 000 employees in 36 countries and net sales of about 15 000 MSEK.*

Business report Q1 2008

The first quarter of 2008 reports a healthy growth. Both order intake and net sales are growing in line with expectations formulated before the credit crunch begun. The order intake and net sales grew by 11 and 13 per cent, respectively, using fixed exchange rates and a comparable group structure. Operating earnings (EBIT1) grew by 24 per cent to 643 MSEK (520) in spite of adverse currency movements reducing the profit by -43 MSEK. The operating margin grew by 1.1 percentage points compared to the same period in 2007, to 16.0 per cent (14.9).

Market segment trends

Hexagon has today a spectrum of products that are sold to several geographical markets and a range of different customers such as engineering, electronics, IT, medical, defence, construction, public bodies within governments, agriculture and natural resources. This diversification means that Hexagon's risk exposure to a single industry is limited and the company is well prepared for the macroeconomic imbalances that currently are working their way through the economy.

Today we are faced with a severe financial crisis in the West. It is obvious that this crisis in combination with the increased prices on energy and food will have repercussions on consumer spending in the West. This is the recipe for a cyclical down turn that would eventually hurt the demand for our measurement products from the consumer goods manufacturing industry. There are other factors working against this though. Money for large infrastructural projects is available in the Middle East, Asia, Russia and Brazil. We have seen an ever increasing demand for infrastructural improvements in several areas of the world increasing the demand for both micro- as well as macro measurement products. Other markets that are expected to grow are automotive redesign activities due to the need for more environmentally friendly cars. In that process micro measurement products are being used. Agriculture, energy and natural resources exploration are other sectors that would remain buoyant in a cyclical down turn. This is also positive for Hexagon since macro measurement products are essential to those sectors. Hexagon has, during the first quarter, noted reluctance from distributors of light construction measurement equipment to replenish their inventories. This coincides with the weakened demand in light construction activities in the US, Italy and Spain. We have also detected a slow-down in demand from small Chinese manufacturers due to China's tightened domestic fiscal policy. The US engineering sector is on the other hand booming on the back of a weak USD and Hexagon's sales to that sector have been strong in the first quarter.

Geographic market trends

EMEA recorded good growth in the first quarter. The organic growth in order intake and net sales was 7 and 8 per cent, respectively. This is however a slower growth rate than experienced during 2007. We expect the growth rate to come back to stronger numbers as the year proceeds fuelled by significant investments in the infrastructural and engineering sectors.

Americas displayed strong high growth during the first quarter. Hexagon clearly underestimated the investment needs for coordinate measuring machines in the US engineering sector. The demand from the mining, aerospace, medical, and electronics sectors was continuously strong. The prevailing negative trend for the residential housing and automotive markets, continued during the first quarter. Canada and South America are demonstrating strong growth thanks to their natural resources exposure. The organic growth in the region in order intake and net sales was 19 and 23 per cent, respectively. Hexagon expects a continuous favourable situation for our products in the Americas throughout 2008.

In Asia Hexagon booked two substantial one-off orders in the first quarter of 2007. The magnitude of those orders was such that it cannot be repeated every year. Disregarding the two orders, the underlying growth from steady demand grew by 23 per cent in the first quarter. Asia recorded an organic growth in order intake and net sales of 14 and 16 per cent respectively. Hexagon predicts a return to stronger growth rates in latter quarters of 2008.

Net sales per region

MSEK	Q1 2008	Q1 2007	Change % [1)]
EMEA	2 347	2 220	8
Americas	995	717	23
Asia	685	562	16
Total	**4 027**	**3 499**	**13**

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

First quarter net sales and earnings

Operating earnings (EBIT1) increased by 24 per cent to 643 MSEK (520), which corresponds to an operating margin of 16 per cent (15). Operating earnings (EBIT1) were adversely affected by exchange rate movements reducing earnings by -43 MSEK.

The financial net amounted to -81 MSEK (-46) during the first quarter. The significant increase is explained by the numerous, externally financed, acquisitions Hexagon performed during 2007.

During the first quarter of 2007 non-recurring items amounted to 22 MSEK, net.

Earnings before taxes, excluding non-recurring items, increased by 19 per cent to 562 MSEK (474). Including these items, earnings before taxes increased by 13 per cent to 562 MSEK (496). Earnings were adversely affected by exchange rate movements by -45 MSEK in the first quarter.

