INTERIM REPORT

1 JANUARY – 30 SEPTEMBER 2014

THIRD QUARTER 2014

- Net sales increased by 12 per cent to 648.6 MEUR (576.6). Using fixed exchange rates and a comparable group structure, net sales increased by 8 per cent
- Operating earnings (EBIT1) increased by 19 per cent to 140.7 MEUR (118.4)
- Earnings before taxes, excluding non-recurring items, amounted to 132.0 MEUR (109.9)
- Net earnings, excluding non-recurring items, amounted to 105.7 MEUR (89.0)
- Earnings per share, excluding non-recurring items, increased by 16 per cent to 0.29 EUR (0.25)

MEUR	Q3 2014	Q3 2013	Δ%	Q1-Q3 2014	Q1-Q3 2013	Δ%
Net sales 2)	648.6	576.6	8 1)	1,879.0	1,798.0	6 1)
Gross earnings	378.1	321.7	18	1,073.5	998.0	8
Gross margin, %	58.3	55.8	2.5	57.1	55.5	1.6
EBITDA	181.7	153.3	19	520.3	470.7	11
EBITDA margin, %	28.0	26.6	1.4	27.7	26.2	1.5
Operating earnings (EBIT1) 2)	140.7	118.4	19	403.7	371.0	9
Operating margin, %	21.7	20.5	1.2	21.5	20.6	0.9
Earnings before taxes excl. non-recurring items	132.0	109.9	20	378.7	344.4	10
Non-recurring items 3)	-18.6	-14.9	-25	-36.0	-14.9	-142
Earnings before taxes	113.4	95.0	19	342.7	329.5	4
Net earnings	90.4	76.4	18	273.6	266.3	3
Net earnings, excl. non-recurring items	105.7	89.0	19	303.0	278.9	9
Earnings per share, EUR	0.25	0.21	19	0.76	0.75	1
Earnings per share, excl. non-recurring items, EUR	0.29	0.25	16	0.84	0.78	8

1) Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.
2) Net sales and EBIT1 in Q3 2014 have been negatively impacted by -1.8 MEUR from accounting effects from deferred revenues (revenue haircut) related to the acquisitions of Vero and Mintec.
3) The non-recurring items relate to Veripos, Mintec, Vero and Other Operations.

Ola Rollén, President and CEO, Hexagon AB

COMMENTS FROM OLA ROLLÉN, PRESIDENT AND CEO, HEXAGON AB

"There are many reasons to be excited about Hexagon's third quarter results. For one, we are back to our long-term organic growth trend of 8 per cent - something we haven't experienced for several quarters. We see this as evidence that our strategy to continuously invest in our product portfolio is paying off. The stability and predictability of our business has also improved over the last few years, with recurring revenue on the rise as a per cent of sales. That's because software and services constitute well above 50 per cent of Hexagon's business today - primarily fuelled by strong organic growth in the area and supported by recent acquisitions. These occurrences have led to an EBIT margin of 22 per cent in what normally is a seasonally weak quarter, an improvement of more than 1 percentage point. On a final note, it's also encouraging to see the strong cash flow in the quarter which enables us to continue to pursue attractive acquisition targets."

BUSINESS DEVELOPMENT Q3

Organic growth was 8 per cent in the third quarter while recorded group sales grew by 12 per cent. Net sales amounted to 648.6 MEUR. Operating earnings (EBIT1) grew by 19 per cent to 140.7 MEUR, which corresponds to an operating margin of 21.7 per cent.

Geosystems recorded organic growth of 1 per cent. The division represented 34 per cent of net sales in the third quarter.

Metrology, which represented 33 per cent of net sales, recorded organic growth of 16 per cent.

Technology, which represented 33 per cent of net sales, recorded 7 per cent organic growth. Intergraph PP&M recorded 9 per cent organic growth whilst SG&I recorded slight growth in the quarter.

SALES BRIDGE THIRD QUARTER

	Net sales
2013, MEUR	566.1*
Structure, %	7
Currency, %	-0
Organic growth, %	8
Total, %	15
2014, MEUR	648.6

Net sales from acquisitions and divestments during the last twelve months are reported as "Structure" in the table above. Percentages are rounded to the nearest whole per cent.
*Group performa numbers post divestment of Other Operations

MARKET DEVELOPMENT

EMEA saw improved demand in the automotive and manufacturing segments. Growth rates in Americas strengthened sequentially (compared to Q2, 2014) as the North American construction segment recorded strong demand, coupled with increased activity levels in the manufacturing segment. Asia benefited from strong demand in the automotive and electronics segments in China, offsetting a weaker development for surveying in the wider region.

EMEA

EMEA recorded 7 per cent organic growth in net sales in the third quarter.

Western Europe recorded low single digit growth. Spain and Italy recorded double digit growth rates again, although from depressed post-crisis levels. Customer demand in Western Europe was driven by the automotive and aerospace segments. Growth rates in infrastructure-related activities slowed down, partly due to the strong development seen in Q3 2013.

Russia weakened significantly while Eastern Europe and the Middle East continued to see increased activity levels.

Africa recorded strong growth in the quarter, partly due to a large project order.

AMERICAS

Americas recorded 11 per cent organic growth in net sales in the third quarter.

In North America demand was driven by the construction, automotive and aerospace segments. Geosystems' sales benefited from strong demand in the construction and residential housing segments. The defence segment also saw increased demand, with the exception of the UAV related business (NovAtel).

South America recorded strong double digit growth in the quarter.

ASIA

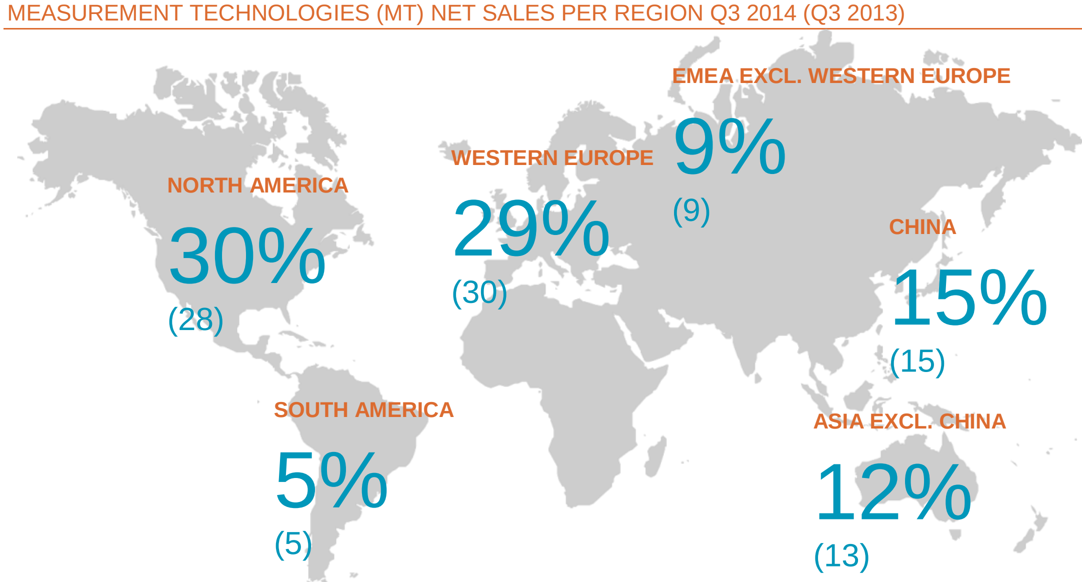
Asia recorded organic growth in net sales of 5 per cent in the third quarter.

