



Interim Report, 1 January – 31 March 2007

Press information 2 May 2007

A record strong first quarter 2007

- Order intake increased to 3 780 MSEK (3 408). Organic growth in order intake was 18 per cent.
- Net sales increased to 3 499 MSEK (3 335). Organic growth in net sales was 12 per cent.
- Earnings before taxes increased by 54 per cent to 496 MSEK (322).
- Earnings after taxes increased by 66 per cent to 436 MSEK (263).
- Earnings per share, before dilution, increased by 43 per cent to 4.91 SEK (3.43).
- Swedish software company Svensk ByggnadsGeodesi AB, SBG was acquired.
- Eurosteel and Johnson Metall in the business area Hexagon Engineering were divested. The remaining businesses within the business area are thereafter reported as Other operations.

Adjustment of forecast

- Hexagon's long term financial goal to increase earnings per share after tax with 15 per cent per annum will be exceeded for year 2007.

Comments from Hexagon's CEO Ola Rollén

"It is a privilege to present this report. Earnings before non-recurring profit gains was 53 per cent higher than for the first quarter 2006 and 10 per cent above the market's expectations. Order intake increased by 18 per cent, sales by 12 per cent and earnings per share by an impressive 43 per cent. The market and our competitive position are favourable. The strong development is driven by a continuous strong global demand for Hexagon's products combined with a well poised cost structure. Hexagon will continue to develop well throughout the year why our long-term financial goal of an annual increase in earnings per share of 15 per cent will be surpassed also in 2007."

MSEK	Q1 2007	Q1 2006	Change %
Order intake	3 780	3 408	18 ³⁾
Net sales	3 499	3 335	12 ³⁾
Operating earnings (EBIT1)	520	388	34
Operating margin, %	14.9	11.6	3.3
Earnings before non-recurring items	474	309	53
Non-recurring items, net	22 ¹⁾	13 ²⁾	n.a.
Earnings before tax	496	322	54
Earnings after tax	436	263	66
Earnings per share	4.91	3.43	43

¹⁾ Net of capital gains 120 MSEK and restructuring costs and write offs -98 MSEK.

²⁾ Net of capital gains 97 MSEK and restructuring costs -84 MSEK.

³⁾ Adjusted for currency fluctuations and changes in the group structure (organic growth).

First quarter sales and earnings

The first quarter of the year shows an impressive increase in earnings. Operating margin (EBIT1) increased by 3.3 percentage points to 14.9 per cent (11.6). Order intake grew to 3 780 MSEK (3 408). Using fixed exchange rates and a comparable group structure, order intake increased by 18 per cent. Net sales increased to 3 499 MSEK (3 335). Using fixed exchange rates and a comparable group structure, net sales increased by 12 per cent.

In EMEA, demand continued to be strong during the first quarter. Organic growth in order intake was 17 per cent and 13 per cent in net sales. We see a continuous strong demand in EMEA also throughout the rest of the year driven by a strong business cycle for infrastructural investments and increased activity in the engineering sector.

In Americas, demand in the first quarter was adversely affected by the continuous deterioration in the domestic automotive industry's competitiveness. The demand for residential housing construction remained at low levels but in line with the last six months of 2006. Demand was positively affected by increased infrastructural investments and increased demand from non-automotive related industries such as mining, aerospace and the electronics industry. Organic growth in order intake was 9 per cent and in net sales -2 per cent. We see a continuous moderate increase in demand at a high activity level in Americas throughout 2007.

In Asia, demand has recovered after the temporary slowdown in the fourth quarter 2006 due to the change of distribution model in China. Organic growth in order intake was 35 per cent and in net sales 29 per cent. We see a continuous strong demand in Asia for the rest of the year.

Net sales per geographical region

MSEK	Q1 2007	Q1 2006	Organic change %
EMEA	2 154	2 013	13
Americas	717	825	- 2
Asia	628	495	29
Total	3 499	3 335	12

Operating earnings (EBIT1) increased by 34 per cent to 520 MSEK (388), corresponding to an operating margin of 15 per cent (12). Operating earnings (EBIT1) were negatively affected by -12 MSEK due to exchange rate fluctuations.