Earnings after taxes, excluding non-recurring items, increased by 19 per cent to 478 MSEK (403). This corresponds to an increase in earnings per share of 19 per cent to 1.79 SEK (1.51). Including non-recurring items, earnings after taxes increased by 10 per cent to 478 MSEK (436), resulting in an earnings per share of 1.79 SEK (1.64).

Net sales and earnings per business area

MSEK	Net sales Q1 2008	Q1 2007	Change[1)] %	Earnings Q1 2008	Q1 2007	Change %
Hexagon MT	2 974	2 483	13	566	451	25
Hexagon Polymers	852	656	13	83	69	20
Other operations	201	361	14	8	13	n.a.
Group costs and eliminations	-	-1		-14	-13	-8
Operating earnings (EBIT1)				**643**	**520**	**24**
Per cent of net sales				16.0	14.9	1.1
Interest income and expenses, net				-81	-46	-76
Earnings before non-recurring items				**562**	**474**	**19**
Capital gains				-	120	n.a.
Other non-recurring items				-	-98	n.a.
Net sales	**4 027**	**3 499**	**13**			
Earnings before tax				**562**	**496**	**13**

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

Profitability

Capital employed, defined as total assets less non-interest bearing liabilities, increased to 20 676 MSEK (15 529). Return on average capital employed was 12.6 per cent (14.3). Return on average shareholders' equity was 19.0 per cent (19.6). The capital turnover rate was 0.8 times (0.9).

Financial position

Shareholders' equity, including minority interests, increased to 10 123 MSEK (9 229). The equity ratio was 41 per cent (49). The group's total assets increased to 24 796 MSEK (18 833).

The decrease in equity ratio is explained by the fact that Hexagon's main exposure to net assets denominated in foreign currencies is the CHF. This exposure is hedged. Exposure to other currencies has not been hedged.

On 31 March 2008, cash and unutilized credit limits totalled 2 753 MSEK (5 242). Hexagon's net debt was 9 656 MSEK (5 657), and the net indebtedness was 0.95 times (0.62). Interest coverage ratio was 7.2 times (10.2).

Cash flow

During the quarter, cash flow from operations before changes in working capital increased by 27 per cent to 653 MSEK (513), corresponding to 2.46 SEK (1.93) per share. Cash flow from operations decreased to 180 MSEK (201), corresponding to 0.68 SEK (0.76) per share. The operating cash flow was -30 MSEK (25). The cash flow is usually weak during the first quarter when capital is used to build working capital to support the strong organic growth.

Investments and depreciation

Hexagon's net investments, excluding acquisitions and divestitures, were -210 MSEK (-176). Depreciation and write-downs during the first quarter was -178 MSEK (-167).

Tax rate

Hexagon's tax cost for the period totalled -84 MSEK (-60), corresponding to a tax rate of 15 per cent (12). The tax cost is affected by the fact that a considerable part of Hexagon's earnings is generated in foreign subsidiaries located in countries where the tax rates differ from those in Sweden as well as the fact that capital gains are essentially exempt from tax. Disregarding tax effects of non-recurring items, the effective tax rate during the period was 15 per cent (15).

Employees

The average number of employees in Hexagon during the first quarter was 9 943 (7 956). The number of employees at the end of the quarter was 10 314 (7 884). The increase is mainly due to acquisitions as well as other expansion investments made during 2007 and the first quarter 2008.

Share data

Earnings per share during the first quarter increased by 9 per cent to 1.79 SEK (1.64). Excluding non-recurring items, the earnings per share increased by 19 per cent to 1.79 SEK (1.51). On 31 March 2008, equity per share was 37.98 SEK (34.66) and the share price was 121 SEK (94). Historical share related data has been recalculated considering the 3:1 split of the share carried out during the second quarter 2007.

At full exercise of existing stock option programmes, the dilution effect would be 1.1 per cent of the share capital and 0.8 per cent of the number of votes.

Hexagon Measurement Technologies

Hexagon Measurement Technologies is a global leader within the measurement market's macro and micro segments. The business encompass hand tools, stationary and portable CMMs, GPS-systems, levels, laser trackers, total stations (TPS), airborne sensors, aftermarket services and software for one ,two and three dimensional measurements.