Hexagon recorded a strong quarter in China with 12 per cent organic growth with a favourable development in the automotive, electronics, power and energy segments. Surveying, however recorded another weak quarter due to the slowdown in construction activity.

South East Asia recorded solid growth in the quarter, driven by markets such as Indonesia, Singapore and Vietnam.

Growth was held back by Australia, which saw another weak quarter due to continued poor demand in the mining industry.

MEASUREMENT TECHNOLOGIES (MT) NET SALES PER REGION Q3 2014 (Q3 2013)



FINANCIAL SUMMARY – THIRD QUARTER

	Net sales			Earnings		
MEUR	Q3 2014	Q3 2013	Δ % [1]	Q3 2014	Q3 2013	Δ %
Hexagon MT	648.6	566.1	8	145.3	122.3	19
Other Operations	-	10.5	n.a.	-	0.2	n.a.
Net sales 2)	648.6	576.6	8			
Group cost and eliminations				-4.6	-4.1	-12
Operating earnings (EBIT1) 2)				140.7	118.4	19
Operating margin, %				21.7	20.5	1.2
Interest income and expenses, net				-8.7	-8.5	-2
Earnings before non-recurring items				132.0	109.9	20
Non-recurring items				-18.6	-14.9	-25
Earnings before taxes				113.4	95.0	19
Taxes				-23.0	-18.6	-24
Net earnings				90.4	76.4	18

[1] Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.
[2] Net sales and EBIT1 in Q3 2014 have been negatively impacted by -1.8 MEUR from accounting effects from deferred revenues (revenue haircut) related to the acquisitions of Vero and Mintec.

CURRENCY IMPACT – THIRD QUARTER AS COMPARED TO EUR

	Movement [1]		Income less cost	Profit impact
CHF	Strengthened	2%	Negative	Negative
USD	Weakened	-0%	Positive	Negative
CNY	Weakened	-1%	Positive	Negative
EBIT1, MEUR				-3.2

[1] Compared to Q3 2013.

In addition to the above, significant movements in the Canadian Dollar had negative impact on net sales and profit in Q3 2014.

Q3 NET SALES AND EARNINGS

Net sales amounted to 648.6 MEUR (576.6) in the third quarter. Using fixed exchange rates and a comparable group structure, net sales increased by 8 per cent.

Operating earnings (EBIT1) increased by 19 per cent to 140.7 MEUR (118.4), which corresponds to an operating margin of 21.7 per cent (20.5). Operating earnings (EBIT1) were negatively affected by exchange rate movements of -3.2 MEUR.

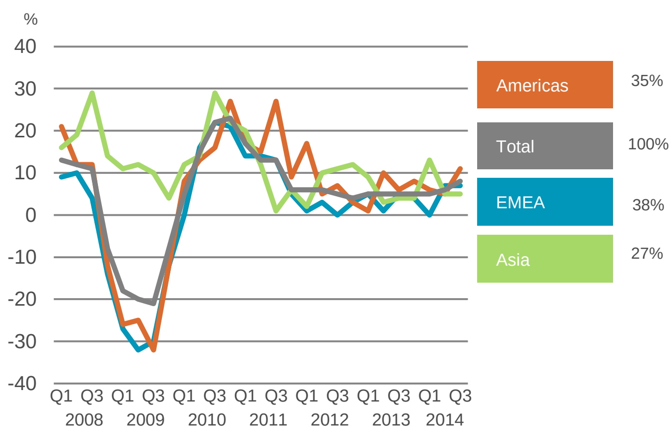
In the third quarter of 2014, Hexagon posted non-recurring items of -18.6 MEUR (-14.9) related to the acquisitions of Vero Software and Mintec (write-down of overlapping technologies and assets between Hexagon and the acquired companies as well as transaction costs). In addition to the non-recurring items, net sales and EBIT1 have been negatively impacted by -1.8 MEUR by the acquisition of deferred revenues (revenue haircut) in Vero and Mintec.

The financial net amounted to -8.7 MEUR (-8.5) in the third quarter.

Earnings before taxes, excluding non-recurring items, amounted to 132.0 MEUR (109.9). Earnings before taxes, including these items, amounted to 113.4 MEUR (95.0). Earnings before taxes were negatively affected by exchange rate movements of -3.2 MEUR.

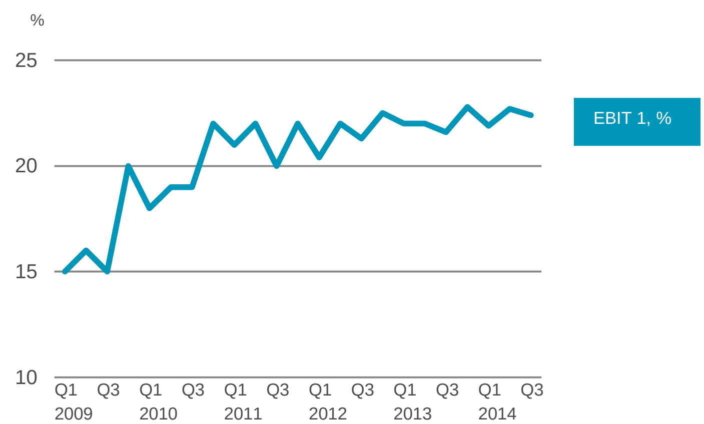
Net earnings, excluding non-recurring items, amounted to 105.7 MEUR (89.0), or 0.29 EUR (0.25) per share. Net earnings, including these items, amounted to 90.4 MEUR (76.4) or 0.25 EUR (0.21) per share.

NET SALES – ORGANIC GROWTH BY REGION (MT)



EMEA recorded organic growth of 7 per cent in the third quarter, whilst Americas recorded organic growth of 11 per cent. Asia recorded 5 per cent organic growth in the quarter.

OPERATING MARGIN (MT) – QUARTERLY DATA



Hexagon's business Measurement Technologies has consistently improved its profitability. In 2007 and in 2008 the EBIT margin was 20 per cent. In 2009, the margin decreased to approximately 17 per cent due to reduced volumes caused by the global economic downturn. In 2010, the margin was back to 20 per cent and since then, it has continued to expand and reached 22 per cent in 2013. In the third quarter of 2014, the margin was 22.4 per cent (21.6).

FINANCIAL SUMMARY – FIRST NINE MONTHS

	Net sales			Earnings		
MEUR	Q1-Q3 2014	Q1-Q3 2013	Δ % [1]	Q1-Q3 2014	Q1-Q3 2013	Δ %
Hexagon MT	1,866.0	1,749.4	6	417.1	382.5	9
Other Operations	13.0	48.6	n.a.	0.4	1.9	-79
Net sales 2)	1,879.0	1,798.0	6			
Group cost and eliminations				-13.8	-13.4	-3
Operating earnings (EBIT1) 2)				403.7	371.0	9
Operating margin, %				21.5	20.6	0.9
Interest income and expenses, net				-25.0	-26.6	6
Earnings before non-recurring items				378.7	344.4	10
Non-recurring items				-36.0	-14.9	-142
Earnings before taxes				342.7	329.5	4
Taxes				-69.1	-63.2	-9
Net earnings				273.6	266.3	3

[1] Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.
[2] Net sales and EBIT1 in Q3 2014 have been negatively impacted by -1.8 MEUR from accounting effects from deferred revenues (revenue haircut) related to the acquisitions of Vero and Mintec.