During the first quarter two entities within Hexagon Engineering, Johnson Metall and Eurosteel, have been divested. The transaction resulted in capital gains totalling 120 MSEK. Restructuring costs of -23 MSEK related to the acquisition of SBG AB, have been reported. Hexagon is also reporting write-offs of -55 MSEK, these are mainly related to the shares in the joint venture company Outokumpu Nordic Brass. A post amounting to -20 MSEK in expenses related to the settlement of all outstanding disputes between Hexagon and FARO Technologies, Inc. has been reported. All together, these costs amount to -98 MSEK. The total of non-recurring items during the quarter was 22 MSEK (13).

The financial net during the first quarter was -46 MSEK (-79).

Earnings before taxes increased by 54 per cent to 496 MSEK (322). Earnings before taxes were negatively affected by currency fluctuations amounting to -15 MSEK.

Earnings after tax increased by 66 per cent to 436 MSEK (263), corresponding to an earnings per share of 4.91 SEK (3.43). Earnings after taxes were positively affected by capital gains being exempt from tax and that a large proportion of earnings are generated in foreign subsidiaries located in countries where the tax rates differ from those in Sweden.

Net sales and earnings per business area

MSEK	Net sales			Earnings		
	Q1 2007	Q1 2006	Change %	Q1 2007	Q1 2006	Change %
Hexagon Measurement Technologies	2 483	2 276	12 ¹⁾	451	309	46
Hexagon Polymers	656	636	6 ¹⁾	69	64	8
Other operations	361	424	26 ¹⁾	13	23	n.a.
Group costs and adjustments	-1	-1		-13	-8	-63
Operating earnings (EBIT1)				520	388	34
Per cent of net sales				14.9	11.6	3.3
Interest income and expenses, net				-46	-79	42
Earnings before non-recurring items				474	309	53
Capital gains				120	97	n.a.
Other non-recurring items				-98	-84	n.a.
Earnings before tax	3 499	3 335	12 ¹⁾	496	322	54

¹⁾ Adjusted for currency fluctuations and changes in the group structure (organic growth).

Profitability

Capital employed, defined as total assets less non-interest bearing liabilities, increased to 15 529 MSEK (15 370). Return on average capital employed was 14.3 per cent (10.7). Return on average shareholders' equity was 19.6 per cent (18.8). The capital turnover rate was 0.9 times (0.9).

Financial position

Shareholders' equity, including minority interests, increased to 9 229 MSEK (5 683). The equity ratio was 49 per cent (30). The group's total assets increased to 18 833 MSEK (18 743). The change in shareholders' equity is principally explained by the rights issue of approximately 2 700 MSEK that was completed during the second quarter 2006.

Cash on 31 March 2007 including non-utilized credit limits, totalled 5 242 MSEK (2 254). The group's net debt totalled 5 657 MSEK (9 245), and the net indebtedness was 0.62 times (1.64). Interest coverage ratio was 10.2 times (4.8).

Cash flow

During the year cash flow from operations before changes in working capital, increased by 42 per cent to 513 MSEK (361), corresponding to 5.80 SEK per share (4.74). Cash flow from operations increased to 201 MSEK (-133), corresponding to 2.27 SEK per share

(-1.75). The operating cash flow was 25 MSEK (-289). The operating cash flow has been affected by an increase in the in working capital due to the substantial organic growth.

Investments and depreciation

Hexagon's net investments, excluding acquisitions and divestitures, were -176 MSEK (-156). The increase in investments during the quarter comprises, among other things, investments in new production facilities for Hexagon Polymers in China and Mexico. Depreciation for the period was 167 MSEK (172).

Tax rate

Hexagon's tax cost for the quarter totalled -60 MSEK (-59), corresponding to a tax rate of 12 per cent (18). 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 exempt from tax. Disregarding the tax effect from all non-recurring capital gains, the tax rate would have been 15 per cent (26). The tax rate for the full year 2007 is estimated to approximately 15 per cent.

Employees

The average number of employees in the Hexagon group during the quarter was 7 956 (7 404). The number of employees at the end of the quarter totalled 7 884 (7 691), a decrease by 285 employees since year end. The decrease is mainly due to divestments during the quarter.