The prevailing trend during the past four years with strong organic growth, continued during the first quarter. The organic growth amounted to 12 per cent in order intake and 13 per cent in net sales. The improvement in operating earnings was in line with our financial plan. The operating margin improved by 1 percentage point to 19 per cent (18) in spite of the adverse exchange rate effect and the increased resources Hexagon has committed for the year into research and development. These efforts will lead to the release of new technologies and products in the first half of 2009 across almost all product areas in measurement technologies.

The demand for Hexagon's products in EMEA was continuously good during the first quarter. Growth rates came down from 2007 levels due to a weaker light construction market. The organic growth in order intake and net sales amounted to 8 and 9 per cent, respectively. 2008 will continue to demonstrate strong growth in the region fuelled by an increased demand from the European automotive sector, a continuous high demand from the western European engineering sector, as well as an increased demand from infrastructural projects in Western and Eastern Europe, Middle East and Russia offsetting a somewhat weaker market in light construction and engineering in Italy and Spain.

In the Americas, the US based engineering sector's demand for Hexagon's products grew strongly during the first quarter since it benefited from increased volumes due to the weak US dollar. Hexagon also had good demand from customers involved in large infrastructural projects as well as an increased demand from sectors such as mining, oil and gas, aerospace, electronics and medical technologies. Hexagon noted a deterioration in demand from defence related customers in the US. The two weak segments: automotive and residential housing continued their trend with diminishing demand for our products. The organic growth in order intake and net sales was 18 and 21 per cent respectively. Hexagon expects the prevailing imbalances between sectors in the region to continue throughout 2008. The weak areas will continue to perform poorly for us but the strong areas might gain momentum over the quarters to come. Hexagon will continue to invest in local service and distribution activities throughout the region as well as launching regionally adapted products in 2008.

Asia continued its strong organic growth in the first quarter though it was temporarily distorted by comparison to the previous year due to two substantial one-off orders. The organic growth in order intake and net sales was 14 and 16 per cent, respectively. Hexagon has continued to expand in the region during the quarter. The newly acquired Elcome Technologies, with some 10 local offices across the Indian sub-continent is consolidated as of 1 January 2008. All major markets in the region but Japan grew significantly. Korea, that showed signs of a slow down in 2007, has come back in a strong way during the first quarter. Hexagon expects demand to be continuously strong in the region during 2008.

Hexagon Measurement Technologies' order intake grew to 3 149 MSEK (2 715) during the first quarter. Net sales grew to 2 974 MSEK (2 483). Using fixed exchange rates and a comparable structure order intake and net sales grew by 12 and 13 per cent, respectively. Operating earnings (EBIT1) increased by 25 per cent to 566 MSEK (451), which corresponds to an operating margin of 19 per cent (18).

The number of employees by the end of the first quarter amounted to 7 552 (5 297). The increase is a consequence of the acquisitions made during the past 12 months.

MSEK	**Q1 2008**	**Q1 2007**	**Change %**
Order intake	3 149	2 715	12 [1)]
Net sales	2 974	2 483	13 [1)]
Operating earnings (EBIT1)	566	451	25
Operating margin, %	19.0	18.2	0.8

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

Hexagon Polymers

Hexagon Polymers is active in three product segments: Rubber compounds as semi-finished goods, gaskets for plate heat exchangers (PHE) and plastic and rubber wheels for truck and track drive applications. Customers are mainly major multinational OEM customers in the PHE, truck production, materials handling equipment and automotive industry market segments.

The growth was excellent during the first quarter recording an organic growth of 13 per cent in net sales. The raw materials prices continued their upward trend but have had a marginal effect on profitability during the quarter. The operating earnings (EBIT1) increased by 20 per cent to 83 MSEK (69), corresponding to an operating margin of 9.7 per cent (10.5). The new start ups in Mexico and China adversely affected earnings by -4 MSEK, why the operating margin excluding these start ups was 10.4 per cent (10.8). The production facilities in Mexico and China will gradually reach financially viable capacity utilization levels and thus contribute to Polymers earnings in latter quarters of 2008.

EMEA recorded continuous strong demand levels during the first quarter. Several of the production facilities in the region are operating at or close to full capacity utilization.