CURRENCY IMPACT – FIRST NINE MONTHS AS COMPARED TO EUR

	Movement [1]		Income less cost	Profit impact
CHF	Strengthened	1%	Negative	Negative
USD	Weakened	-3%	Positive	Negative
CNY	Weakened	-3%	Positive	Negative
EBIT1, MEUR				-24.2

[1] Compared to Q1-Q3 2013.

In addition to the above, significant movements in the Japanese Yen, the Brazilian Real and the Canadian Dollar had a negative impact on net sales and profit during the first nine months of 2014.

Q1-Q3 NET SALES AND EARNINGS

Net sales amounted to 1,879.0 MEUR (1,798.0) in the first nine months of the year. Using fixed exchange rates and a comparable group structure, net sales increased by 6 per cent.

Operating earnings (EBIT1) amounted to 403.7 MEUR (371.0), which corresponds to an operating margin of 21.5 per cent (20.6). Operating earnings (EBIT1) were negatively affected by exchange rate movements of -24.2 MEUR.

During the first nine months of the year, Hexagon posted non-recurring items of -36.0 MEUR (-14.9) related to Veripos, Mintec and Vero Software (write-down of overlapping technologies and assets between Hexagon and the acquired companies as well as transaction costs) and the divestment of Other Operations. In addition to the non-recurring items, net sales and EBIT1 have been negatively impacted by -1.8 MEUR by the acquisition of deferred revenues (revenue haircut) in Vero and Mintec.

The financial net amounted to -25.0 MEUR (-26.6) in the first nine months.

Earnings before taxes, excluding non-recurring items, amounted to 378.7 MEUR (344.4). Earnings before taxes, including these items, amounted to 342.7 MEUR (329.5). Earnings before taxes were negatively affected by exchange rate movements of -24.3 MEUR.

Net earnings, excluding non-recurring items, amounted to 303.0 MEUR (278.9), or 0.84 EUR (0.78) per share. Net earnings, including these items, amounted to 273.6 MEUR (266.3) or 0.76 EUR (0.75) per share.

Evonik, a world leader in specialty chemicals, recently chose Intergraph's command and control solution for networked, physical security at two of its facilities in Germany. The solution joins all physical security, building technology, cameras, communications and alert and notification systems into one unified platform.

PROFITABILITY

Capital employed increased to 5,538.7 MEUR (4,520.4). Return on average capital employed for the last twelve months was 11.5 per cent (11.1). Return on average shareholders' equity for the last twelve months was 12.7 per cent (12.9). The capital turnover rate was 0.5 times (0.5).

FINANCIAL POSITION

Total shareholders' equity increased to 3.278.9 MEUR (2,836.4). The equity ratio was 49 per cent (52). Hexagon's total assets increased to 6,644.1 MEUR (5,447.5).

Following a refinancing during Q3 2014, Hexagon's main sources of financing consist of:

1) A multicurrency revolving credit facility (RCF) established on 25 September 2014. The RCF amounts to 2,000 MEUR with a tenor of 5+1+1 years

2) A Swedish Medium Term Note Programme (MTN) established during Q2 2014. The MTN programme amounts to 10,000 MSEK and facilitates Hexagon to issue medium term notes with tenor ranging from 1-5 years

3) A Swedish Commercial Paper Programme (CP) established during 2012. The CP programme amounts to 8,000 MSEK with tenor up to 12 months

On 30 September 2014, cash and unutilised credit limits totalled 851.6 MEUR (468.5). Hexagon's net debt was 2,065.8 MEUR (1,520.1). The net indebtedness was 0.59 times (0.50). Interest coverage ratio was 13.1 times (12.1).

CASH FLOW

During the third quarter, cash flow from operations before changes in working capital amounted to 151.2 MEUR (119.7), corresponding to 0.42 EUR (0.34) per share. Cash flow from operations in the third quarter amounted to 139.2 MEUR (148.4), corresponding to 0.39 EUR (0.42) per share. Operating cash flow in the third quarter 2014 amounted to 83.0 MEUR (94.3).

For the first nine months, cash flow from operations amounted to 369.5 MEUR (355.2) corresponding to 1.04 EUR (1.01) per share and the operating cash flow amounted to 199.7 MEUR (206.0).

INVESTMENTS, DEPRECIATION, AMORTISATION AND IMPAIRMENT

Hexagon's net investments, excluding acquisitions and divestitures, amounted to -56.2 MEUR (-54.1) in the third quarter and -169.8 MEUR (-149.2) in the first nine months. The Q3 2014 investments include -7 MEUR related to the construction of the new Intergraph facility in Huntsville, Alabama, USA.

Depreciation, amortisation and impairment amounted to -56.6 MEUR (-34.9) in the third quarter and -144.1 MEUR (-99.7) during the first nine months. Hexagon recorded impairment charges of -27.5 MEUR (-) in the first nine months related to the acquisitions of Veripos, Mintec and Vero (write-down of overlapping technologies between Hexagon and acquired companies) and the divestment of Other Operations. The charges were recorded as non-recurring items.

TAX RATE

The Group's tax expense for the first nine months totalled -69.1 (-63.2).

The reported tax rate was 20.3 per cent (19.6) for the quarter and 20.2 per cent (19.2) for the first nine months. The tax rate, excluding non-recurring items, was 20.0 (19.0) per cent for both the quarter and the first nine months.

EMPLOYEES

The average number of employees during the first nine months was 14,646 (13,948). The number of employees at the end of the quarter was 15,743 (14,291). The increase was primarily driven by acquisitions.

SHARE DATA

Earnings per share for the third quarter, excluding non-recurring items, amounted to 0.29 EUR (0.25). Earnings per share for the third quarter, including non-recurring items, amounted to 0.25 EUR (0.21). Earnings per share, excluding non-recurring items, for the first nine months amounted to 0.84 EUR (0.78). Earnings per share, including non-recurring items, for the first nine months amounted to 0.76 EUR (0.75).

On 30 September 2014, equity per share was 9.18 EUR (7.98) and the share price was 229.0 SEK (193.80).

Hexagon's share capital amounts to 79,003,194 EUR, represented by 356,039,742 shares, of which 15,750,000 are of series A with 10 votes each and 340,289,742 are of series B with one vote each. Hexagon AB holds no treasury shares.

In accordance with a decision by a Shareholders' General Meeting in December 2011, an incentive programme was introduced, under which a maximum of 13,665,000 warrants can be issued. At full exercise of the warrant programme, the dilutive effect would be 3.7 per cent of the share capital and 2.7 per cent of the number of votes. On 30 September 2014, 3,981,023 warrants were outstanding.

ASSOCIATED COMPANIES

Associated companies affected Hexagon's earnings during the first nine months by -0.1 MEUR (-2.0).

PARENT COMPANY

The parent company's earnings after financial items in the first nine months amounted to 184.6 MEUR (262.3). The equity was 1,839.2 MEUR (1,766.1). The solvency ratio of the parent company was 37 per cent (43). Liquid funds including unutilised credit limits were 653.6 MEUR (300.8).

BUSINESS AREAS

MEASUREMENT TECHNOLOGIES – SALES AND EARNINGS

MEUR	Q3 2014	Q3 2013	Δ%	Q1-Q3 2014	Q1-Q3 2013	Δ%
Net sales 2)	648.6	566.1	8 [1]	1,866.0	1,749.4	6 [1]
Operating earnings (EBIT1) 2)	145.3	122.3	19	417.1	382.5	9
Operating margin,%	22.4	21.6	0.8	22.4	21.9	0.5

[1] Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.
[2] Net sales and EBIT1 in Q3 2014 have been negatively impacted by -1.8 MEUR from accounting effects from deferred revenues (revenue haircut) related to the acquisitions of Vero and Mintec.