Share data

Earnings per share during the quarter increased by 43 per cent to 4.91 SEK (3.43). On 31 March 2007, equity per share was 103.99 SEK (73.98) and the share price was 283 SEK (242). Historical share related data has been recalculated considering the rights issue (with bonus issue element taken into consideration) carried out during the second quarter 2006, exercise of options, and the compulsory squeeze out of the remaining shares of Leica Geosystems during the third quarter 2006.

At full exercise of remaining stock option programmes, the dilution effect would be 0.3 per cent of the share capital and 0.2 per cent of the number of votes.

Hexagon Measurement Technologies

The business area Hexagon Measurement Technologies is the world leader in multidimensional measurements. It is active in the measuring and positioning market's macro and micro segments. Operations encompass hand tools, fixed and portable co-ordinate measuring machines (CMMs), GPS systems, level meters, laser meters, total stations, sensors for airborne measurement, aftermarket services and software systems for one, two or three-dimensional measurements.

The strong demand for Hexagon's products continued during the quarter. Organic growth was 20 per cent in order intake and 12 per cent in net sales. The improvement in earnings was substantial. Operating margin improved by 4.6 percentage points to 18.2 per cent.

In EMEA, demand continued to be strong within all customer segments during the first quarter. Organic growth in order intake was 17 per cent and in net sales 11 per cent. For 2007 we see a continuous high demand in the region with a high activity level for the European engineering sector as well as for the construction industry in Eastern Europe and Middle East.

In Americas, the shift in demand has continued during the first quarter. The competitiveness has continued to deteriorate for the domestic automotive industry. Also, the residential housing construction market has ceased to improve due to increased interest rates. These two trends have had negative effects on demand for Hexagons products. However, demand is positively affected by increased infrastructural investments and increased demand from non-automotive related industries such as mining, engineering, aerospace, and the electronics industry. Organic growth in order intake was 17 per cent and in net sales 3 per cent. For 2007 we see a recovery in demand for Hexagons products in the region due to the efforts to focus on fast growing market segments as well as new product launches.

In Asia, Hexagon has continued its expansion during the quarter. Organic growth in order intake was 32 per cent and in net sales 24 per cent. The change in distribution model for Leica Geosystems' products in China, carried out during the fourth quarter 2006, is now practically completed. Hexagon's second production facility for measuring systems for the micro segment in Qingdao, China, will start operations during the second quarter 2007. Hexagon's expansion in Asia outside China proceeds according to plan. We estimate the demand to be continuously strong during 2007.

Order intake increased to 2 715 MSEK (2 303). Net sales increased to 2 483 MSEK (2 276). Using fixed exchange rates and a comparable group structure, order intake increased by 20 per cent and net sales by 12 per cent. Operating earnings (EBIT1) increased to 451 MSEK (309), corresponding to an operating margin of 18 per cent (14).

The number of employees was 5 297 (4 850) at the end of the quarter. The increase is principally explained by acquisitions during the year.

MSEK	Q1 2007	Q1 2006	Change %
Order intake	2 715	2 303	20 ¹⁾
Net sales	2 483	2 276	12 ¹⁾
Operating earnings (EBIT1)	451	309	46
Margin, %	18.2	13.6	4.6

¹⁾ Adjusted for currency fluctuations and changes in the group structure.

Hexagon Polymers

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

The volume growth for the business area was continuously strong. The exceptional, historically speaking, increase in raw material prices has levelled out since the last increase on 1 January 2007. For the full year 2007 the raw material prices are predicted to be stable given that the crude oil price is stable at current levels.

During the first quarter, demand for rubber compounds from the Hexagon Polymers Canadian plant has been continuously weak due to cutbacks in production volumes in the automotive plants in Northeast USA. This affects Hexagon Polymer's deliveries of materials for sealing systems for car applications. Car manufacturing capacity in NAFTA is currently moving to Mexico, why Hexagon Polymers has sped up the establishment of a production facility in the country. The plant will start operations in August 2007.

In all other production facilities in Europe and Asia, demand has been continuously strong.