In Americas the Canadian plant reported continuous low volume during the first quarter. The newly commissioned production facility in Mexico increased its production of rubber compounds but recorded a small loss for the quarter. The production facility in Mexico is estimated to reach profitability during the second quarter 2008. All other production facilities in the region have performed satisfactory during the first quarter.

Asia recorded strong growth in the first quarter. The production facilities in Qingdao, China, continued to expand during the quarter. The Sri Lankan production facility has performed well under continuous high capacity utilization. Already initiated plans to increase its capacity are being implemented as planned. The plan to establish a PHE plant in China, which would double Polymers PHE capacity, is running on schedule. The plant is expected to start production in the second half of 2008.

Polymers' order intake grew to 834 MSEK (671) during the first quarter. Net sales grew to 852 MSEK (656). Using fixed exchange rates and in a comparable structure order intake and net sales grew by 9 and 13 per cent, respectively.

Operating earnings (EBIT1) increased by 20 per cent to 83 MSEK (69), which corresponds to an operating margin of 9.7 per cent (10.5). The number of employees by the end of the first quarter was 2 337 (2 124).

Hexagon's Board of Directors will propose to the AGM on 5 May 2008, a separate listing of Polymers on the OMX Nordic Exchange. The first trading day is planned to be 9 June.

MSEK	Q1 2008	Q1 2007	Change %
Order intake	834	671	9 1)
Net sales	852	656	13 1)
Operating earnings (EBIT1)	83	69	20
Operating margin, %	9.7	10.5	-0.8

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

Other operations

During the first quarter 2007 Hexagon disposed of Johnson Metall AB and Eurosteel AB and during the fourth quarter 2007 Hexagon disposed of Tidamek AB. The remaining entities are SwePart Transmission AB and EBP i Olofström AB. These two businesses recorded sales of 627 MSEK and operating earnings (EBIT1) of 15 MSEK for the fiscal year 2007.

During the first quarter 2008 order intake was 174 MSEK (394). Net sales amounted to 201 MSEK (361). Using fixed exchange rates and a comparable structure order intake and net sales grew by 12 and 14 per cent, respectively. Operating earnings (EBIT1) was 8 MSEK (13). The number of employees by the end of the first quarter was 414 (452).

MSEK	Q1 2008	Q1 2007	Change %
Order intake	174	394	12 [1)]
Net sales	201	361	14 [1)]
Operating earnings (EBIT1)	8	13	n.a. [2)]

1) Adjusted to fixed exchange rates and a comparable group structure (organic growth).
2) Not applicable due to divested businesses.

Associated companies

Associated companies affected Hexagon's earnings during the first quarter by 1 MSEK (-33). During the first quarter 2007 earnings were affected by a write-off of Hexagon's ownership in the joint venture company Outokumpu Nordic Brass by -35 MSEK.

Parent company

The parent company's earnings after financial items were -428 MSEK (-22). The solvency ratio of the parent company was 33 per cent (44). The equity was 6 347 MSEK (7 091). Liquid funds including unutilized credit limits was 2 026 MSEK (4 844).

Accounting principles

Hexagon applies International Financial Reporting Standards (IFRS) as adopted by the European Union. Hexagon's interim 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 2007.

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 2007. No significant risks other than the risks described there are judged to have occurred.

Significant events during the first quarter

As of 1 January 2008 the Indian company Elcome Technologies Pvt. Ltd. was consolidated. Elcome Technologies is a distributor and systems integrator of products and solutions for customers in the field of positioning, navigation, alignment, measurements and surveying.

In February Surveyors Service Company and Haselbach Surveying Instruments were acquired. The two companies, headquartered near Los Angeles and San Francisco, respectively, are leading distributors for surveying equipment in the South Western USA. Surveyors Service Company and Haselbach Surveying Instruments had a combined turnover of over 110 MSEK during 2007. Excluding inter-company sales, the two entities added approximately 75 MSEK to Hexagon's sales turnover. The companies were consolidated as of 1 February 2008.

In February the Spanish company Santiago & Cintra Ibérica S.A. was acquired. The company is a leading distributor and service provider for positioning solutions in applications such as geomatics, GIS, mapping, and machine control for agriculture and construction. The company currently has 48 employees operating out of the headquarters in Madrid and three sales offices in Valencia, Barcelona and Seville. Santiago & Cintra's turnover is estimated to 100 MSEK in 2008. The company was consolidated as of 1 March 2008.