OTHER OPERATIONS – SALES AND EARNINGS

MEUR	Q3 2014	Q3 2013	Δ%	Q1-Q3 2014	Q1-Q3 2013	Δ%
Net sales	-	10.5	n.a. [1]	13.0	48.6	n.a. [1]
Operating earnings (EBIT1)	-	0.2	n.a.	0.4	1.9	-79
Operating margin,%	n.a.	1.9	n.a.	3.1	3.9	-0.8

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

MEASUREMENT TECHNOLOGIES

In the third quarter, net sales amounted to 648.6 MEUR (566.1). Using fixed exchange rates and a comparable group structure, net sales increased by 8 per cent.

Operating earnings (EBIT1) amounted to 145.3 MEUR (122.3), which corresponds to an operating margin of 22.4 per cent (21.6).

The number of employees by the end of the quarter was 15,725 (14,041).

OTHER OPERATIONS

On March 17, Hexagon divested SwePart Transmission which finalized the strategy to focus on Measurement Technologies. Hence, no revenue was recorded from Other Operations in Q3 2014.

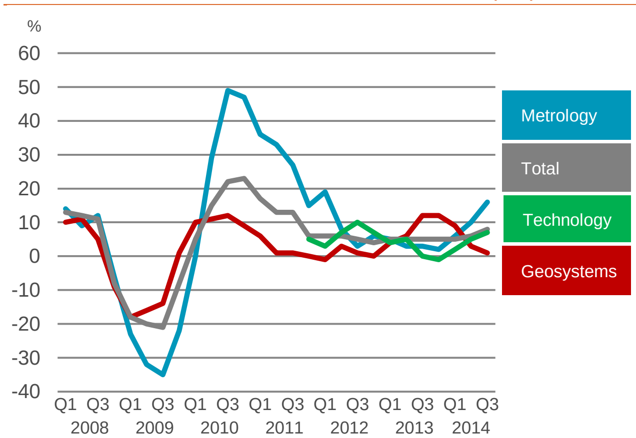
In Q3 2013, Other Operations had net sales of 10.5 MEUR and operating earnings (EBIT1) amounted to 0.2 MEUR.

MEASUREMENT TECHNOLOGIES – APPLICATION AREAS

	Net sales			Net sales		
MEUR	Q3 2014	Q3 2013	Δ % [1]	Q1-Q3 2014	Q1-Q3 2013	Δ % [1]
Geosystems	222.8	203.9	1	660.6	625.8	5
Metrology	214.1	173.3	16	589.9	535.4	10
Technology	211.7	188.9	7	615.5	588.2	4
Total Hexagon MT	648.6	566.1	8	1,866.0	1,749.4	6

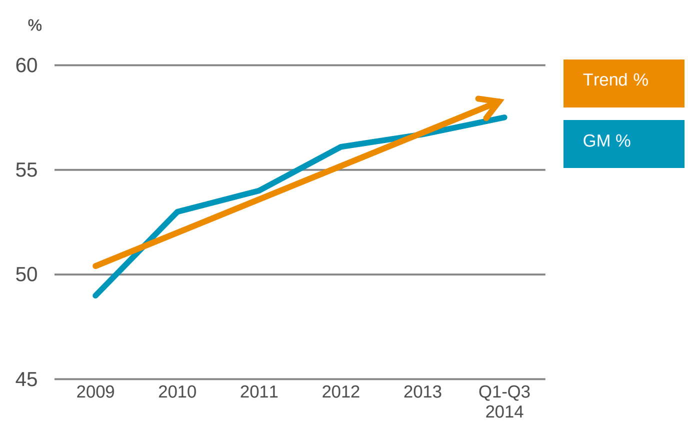
[1] Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

NET SALES – ORGANIC GROWTH BY APPLICATION AREA (MT)

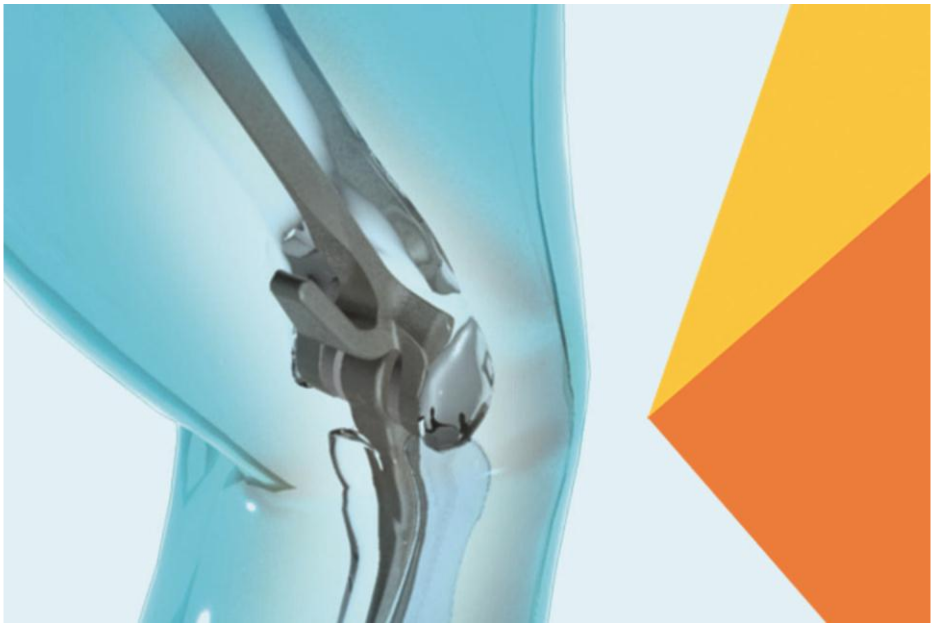


Geosystems recorded 1 per cent organic growth in net sales in the third quarter. Metrology recorded organic sales growth of 16 per cent. Technology recorded 7 per cent organic growth.

GROSS MARGIN (MT) – ANNUAL DATA



Product innovations including new technology, lower manufacturing costs and greater software content have enabled Hexagon to improve the gross margin over time. In the first nine months of 2014, the gross margin was 58 per cent (57).



Zimmer Orthopaedics-Ireland is looking to Hexagon Metrology to meet its goal of scanning and measuring knee replacement joints. With the addition of four coordinate measuring machines, Zimmer is using the DEA Global Advantage 7105 and 575 solutions in its manufacturing and supply of orthopaedic replacement joints.

The Board of Directors and the President and CEO declare that this interim report provides a true and fair overview of the Company´s and the Group´s operations, their financial position and performance, and describes material risks and uncertainties facing the Company and companies within the Group.

Stockholm, Sweden, 22 October 2014
Hexagon AB (publ)

Melker Schörling
Chairman of the Board

Ulrika Francke Board Member	Gun Nilsson Board Member
Jill Smith Board Member	Ulrik Svensson Board Member

Ola Rollén
President and CEO
Board Member

ACCOUNTING PRINCIPLES

Hexagon applies International Financial Reporting Standards (IFRS) as adopted by the European Union. Hexagon's 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 2013. New and amended standards applicable from 2014 have not had any significantly impact on the financial statements.