The establishment of Hexagon Polymers' production facility in Qingdao, China, started production of rubber compounds in March 2007 according to plan. The start of production of wheels is estimated to the third quarter 2007.

Hexagon has made the decision to establish a production facility for gaskets for plate heat exchangers in China. The production facility is estimated to start operations during the second quarter 2008. Fully established, the production facility will double Hexagon Polymers' capacity within the product segment.

Order intake for the first quarter increased to 671 MSEK (652). Net sales increased to 656 MSEK (636). Using fixed exchange rates and a comparable group structure, order intake increased by 6 per cent and net sales by 6 per cent.

Operating earnings (EBIT1) was 69 MSEK (64), corresponding to an operating margin of 11 per cent (10).

We anticipate a continued strong demand during 2007.

The number of employees was 2 124 (1 783) at the end of the quarter. The increase is explained principally by hiring of staff in Sri Lanka in order to meet the increased customer demand.

MSEK	Q1 2007	Q1 2006	Change %
Order intake	671	652	6 ¹⁾
Net sales	656	636	6 ¹⁾
Operating earnings (EBIT1)	69	64	8
Margin, %	10.5	10.1	0.4

¹⁾ Adjusted for currency fluctuations and changes in the group structure.

Other operations

As a consequence of the divestments of Johnson Metall and Eurosteel during the first quarter and Hexagons intention to divest the remaining part of the business area Hexagon Engineering, when Hexagon finds the companies fit to leave the group in combination with attaining the right price, the remaining businesses have been classified as Other operations. Other operations from now on report on order intake, net sales, operating earnings (EBIT1) and number of employees.

Order intake during the first quarter was 394 MSEK (453). Net sales were 361 MSEK (424). Using fixed exchange rates and a comparable group structure, order intake increased by 30 per cent and net sales by 26 per cent.

Operating earnings (EBIT1) was 13 MSEK (23).

The number of employees was 452 (1 046) at the end of the year. The decrease in number of employees is explained by divestitures made during the quarter.

MSEK	Q1 2007	Q1 2006	Change %
Order intake	394	453	30 ¹⁾
Net sales	361	424	26 ¹⁾
Operating earnings (EBIT1)	13	23	n.a. ²⁾

¹⁾ Adjusted for currency fluctuations and changes in the group structure.

²⁾ Not applicable due to the divestments of Johnson Metall and Eurosteel.

Associated companies

Associated companies include the joint venture company Outokumpu Nordic Brass. The company has been negatively affected by a break-down of the extrusion press in the factory during the fourth quarter 2006. During the first quarter, the extrusion press has been out of order, why the book-value of the shares has been written down to 0 SEK. Associated companies affect Hexagon's earnings for the period according to the equity method by -33 MSEK (0).

Parent company

The Parent company's earnings after financial items during the period were -22 MSEK (82). The equity ratio of the Parent company was 44 per cent (30). Shareholders' equity was 7 091 MSEK (4 675). Liquid assets, including unutilized credit limits, was 4 844 MSEK (1 875).

Accounting principles

The accounting principles are unchanged compared to those used in the year-end report 2006. This interim report is presented in accordance with IAS 34 Interim Financial Reporting.

Significant events

In January 2007 Hexagon acquired all outstanding shares of the Swedish company Svensk ByggnadsGeodesi AB, SBG. SBG develops, manufactures and supplies complete multidimensional systems for measuring, planning and machine control for excavators, graders, dozers and paving machines. The systems combine software and hardware for the surveying and construction industries. SBG had a turnover of 40 MSEK in 2006 and has in recent years shown an annual growth of about 30 per cent. The company is based in Stockholm, Sweden, and employs 30 people. SBG is consolidated as of 15 January 2007.

In January 2007 Hexagon's subsidiary SwePart Transmission AB signed a supply agreement that involves that the company during a three year period, as of summer 2007, takes over Scania's component manufacturing in Sibbhult of cog-wheels and axles for Scania's gear boxes with a turnover of about 250 MSEK. In relation to the take over, SwePart Transmission will employ about 50 people, and implement an investment program to modernise and expand the plant. The investment affects the financials of Hexagon for 2007.