Outlook 2008

Hexagon continued to strengthen its market position, product range and structure for continuous growth in sales and earnings during the first quarter. Hexagon expects to meet its long-term financial target of an increase in earnings per share after tax by 15 per cent in 2008.

Telephone conference 5 May at 15:00 CET

The interim report for the first quarter 2008 will be presented on 5 May at 15:00 CET at a telephone conference. For participation, please see instructions at the Hexagon website.

Financial information

Hexagon gives financial information for 2008 at the following occasions:

Interim Report Q2 2008	8 August 2008
Interim Report Q3 2008	28 October 2008
Year-End Report 2008	February 2009

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

Stockholm, Sweden, 5 May 2008

Ola Rollén
President and CEO

This Interim Report has not been audited by the company's auditors.

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This is the 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 5 May 2008 at 12:00 CET.

Consolidated income statement in summary

MSEK	Q1 2008	Q1 2007	Year 2007
Net sales	4 027	3 499	14 587
Cost of goods sold	-2 328	-2 135	-8 490
Gross profit	**1 699**	**1 364**	**6 097**
Sales and administration costs etc.	-1 057	-909	-3 910
Earnings from shares in associated companies	1	-33	-31
Capital gains	-	120	114
Operating earnings [1]	**643**	**542**	**2 270**
Interest income and expenses, net	-81	-46	-214
Earnings after financial items	**562**	**496**	**2 056**
Tax	-84	-60	-245
Net earnings [2]	**478**	**436**	**1 811**
[1] of which non-recurring items	-	22	-151
[2] of which minority interest	2	2	11
Including depreciation and write-downs of [3]	-178	-167	-803
[3] of which amortization on excess values identified at acquisition	-24	-12	-63
Earnings per share, SEK	1.79	1.64	6.79
Earnings per share after dilution, SEK	1.79	1.63	6.77
Shareholder's equity per share, SEK	37.98	34.66	37.69
CB number of shares, thousand	265 350	265 176	265 350
Average number of shares, thousand	265 350	265 176	265 278
Average number of shares after dilution, thousand	265 733	266 223	266 034

Analysis of the consolidated income statement

MSEK	Q1 2008	Q1 2007	Year 2007
Operating earnings (EBIT1)	**643**	**520**	**2 421**
Interest income and expenses, net	-81	-46	-214
Earnings before non-recurring items	**562**	**474**	**2 207**
Capital gains	-	120	114
Other non-recurring items	-	-98	-265
Earnings before tax	**562**	**496**	**2 056**

Consolidated balance sheet in summary

MSEK	31/3 2008	31/3 2007	31/12 2007
Intangible fixed assets	14 367	10 346	14 151
Tangible fixed assets	2 270	1 990	2 277
Financial fixed assets	71	72	76
Deferred tax assets	661	555	492
Total fixed assets	**17 369**	**12 963**	**16 996**
Inventories	**2 747**	**2 132**	**2 586**
Accounts receivable	3 142	2 653	3 075
Other receivables	451	616	465
Prepaid expenses and accrued income	274	155	206
Total current receivable	**3 867**	**3 424**	**3 746**
Cash and cash equivalents	813	314	1 612
Total current assets	**7 427**	**5 870**	**7 944**
Total assets	**24 796**	**18 833**	**24 940**
Attributable to the parent company's shareholders	10 077	9 192	10 002
Attributable to minority	46	37	44
Total shareholders' equity	**10 123**	**9 229**	**10 046**
Interest bearing liabilities	9 720	5 636	9 789
Other liabilities	20	53	17
Pension provisions	436	465	433
Tax provisions	638	402	668
Other provisions – long-term	179	112	192
Total long-term liabilities	**10 993**	**6 668**	**11 099**
Other provisions – short-term	220	131	208
Interest bearing liabilities	186	151	170
Accounts payable	1 378	1 050	1 473
Other liabilities	779	670	757
Accrued expenses and deferred income	1 117	934	1 187
Total short-term liabilities	**3 680**	**2 936**	**3 795**
Total equity and liabilities	**24 796**	**18 833**	**24 940**