RISKS AND UNCERTAINTY FACTORS

As an international group, Hexagon is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. The financial risks are related to such factors as exchange rates, interest rates, liquidity and the ability to raise funds. Risk management in Hexagon aims to identify, control and reduce risks. This work begins with an assessment of the probability of risks occurring and their potential effect on the Group. There has been no change in the risks facing the Group compared to what was reported in the 2013 Annual Report.

RELATED PARTY TRANSACTIONS

No significant related party transactions have been incurred during the first nine months of 2014.

NOMINATION COMMITTEE PRIOR TO THE ANNUAL GENERAL MEETING

The composition of the Hexagon Nomination Committee for the Annual General Meeting 2015 is: Mikael Ekdahl, Melker Schörling AB (Chairman), Anders Oscarsson, AMF Fonder, Jan Andersson, Swedbank Robur fonder and Bengt Belfrage, Nordea Fonder.

SUBSEQUENT EVENTS

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

AUDITORS' REVIEW REPORT

Introduction

We have reviewed the condensed interim report for Hexagon AB as at September 30, 2014 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

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

Conclusion

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

Stockholm, 22 October 2014

Ernst & Young AB

Rickard Andersson
Authorised Public Accountant

Condensed Income Statement

MEUR	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013
Net sales	648.6	576.6	1,879.0	1,798.0	2,429.7
Cost of goods sold	-270.5	-254.9	-805.5	-800.0	-1,081.8
Gross earnings	378.1	321.7	1,073.5	998.0	1,347.9
Sales and administration costs, etc.	-249.7	-207.3	-687.2	-619.9	-828.4
Earnings from shares in associated companies	-0.1	-0.3	-0.1	-2.0	-2.0
Capital loss from sale of shares in Group companies	-	-5.2	-1.5	-5.2	-5.2
Amortization of surplus values (in Sales and administration costs, etc.)	-6.2	-5.4	-17.0	-14.8	-19.5
Operating earnings 1)	122.1	103.5	367.7	356.1	492.8
Interest income and expenses, net	-8.7	-8.5	-25.0	-26.6	-33.9
Earnings before taxes	113.4	95.0	342.7	329.5	458.9
Taxes	-23.0	-18.6	-69.1	-63.2	-87.7
Net earnings	90.4	76.4	273.6	266.3	371.2
Attributable to:					
Parent company shareholders	89.4	75.5	270.8	263.8	367.9
Non-controlling interest	1.0	0.9	2.8	2.5	3.3
1) of which non-recurring items	-18.6	-14.9	-36.0	-14.9	-14.9
Earnings include depreciation, amortisation and impairments of	-56.6	-34.9	-144.1	-99.7	-134.5
- of which amortization of surplus values	-6.2	-5.4	-17.0	-14.8	-19.5
Basic earnings per share, EUR	0.25	0.21	0.76	0.75	1.04
Earnings per share after dilution, EUR	0.25	0.21	0.76	0.74	1.03
Total shareholder's equity per share, EUR	9.18	7.98	9.18	7.98	8.00
Closing number of shares, thousands	356,039	354,675	356,039	354,675	354,997
Average number of shares, thousands	355,925	353,629	355,520	353,046	353,226
Average number of shares after dilution, thousands	357,750	355,708	356,983	355,307	355,482

Condensed Comprehensive Income

MEUR	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013
Net earnings	90.4	76.4	273.6	266.3	371.2
Other comprehensive income					
Items that will not be reclassified to income statement					
Remeasurement of pensions	-	-	-	-	7.6
Taxes on items that will not be reclassified to income statement	-	-	-	-	-1.5
Total items that will not be reclassified to income statement, net of taxes	-	-	-	-	6.1
Items that may be reclassified subsequently to income statement					
Exchange rate differences	236.5	-71.1	283.2	-113.8	-194.4
Effect of hedging of net investments in foreign operations	-23.2	6.8	-26.8	3.1	8.2
Cash flow hedges, net	0.0	0.2	0.0	0.2	-
Taxes on items that may be reclassified subsequently to income statement	-3.6	6.4	-3.8	4.4	-29.1
Total items that may be reclassified subsequently to income statement, net of taxes	209.7	-57.7	252.6	-106.1	-215.3
Other comprehensive income, net of taxes	209.7	-57.7	252.6	-106.1	-209.2
Total comprehensive income for the period	300.1	18.7	526.2	160.2	162.0
Attributable to:					
Parent company shareholders	298.5	18.0	522.9	157.7	158.6
Non-controlling interest	1.6	0.7	3.3	2.5	3.4

Condensed Balance Sheet

MEUR	30/9 2014	30/9 2013	31/12 2013
Intangible fixed assets	4,884.6	3,906.7	3,906.6
Tangible fixed assets	307.7	240.9	252.6
Financial fixed assets	18.5	17.9	56.0
Deferred tax assets	79.5	102.2	65.1
Total fixed assets	5,290.3	4,267.7	4,280.3
Inventories	424.6	388.3	369.6
Accounts receivable	581.9	486.5	509.7
Other receivables	64.9	57.3	49.2
Prepaid expenses and accrued income	88.4	83.8	88.8
Total current receivables	735.2	627.6	647.7
Cash and cash equivalents	194.0	163.9	176.0
Total current assets	1,353.8	1,179.8	1,193.3
Total assets	6,644.1	5,447.5	5,473.6
Equity attributable to parent company shareholders	3,268.8	2,830.5	2,839.8
Equity attributable to non-controlling interest	10.1	5.9	6.5
Total shareholders' equity	3,278.9	2,836.4	2,846.3
Interest bearing liabilities	1,448.0	1,324.5	918.8
Other liabilities	3.9	8.5	8.1
Pension liabilities	56.2	64.1	53.2
Deferred tax liabilities	362.2	288.0	294.3
Other provisions	57.9	16.4	22.1
Total long-term liabilities	1,928.2	1,701.5	1,296.5
Interest bearing liabilities	677.4	286.4	680.3
Accounts payable	147.7	134.6	159.0
Other liabilities	99.7	95.6	99.2
Other provisions	63.3	30.1	48.5
Accrued expenses and deferred income	448.9	362.9	343.8
Total short-term liabilities	1,437.0	909.6	1,330.8
Total equity and liabilities	6,644.1	5,447.5	5,473.6

Financial instruments

In Hexagon's balance sheet derivatives and other long-term securities holdings are carried at fair value. Derivatives are measured at fair value based on valuation techniques with observable market data as input (level 2 according to definition in IFRS 7). Other long-term securities holdings amount to insignificant numbers. Other assets and liabilities are carried at accrued cost.
For financial assets and liabilities that are carried at accrued cost, the fair value is deemed to be coincident with the carrying amount except for long-term liabilities to credit institutions. The difference between the fair value and the carrying amount for these long-term liabilities is deemed to be insignificant relative to the total balance sheet since the interest rate duration is short.