On 31 January 2007 Johnson Metall AB with subsidiaries was divested. The company was part of the business area Hexagon Engineering and sales during 2006 were 477 MSEK. The disposal of the company rendered Hexagon a capital gain of about 100 MSEK.

On 26 March 2007 Eurosteel AB with subsidiaries was divested. The company was part of the business area Hexagon Engineering and sales during 2006 were 657 MSEK. The disposal of the company rendered Hexagon a capital gain of about 20 MSEK.

Significant events after the end of the quarter

On 13 April Hexagon made public the acquisition of all outstanding shares of the French companies D&P Systems and Topolaser System s.a.s. The two companies has a combined turnover of about 45 MSEK, excluding sales of Leica Geosystems products. The companies will be fully consolidated as of 1 May 2007.

Outlook

During the first quarter 2007, Hexagon has continued to strengthen its market position, product portfolio and structure to enable further growth in sales and earnings. Our long-term financial target of an increase in earnings per share after tax by 15 per cent per annum remains. For year 2007, this financial target will be exceeded supported by operational leverage and a favourable tax rate due to the new structure of the group after the acquisition of Leica Geosystems.

Previous outlook

Our long-term financial target of an increase in earnings per share after tax by 15 per cent per annum remains.

Invitation to telephone conference 2 May at 15:00 CET

A presentation of the report will be given on 2 May 15:00 CET at a telephone conference. For participation, please see instructions at the Hexagon website.

Financial information

Hexagon gives financial information for year 2007 at:

Interim Report Q2	10 August 2007
Interim Report Q3	26 October 2007
Year End Report 2007	February 2008

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

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Nacka Strand 2 May 2007

Hexagon AB (publ)



Ola Rollén
CEO and President

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

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Consolidated income statement in summary

MSEK	Q1 2007	Q1 2006	Year 2006
Net sales	3 499	3 335	13 469
Cost of goods sold	-2 135	-2 078	-8 350
Gross profit	1 364	1 257	5 119
Sales and administration costs etc.	-909	-953	-3 378
Earnings from shares in associated companies	-33	0	2
Capital gains	120	-	-
Operating earnings ¹⁾	542	304	1 743
Earnings from other securities ¹⁾	-	97	97
Interest income and expenses, net	-46	-79	-222
Earnings after financial items	496	322	1 618
Tax	-60	-59	-338
Net earnings ²⁾	436	263	1 280
¹⁾ of which non-recurring items	22	13	13
²⁾ of which minority interest	2	2	7
Include depreciations and write-downs of ³⁾	-167	-172	-602
³⁾ of which amortization on excess values	-12	-10	-41
Earnings per share (SEK)	4.91	3.43	15.03
Earnings per share after dilution (SEK)	4.89	3.36	14.90
Shareholder's equity per share (SEK)	103.99	73.98	96.89
CB number of shares (thousands)	88 392	76 182	88 392
Average number of shares (thousands)	88 392	76 182	84 673
Average number of shares after dilution (thousands)	88 741	77 669	85 441

Analysis of the consolidated income statement

MSEK	Q1 2007	Q1 2006
Operating earnings (EBIT1)	520	388
Interest income and expenses, net	-46	-79
Earnings before non-recurring items	474	309
Capital gains	120	97
Other non-recurring items	-98	-84
Earnings before tax	496	322

Consolidated balance sheet in summary

MSEK	31/3 2007	31/3 2006	31/12 2006
Intangible fixed assets	10 346	10 501	10 041
Tangible fixed assets	1 990	2 185	2 101
Financial fixed assets	72	81	103
Deferred tax assets	555	351	442
Total fixed assets	12 963	13 118	12 687
Inventories	2 132	2 104	2 311
Accounts receivable	2 653	2 549	2 544
Other receivables	616	362	364
Prepaid expenses and accrued income	155	168	161
Total current receivables	3 424	3 079	3 069
Cash and cash equivalents	314	442	481
Total current assets	5 870	5 625	5 861
Total assets	18 833	18 743	18 548
Attributable to the parent company's shareholders	9 192	5 636	8 564
Attributable to minority	37	47	45
Total shareholders' equity	9 229	5 683	8 609
Interest bearing liabilities	5 636	8 959	5 689
Other liabilities	53	66	58
Pension provisions	465	547	487
Tax provisions	402	386	389
Other provisions	112	85	101
Total long-term liabilities	6 668	10 043	6 724
Other provisions – short-term part	131	260	133
Interest bearing liabilities	151	107	392
Accounts payable	1 050	1 200	1 212
Other liabilities	670	627	531
Accrued expenses and deferred income	934	823	947
Total short-term liabilities	2 936	3 017	3 215
Total equity and liabilities	18 833	18 743	18 548