Revenues and costs and change in shareholders' equity

MSEK	Q1 2008	Q1 2007	Year 2007
Opening shareholders' equity	**10 046**	**8 609**	**8 609**
Change in translation reserve	226	270	224
Effect of currency hedging	-859	-100	-177
Change in hedging reserve	8	-3	-1
Tax attributable to items recognized directly in shareholders' equity	226	28	35
Total revenues and costs recognized directly in shareholders' equity excluding transactions involving company shareholders	**-399**	**195**	**81**
Net earnings for the period	478	436	1 811
Total revenues and costs excluding transactions involving company shareholders [1)]	**79**	**631**	**1 892**
Dividend	-	-	-448
Rights issue	-	-	21
Benefit pertaining to options recognized as operating expenses	1	1	8
Effect of acquisitions and divestments of subsidiaries	-3	-12	-36
Closing shareholders'' equity [2)]	**10 123**	**9 229**	**10 046**
[1)] of which: Parent company shareholders	77	629	1 878
Minority in subsidiary	2	2	14
[2)] of which: Parent company shareholders	10 077	9 192	10 002
Minority in subsidiary	46	37	44

Development of number of shares

	Nominal value, SEK	Series A	Series B	Total
2007-12-31	2	11 812 500	253 537 485	265 349 985
2008-03-31	2	11 812 500	253 537 485	265 349 985

Consolidated cash flow analysis

MSEK	Q1 2008	Q1 2007	Year 2007
Cash flow from operations before change in working capital	653	513	2 472
Cash flow from change in working capital	-473	-312	-445
Cash flow from operations	**180**	**201**	**2 027**
Cash flow from ordinary investing activities	-210	-176	-825
Operating cash flow	**-30**	**25**	**1 202**
Cash flow from other investment activities [1)]	-249	193	-3 031
Dividend	-	-	-448
Cash flow from other financing activities	-459	-386	3 374
Change in liquid assets	**-738**	**-168**	**1 097**

The currency effect in liquid assets was -61 MSEK (1) during year 2007.

[1)] Acquisitions -256 MSEK and other 7 MSEK.

Key ratios

	Q1 2008	Q1 2007	Year 2007
Operating margin, %	16.0	14.9	16.6
Profit margin before taxes, %	14.0	14.2	14.1
Return on shareholders' equity, %	19.0	19.6	19.5
Return on capital employed, %	12.6	14.3	14.3
Solvency ratio, %	40.8	49.0	40.3
Net indebtedness, multiple	0.95	0.62	0.88
Interest coverage ratio, multiple	7.2	10.2	8.8
Average number of shares, thousands	265 350	265 176	265 278
Earnings per share, SEK	1.79	1.64	6.79
Earnings per share excl non-recurring items, SEK	1.79	1.51	7.25
Cash flow per share, SEK	0.68	0.76	7.64
Cash flow per share before change in working capital, SEK	2.46	1.93	9.32
Share price, SEK	121	94	135

Order intake

	2008	2007				
MSEK	**Q1**	**Q1**	**Q2**	**Q3**	**Q4**	**Year**
Hexagon MT	3 149	2 715	2 796	2 676	3 047	11 234
Polymers	834	671	667	777	709	2 824
Other operations	174	127	154	210	231	722
Divested businesses [1)]	-	267	34	34	24	359
Group	**4 157**	**3 780**	**3 651**	**3 697**	**4 011**	**15 139**

[1)] Johnson Metall, Eurosteel and Tidamek.

Net sales

	2008	2007				
MSEK	**Q1**	**Q1**	**Q2**	**Q3**	**Q4**	**Year**
Hexagon MT	2 974	2 483	2 694	2 607	3 153	10 937
Polymers	852	656	650	680	744	2 730
Other operations	201	145	144	135	203	627
Divested businesses [1)]	-	216	29	26	24	295
Eliminations	-	-1	-1	-	-	-2
Group	**4 027**	**3 499**	**3 516**	**3 448**	**4 124**	**14 587**

[1)] Johnson Metall, Eurosteel and Tidamek.

Operating earnings (EBIT1)

	2008	2007				
MSEK	**Q1**	**Q1**	**Q2**	**Q3**	**Q4**	**Year**
Hexagon MT	566	451	529	486	675	2 141
Polymers	83	69	81	86	74	310
Other operations	8	1	6	1	7	15
Divested businesses [1)]	-	12	1	0	2	15
Group costs and eliminations	-14	-13	-16	-13	-18	-60
Group	**643**	**520**	**601**	**560**	**740**	**2 421**
Margin, %	16.0	14.9	17.1	16.2	17.9	16.6

[1)] Johnson Metall, Eurosteel and Tidamek.