Condensed Statement of Changes in Equity

MEUR	Q1-Q3 2014	Q1-Q3 2013	2013
Opening shareholders' equity	2,846.3	2,749.1	2,749.1
Total comprehensive income for the period 1)	526.2	160.2	162.0
New share issues, warrants exercised - net of issuance costs	16.2	19.4	23.2
Dividend	-110.1	-101.6	-101.9
Sale of repurchased shares	-	9.2	13.8
Effect of acquisitions of subsidiaries	0.3	0.1	0.1
Closing shareholders' equity 2)	3,278.9	2,836.4	2,846.3
1) of which: Parent company shareholders	522.9	157.7	158.6
Non-controlling interest	3.3	2.5	3.4
2) of which: Parent company shareholders	3,268.8	2,830.5	2,839.8
Non-controlling interest	10.1	5.9	6.5

Number of Shares

	series A	series B	Total
2009-12-31 Total issued and outstanding	11,812,500	252,534,653	264,347,153
Sale of repurchased shares	-	20,070	20,070
Rights issue	3,937,500	83,845,572	87,783,072
2010-12-31 Total issued and outstanding	15,750,000	336,400,295	352,150,295
Rights issue	-	339,335	339,335
2011-12-31 Total issued and outstanding	15,750,000	336,739,630	352,489,630
Sale of repurchased shares	-	185,207	185,207
2012-12-31 Total issued and outstanding	15,750,000	336,924,837	352,674,837
Sale of repurchased shares	-	967,340	967,340
New issue, warrants exercised	-	1,354,800	1,354,800
2013-12-31 Total issued and outstanding	15,750,000	339,246,977	354,996,977
New issue, warrants exercised	-	284,910	284,910
2014-03-31 Total issued and outstanding	15,750,000	339,531,887	355,281,887
New issue, warrants exercised	-	543,450	543,450
2014-06-30 Total issued and outstanding	15,750,000	340,075,337	355,825,337
New issue, warrants exercised	-	214,405	214,405
2014-09-30 Total issued and outstanding 1)	15,750,000	340,289,742	356,039,742

[1] As per 30 September 2014, there were in total 356,039,742 shares in the Company, of which 15,750,000 are of series A with ten votes each and 340,289,742 are of series B with one vote each. Hexagon AB holds no treasury shares.
Warrants exercised until 2014-09-30 have incurred a new share issue in progress as per 2014-09-30 of 422,377 new shares of series B. The new share issue will be finalized in the fourth quarter.

Condensed Cash Flow Statement

MEUR	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013
Cash flow from operations before change in working capital excluding taxes and interest	176.7	146.8	514.0	461.3	628.9
Taxes paid	-19.2	-20.0	-63.3	-51.9	-62.3
Interest received and paid, net	-6.3	-7.1	-19.5	-22.6	-28.6
Cash flow from operations before change in working capital	151.2	119.7	431.2	386.8	538.0
Cash flow from change in working capital	-12.0	28.7	-61.7	-31.6	-31.2
Cash flow from operations	139.2	148.4	369.5	355.2	506.8
Cash flow from ordinary investing activities	-56.2	-54.1	-169.8	-149.2	-216.3
Operating cash flow	83.0	94.3	199.7	206.0	290.5
Non-recurring cash flow 1)	-9.9	-	-13.6	-	-4.4
Operating cash flow after non-recurring items	73.1	94.3	186.1	206.0	286.1
Cash flow from other investing activities 2)	-372.6	-0.9	-516.1	-14.8	-73.1
Cash flow after other investing activities	-299.5	93.4	-330.0	191.2	213.0
Dividends paid	-	-2.8	-110.1	-101.6	-101.9
Sale of repurchased shares	-	7.6	-	9.2	13.8
New share issues, warrants exercised - net of issuance costs	5.7	2.5	16.2	19.4	23.2
Cash flow from other financing activities	321.9	-116.1	437.9	-81.1	-105.8
Cash flow for the period	28.1	-15.4	14.0	37.1	42.3
Cash and cash equivalents, beginning of period	165.8	184.0	176.0	130.7	130.7
Effect of translation differences on cash and cash equivalents	0.1	-4.7	4.0	-3.9	3.0
Cash flow for the period	28.1	-15.4	14.0	37.1	42.3
Cash and cash equivalents, end of period	194.0	163.9	194.0	163.9	176.0

[1] Non-recurring cash flow in third quarter of 2014 consists of transaction costs of -2.4 MEUR and costs of -7.5 MEUR related to the establishment of a new revolving credit facility.
[2] Acquisitions and divestments totalled -371.9 MEUR (-1.0) and other was -0.7 MEUR (0.1) in the third quarter 2014.

Key Ratios

	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013
Operating margin, %	21.7	20.5	21.5	20.6	20.9
Profit margin before taxes, %	17.5	16.5	18.2	18.3	18.9
Return on shareholders' equity, 12 month average, %	12.7	12.9	12.7	12.9	13.0
Return on capital employed ,12 month average, %	11.5	11.1	11.5	11.1	11.2
Equity ratio, %	49.4	52.1	49.4	52.1	52.0
Net indebtedness	0.59	0.50	0.59	0.50	0.49
Interest coverage ratio	12.5	11.0	13.1	12.1	12.7
Average number of shares, thousands	355,925	353,629	355,520	353,046	353,226
Basic earnings per share excl. non-recurring items, EUR	0.29	0.25	0.84	0.78	1.08
Basic earnings per share, EUR	0.25	0.21	0.76	0.75	1.04
Cash flow per share, EUR	0.39	0.42	1.04	1.01	1.43
Cash flow per share before change in working cap, EUR	0.42	0.34	1.21	1.10	1.52
Share price, SEK	229.00	193.80	229.00	193.80	203.30
Share price, translated to EUR	25.04	22.39	25.04	22.39	22.95

Supplementary Information

NET SALES

MEUR	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	2013
Hexagon MT	648.6	635.6	581.8	619.5	566.1	614.2	569.1	2,368.9
- Of w hich								
Geosystems	222.8	229.6	208.2	224.8	203.9	226.7	195.2	850.6
Metrology	214.1	196.4	179.4	200.4	173.3	186.3	175.8	735.8
Technology	211.7	209.6	194.2	194.3	188.9	201.2	198.1	782.5
Other Operations	-	-	13.0	12.2	10.5	20.9	17.2	60.8
Group	648.6	635.6	594.8	631.7	576.6	635.1	586.3	2,429.7

OPERATING EARNINGS (EBIT1)

MEUR	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	2013
Hexagon MT	145.3	144.2	127.6	141.3	122.3	135.2	125.0	523.8
Other Operations	-	-	0.4	-0.1	0.2	1.1	0.6	1.8
Group costs	-4.6	-4.6	-4.6	-4.5	-4.1	-4.7	-4.6	-17.9
Group	140.7	139.6	123.4	136.7	118.4	131.6	121.0	507.7
Margin, %	21.7	22.0	20.7	21.6	20.5	20.7	20.6	20.9

NET SALES

MEUR	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	2013
EMEA	248.2	259.4	245.3	267.7	230.4	261.9	249.6	1,009.6
Americas	228.3	203.8	186.1	206.7	187.9	201.7	183.5	779.8
Asia	172.1	172.3	163.4	157.3	158.3	171.5	153.2	640.3
Group	648.6	635.6	594.8	631.7	576.6	635.1	586.3	2,429.7

EXCHANGE RATES

Average	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	2013
SEK/EUR	0.1086	0.1105	0.1129	0.1128	0.1152	0.1167	0.1177	0.1156
USD/EUR	0.7544	0.7291	0.7299	0.7348	0.7550	0.7657	0.7571	0.7531
CNY/EUR	0.1224	0.1170	0.1196	0.1206	0.1233	0.1244	0.1217	0.1225
CHF/EUR	0.8254	0.8202	0.8173	0.8135	0.8100	0.8120	0.8139	0.8123

Closing	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	2013
SEK/EUR	0.1093	0.1090	0.1118	0.1129	0.1155	0.1139	0.1197	0.1129
USD/EUR	0.7947	0.7322	0.7253	0.7251	0.7405	0.7645	0.7809	0.7251
CNY/EUR	0.1294	0.1180	0.1166	0.1198	0.1210	0.1246	0.1256	0.1198
CHF/EUR	0.8290	0.8226	0.8201	0.8146	0.8180	0.8105	0.8200	0.8146

Acquisitions

MEUR	Veripos	Mintec	Vero	Other	Acquisitions Q1-Q3 2014	Acquisitions Q1-Q3 2013
Fair value of acquired assets and assumed liabilities						
Intangible fixed assets	23.3	33.2	83.8	17.7	158.0	3.1
Other fixed assets	10.0	0.5	4.1	11.9	26.5	1.9
Total fixed assets	33.3	33.7	87.9	29.6	184.5	5.0
Total current assets	25.3	2.5	54.1	19.4	101.3	15.6
Total assets	58.6	36.2	142.0	49.0	285.8	20.6
Total long-term liabilities	5.6	-	65.4	9.4	80.4	0.1
Total current liabilities	9.0	9.8	35.2	10.9	64.9	9.6
Total liabilities	14.6	9.8	100.6	20.3	145.3	9.7
Fair value of acquired assets and assumed liabilities, net	44.0	26.4	41.4	28.7	140.5	10.9
Long-term securities holdings	-42.9	-	-	-	-42.9	-
Shares in associated companies	-	-	-	-3.1	-3.1	-5.4
Non-controlling interest in equity	-	-	-0.3	-	-0.3	-0.1
Goodw ill	103.0	99.0	268.2	84.1	554.3	25.1
Total purchase consideration transferred	104.1	125.4	309.3	109.7	648.5	30.5
Less cash and cash equivalents in acquired companies					-50.2	-4.1
Adjustment for non-paid consideration and considerations paid for prior years' acquisitions					-69.7	-9.5
Cash flow from acquisition of companies/businesses					528.6	16.9

During the first nine months of 2014, Hexagon acquired the following companies:
- GT Strudl, a US software development company
- Aibotix, a German manufacturer of advanced drones
- Veripos, a UK based provider of positioning services
- SAFEmine, a Swiss based provider of mining safety products
- Geodata, a French provider of network RTK correction services
- North West Geomatics, a Canadian provider of aerial mapping
- Arvus, a Brazil provider of precision agriculture solutions
- iLab, a Brazil provider of precision agriculture solutions
- Mintec, a US provider of mine planning software
- Vero Software, a UK provider of Computer-Aided Manufacturing (CAM) software

The acquisitions included in the column “Other” are individually assessed as immaterial from a group perspective why only aggregated information are presented. The analysis of the acquired net assets is preliminary and the fair value might be subject to change.
Further information related to the acquisitions of Veripos, Mintec and Vero Software is presented in the acqusition analysis on page 14-15.

Acquisition analysis

ACQUISITION OF VERIPOS

As of March 12th 2014 Hexagon became the owner of 100 per cent of the shares in Veripos, a company headquartered in Aberdeen, Scotland employing approximately 130 people in 8 countries. Veripos operates, maintains and controls its own network of over 80 GNSS reference stations to determine, calculate and deliver a GNSS correction signal, through a satellite delivery method. Veripos’ main market segment is the offshore energy market, with most of the company revenues generated in the oil & gas exploration and positioning segments.

Background and reasons for the transaction

Hexagon has a large customer base and an extensive offering in the surveying and agriculture markets through its brands Leica Geosystems and NovAtel. In those markets satellite correction services are becoming an essential part to be able to offer customers. It is therefore a good strategic fit between Hexagon and Veripos where Hexagon will provide, state of the art, positioning technology to Veripos as well as future growth via Hexagon's onshore markets. Veripos has, in turn, built up a strong position in the offshore market and has infrastructure that Hexagon can leverage on immediately after the acquisition rather than building such infrastructure in-house.

The goodwill of 103.0 MEUR comprises the value of expected synergies arising from the acquisition and the assembled workforce, which is not separately recognised. Synergies have primarily been identified to arise by i) combining Hexagon and Veripos technologies, ii) selling Veripos correction services in Hexagons markets, iii) rationalisation of overlapping resources at Hexagon and Veripos. Goodwill is allocated entirely to the Measurement Technologies operating segment. None of the goodwill recognised is expected to be deductible for income tax purposes.
Of the 23.3 MEUR of acquired intangible assets, 8.8 MEUR was assigned to trademarks that are not subject to amortisation. The remaining 14.5 MEUR was assigned to capitalised development expenses, patents and other assets with useful lives of 7-15 years. The intangible assets have been valued using a discounted cash flow method.
From the date of acquisition, Veripos has contributed 24.4 MEUR of net sales in 2014. If the acquisition had taken place at the beginning of the year, the contribution to net sales would have been 27.3 MEUR.
The analysis of the acquired net assets is preliminary and the fair values might be subject to changes.

ACQUISITION OF MINTEC

As of July 3rd 2014 Hexagon became the owner of virtually all assets and liabilities in Mintec, a company headquartered in Tucson, AZ, United States employing approximately 230 people in 8 countries. Mintec is the developer of the MineSight software, used for resource modelling, optimisation, planning and scheduling in the mining industry. Mintec's software is used to design mines, make commercial decisions on where to mine and make decisions based on new information once material is extracted and assayed.

Background and reasons for the transaction

Hexagon has a large customer base and an extensive offering in the mining industry through its brands Leica Geosystems, Devex and SAFEmine. Mining is becoming a more precise practice, and accurate mine planning and scheduling is deemed to be at the forefront of this change. It is therefore a strategic fit between Hexagon's present activity in the operations domain, and Mintec's activities within the planning and scheduling phase. The integration of these capabilities will enable Hexagon to close the loop and control data flow from design and mine planning through extraction and back into life-of-mine planning, providing a comprehensive flow of data across all mining operations.

The goodwill of 99.0 MEUR comprises the value of expected synergies arising from the acquisition and the assembled workforce, which is not separately recognised. Synergies have primarily been identified to arise by i) combining Hexagon and Mintec technologies, ii) selling Hexagon products to Mintec's customer base, iii) removal of overlapping resources at Hexagon and Mintec. Goodwill is allocated entirely to the Measurement Technologies operating segment.
Of the 33.2 MEUR of acquired intangible assets 10.3 MEUR was assigned to trademarks that are not subject to amortisation. The remaining 22.9 MEUR was assigned to capitalised development expenses, patents and other assets with useful lives of 10-20 years. The intangible assets have been valued using a discounted cash flow method.
From the date of acquisition, Mintec has contributed 9.4 MEUR of net sales in 2014. If the acquisition had taken place at the beginning of the year, the contribution to net sales in 2014 would have been 24.6 MEUR.
The analysis of the acquired net assets is preliminary and the fair values might be subject to changes.

ACQUISITION OF VERO

As of August 7th 2014 Hexagon became the owner of 100 per cent of the shares in Vero Software, a company headquartered in Cheltenham, UK employing approximately 580 people in 12 countries. Vero Software is a developer of Computer-Aided Manufacturing (CAM) software, which aids the design and manufacturing process with solutions for programming and controlling machine tools, addressing the rising challenge of achieving manufacturing efficiencies with high-quality output. Brands in Vero Software's portfolio include Alphacam, Cabinet Vision, Edgecam, Radan, SURFCAM, VISI, and WorkNC.