Net sales

	2008	2007				
MSEK	**Q1**	**Q1**	**Q2**	**Q3**	**Q4**	**Year**
EMEA	2 347	2 220	2 021	1 993	2 412	8 646
Americas	995	717	909	850	1 075	3 551
Asia	685	562	586	605	637	2 390
Group	**4 027**	**3 499**	**3 516**	**3 448**	**4 124**	**14 587**

Acquisitions and divestments

	Q1 2008			Q1 2007		
MSEK	Acquisit.	Divest.	Net	Acquisit.	Divest.	Net
Intangible fixed assets	244	-	244	109	-16	93
Other fixed assets	10	-	10	3	-159	-156
Total fixed assets	**254**	**-**	**254**	**112**	**-175**	**-63**
Total current assets	**160**	**-**	**160**	**13**	**-250**	**-237**
Total assets	**414**	**-**	**414**	**125**	**-425**	**-300**
Shareholders' equity incl. minority interests	**-3**	**-**	**-3**	**-2**	**-10**	**-12**
Total long-term liabilities	**29**	**-**	**29**	**16**	**-57**	**-41**
Total short-term liabilities	**115**	**-**	**115**	**9**	**-180**	**-171**
Total liabilities	**141**	**-**	**141**	**23**	**-247**	**-224**
Total net assets	**273**	**-**	**273**	**102**	**-178**	**-76**
Total acquisition cost/ divestment income	**-292**	**-**	**-292**	**-118**	**298**	**180**
Divested net assets	**-**	**-**	**-**	**-**	**-178**	**-**
Capital gains	**-**	**-**	**-**	**-**	**120**	**-**
Total acquisition cost/ divestment income	**-292**	**-**	**-292**	**-118**	**298**	**180**
Adjustment for cash and bank balances in acquired/ divested entities	17	-	17	2	-2	0
Adjustment for non-paid part of acquisition cost/ divestment income incl. payment of items from prior year	19	-	19	16	-	16
Cash flow from acquisitions/ divestments	**-256**	**-**	**-256**	**-100**	**296**	**196**

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	Q1 2008	Q1 2007	Year 2007
Net sales	6	6	24
Administration cost	-15	-11	-51
Operating earnings	**-9**	**-5**	**-27**
Interest income and expenses, net	-419	-17	-128
Earnings after financial items	**-428**	**-22**	**-155**
Tax	120	10	48
Net earnings	**-308**	**-12**	**-107**

Parent company balance sheet in summary

MSEK	31/3 2008	31/3 2007	31/12 2007
Total fixed assets	**18 279**	**14 903**	**18 996**
Total current receivables	974	1 089	254
Cash and cash equivalents	204	65	370
Total current assets	**1 178**	**1 154**	**624**
Total assets	**19 457**	**16 057**	**19 620**
Total shareholders'' equity	**6 347**	**7 091**	**6 655**
Total long-term liabilities	**9 322**	**5 706**	**9 816**
Total short-term liabilities	**3 788**	**3 260**	**3 149**
Total equity and liabilities	**19 457**	**16 057**	**19 620**

Definitions

Financial definitions

Amortization on excess values	Amortization 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 for the year divided by average capital employed.
Cash flow	Cash flow from operating activities after change in working capital.
Cash flow per share	Cash flow from operating activities after change in working capital, divided by average number of shares.
EBIT1 operating earnings	Operating earnings excluding capital gain on shares in group companies and other non-recurring items.
Earnings before interest net	Operating earnings plus earning from other securities classified as fixed assets.
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 liquid assets divided by shareholders' equity excluding minority interests.
Operating margin	Operating earnings (EBIT1) as a percentage of net sales for the period.
Profit margin before tax	Earnings after financial items as a percentage of net sales for the period.
Return on capital employed	Earnings after financial items plus financial expenses as a percentage of average capital employed.
Return on equity	Net earnings excluding minority interests as a percentage of average shareholders' equity excluding minority interests.
Shareholders' equity per share	Shareholders' equity excluding minority interests divided by the number of shares at year-end.
Share price	Last settled transaction on 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.