Background and reasons for the transaction

Hexagon has a large customer base and an extensive offering in the manufacturing industry through its Metrology business, which helps customer to assess quality in the post-production stage within the manufacturing lifecycle. Vero Software will bring Hexagon into the pre-production stage of the manufacturing process, where Vero's software is used to program and control machine tools. The combination of these technologies will strengthen Hexagon's software offering, and provide the means to close the gap between metrology and production planning by making quality data fully actionable.

The goodwill of 268.2 MEUR comprises the value of expected synergies arising from the acquisition and the assembled workforce, which is not separately recognised. Synergies have primarily been identified to arise by i) combining Hexagon and Vero technologies, ii) using Hexagon's global footprint to extend the reach of Vero Software's organisation, iii) removal of overlapping resources at Hexagon and Vero. Goodwill is allocated entirely to the Measurement Technologies operating segment. None of the goodwill recognised is expected to be deductible for income tax purposes.
Of the 83.8 MEUR of acquired intangible assets 40.9 MEUR was assigned to trademarks that are not subject to amortisation. The remaining 42.9 MEUR was assigned to capitalised development expenses, patents and other assets with useful lives of 12-15 years. The intangible assets have been valued using a discounted cash flow method.
From the date of acquisition, Vero has contributed 14.1 MEUR of net sales in 2014. If the acquisition had taken place at the beginning of the year, the contribution to net sales would have been 63.3 MEUR.
The analysis of the acquired net assets is preliminary and the fair values might be subject to changes.

Divestments

MEUR	Divestments Q1-Q3 2014	Q1-Q3 2013
Carrying value of divested assets and liabilities, net		
Intangible fixed assets	0.0	-
Other fixed assets	7.8	-
Total fixed assets	7.8	-
Total current assets	22.4	13.8
Total assets	30.2	13.8
Total long-term liabilities	1.3	-
Total current liabilities	22.3	8.4
Total liabilities	23.6	8.4
Carrying value of divested assets and liabilities, net	6.6	-
Capital gain (+) / loss (-)	-1.5	-5.2
Total purchase consideration transferred	5.1	0.2
Plus repayment of intercompany loan	14.0	-
Cash flow from divestment of companies/businesses	19.1	0.2

In March 2014, Hexagon divested SwePart Transmission AB that was reported within the business area Other Operations. In July 2013, Hexagon divested EBP i Olofström AB. Following these divestments, Hexagon will record no further activity within the Other Operations business area.

Condensed Parent Company Income Statement

MEUR	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013
Net sales	2.8	2.8	11.6	8.4	11.2
Administration cost	-2.6	-3.3	-11.4	-11.2	-17.1
Operating earnings	0.2	-0.5	0.2	-2.8	-5.9
Earnings from shares in Group companies	0.0	50.4	146.5	236.8	235.0
Interest income and expenses, net	26.9	-10.0	37.9	28.3	33.3
Earnings before taxes	27.1	39.9	184.6	262.3	262.4
Taxes	-5.9	2.3	-8.4	-5.7	-30.2
Net earnings	21.2	42.2	176.2	256.6	232.2

Condensed Parent Company Balance Sheet

MEUR	30/9 2014	30/9 2013	31/12 2013
Total fixed assets	4,616.9	3,914.4	3,946.1
Total current receivables	308.2	164.9	158.8
Cash and cash equivalents	12.7	13.7	16.3
Total current assets	320.9	178.6	175.1
Total assets	4,937.8	4,093.0	4,121.2
Total shareholders' equity	1,839.2	1,766.1	1,757.1
Total long-term liabilities	1,452.5	1,323.5	914.0
Total short-term liabilities	1,646.1	1,003.4	1,450.1
Total equity and liabilities	4,937.8	4,093.0	4,121.2

Definitions

FINANCIAL DEFINITIONS

Amortization of surplus values	When a company is acquired, the purchase consideration is allocated to the identified assets and liabilities of the company. Intangible assets are most often allocated the substantial part of the purchase consideration. The amortization of surplus values is defined as the difference between the amortization of such identified intangible assets and what the amortization would have been in the acquired company had the acquisition not taken place at all.
Capital employed	Total assets less non-interest bearing liabilities
Capital turnover rate	Net sales divided by average capital employed
Cash flow	Cash flow from operations, after change in working capital, excluding non-recurring items
Cash flow per share	Cash flow from operations, after change in working capital, excluding non-recurring items divided by average number of shares
Earnings per share	Net earnings excluding non-controlling interest divided by average number of shares
Equity ratio	Shareholders' equity including non-controlling interests as a percentage of total assets
Interest cover ratio	Earnings after financial items plus financial expenses divided by financial expenses
Investments	Purchases less sales of tangible and intangible fixed assets, excluding those included in acquisitions and divestitures of subsidiaries
Net indebtedness	Interest-bearing liabilities less interest-bearing current receivables and liquid assets divided by shareholders' equity excluding non-controlling interests
Non-recurring items	Income and expenses that are not expected to appear on a regular basis
Operating earnings (EBIT1)	Operating earnings excluding capital gains on shares in group companies and other non-recurring items
Operating earnings EBITDA	Operating earnings excluding non-recurring items and amortisation and depreciation of fixed assets
Operating margin	Operating earnings (EBIT1) as a percentage of net sales
Profit margin before taxes	Earnings after financial items as a percentage of net sales
Return on capital employed (12 month average)	Twelve months to end of period earnings after financial items, excluding non-recurring items, plus financial expenses as a percentage of twelve months to end of period average capital employed
Return on equity (12 month average)	Twelve months to end of period net earnings excluding non-controlling interests as a percentage of twelve months to end of period average shareholders' equity excluding non-controlling interests last twelve months.
Shareholders' equity per share	Shareholders' equity excluding non-controlling interests divided by the number of shares at year-end
Share price	Last settled transaction on Nasdaq Stockholm on the last business day for the period

BUSINESS DEFINITIONS

Americas	North, South and Central America
Asia	Asia, Australia and New Zealand
EMEA	Europe, Middle East and Africa
MT	The core segment, Measurement Technologies

Hexagon is a leading global provider of information technologies that drive dynamic decision making across industrial and geospatial applications. Hexagon's solutions integrate sensors, software, domain knowledge and customer workflows into intelligent information ecosystems that deliver actionable information, automate business processes and improve productivity. They are used in a broad range of vital industries. Hexagon (Nasdaq Stockholm: HEXA B) has more than 15,000 employees in over 40 countries and net sales of approximately 2,500 MEUR. Learn more at hexagon.com.

FINANCIAL REPORT DATES

Hexagon gives financial information at the following occasions:

Year-end report 2014	6 February 2015
Interim report Q1 2015	6 May 2015
Interim report Q2 2015	7 August 2015
Interim report Q3 2015	27 October 2015

FINANCIAL INFORMATION

Financial information is available in Swedish and English at the Hexagon website and can be ordered via phone +46 8 601 26 20 or e-mail ir@hexagon.com

TELEPHONE CONFERENCE

The interim report for the third quarter 2014 will be presented on 22 October at 16:00 CET at a telephone conference. Please view instructions at Hexagon's website on how to participate.

CONTACT

Carl Gustafsson, Investor Relations Manager, Hexagon AB, +46 8 601 26 27, ir@hexagon.com

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 22 October 2014 at 14:00 CET.

HEXAGON

Hexagon AB [publ] P.O. Box 3692 SE- 103 59 Stockholm Fax: +46 8 601 26 21 Phone: +46 8 601 26 20
Registration number: 556190-4771 Registred Office: Stockholm Sweden
www.hexagon.com