Change in Consolidated Shareholders' Equity during first quarter 2007

MSEK	Attributable to the parent company's shareholders	Attributable to minority	Total
Opening shareholders' equity	8 564	45	8 609
Change in translation reserve	270	0	270
Effect of currency hedging	-100	-	-100
Change in hedging reserve	-3	-	-3
Tax attributable to items recognized directly in shareholders' equity	28	-	28
Total revenues and costs recognized directly in shareholders' equity, excluding transactions involving company shareholders	195	0	195
Net earnings for the period	434	2	436
Total revenues and costs excluding transactions involving company shareholders	629	2	631
Benefit pertaining to options recognized as operating expenses	1	-	1
Effect of acquisition of Leica Geosystems	-2	-	-2
Divestment of subsidiaries	-	-10	-10
Closing shareholders' equity	9 192	37	9 229

Development of number of shares

	Series A	Series B	Total
2006-12-31	3 937 500	84 454 325	88 391 825
2007-03-31	3 937 500	84 454 325	88 391 825

Consolidated cash flow analysis

MSEK	Q1 2007	Q1 2006	Year 2006
Cash flow from operations before change in working capital	513	361	1 737
Cash flow from change in working capital	-312	-494	-622
Cash flow from operations	201	-133	1 115
Cash flow from ordinary investing activities	-176	-156	-834
Operating cash flow	25	-289	281
Cash flow from other investment activities	193	101	-262
New share issues	-	-	2 755
Dividend	-	-	-269
Cash flow from other financing activities	-386	193	-2 443
Change in liquid assets	-168	5	62

The currency effect in liquid assets was 1 MSEK (-2) during the first quarter.

Key ratios

	Q1 2007	Q1 2006	Year 2006
Operating margin, %	14.9	11.6	13.6
Profit margin before tax, %	14.2	9.7	12.0
Return on shareholders' equity, %	19.6	18.8	17.0
Return on capital employed, %	14.3	10.7	12.2
Solvency ratio, %	49.0	30.3	46.4
Net indebtedness, multiple	0.62	1.64	0.70
Interest coverage ratio, multiple	10.2	4.8	7.4
Average number of shares, thousands	88 392	76 182	84 673
Earnings per share, SEK	4.91	3.43	15.03
Cash flow per share, SEK	2.27	-1.75	13.17
Cash flow per share before change in working capital, SEK	5.80	4.74	20.51
Share price, SEK	283	242	292

Order intake

MSEK	2007	2006				Year
	Q1	Q1	Q2	Q3	Q4	
Hexagon Measurement Technologies	2 715	2 303	2 459	2 104	2 407	9 273
Hexagon Polymers	671	652	651	605	634	2 542
Other operations	169	136	153	157	207	653
Divested businesses ¹⁾	225	317	310	285	340	1 252
Group	3 780	3 408	3 573	3 151	3 588	13 720

¹⁾ Johnson Metall and Eurosteel.**Net sales**

MSEK	2007	2006				Year
	Q1	Q1	Q2	Q3	Q4	
Hexagon Measurement Technologies	2 483	2 276	2 310	2 208	2 456	9 250
Hexagon Polymers	656	636	633	607	612	2 488
Other operations	177	157	153	128	162	600
Divested businesses ¹⁾	184	267	282	253	332	1 134
Adjustment	-1	-1	-1	0	-1	-3
Group	3 499	3 335	3 377	3 196	3 561	13 469

¹⁾ Johnson Metall and Eurosteel.**Operating earnings (EBIT1)**

MSEK	2007	2006				Year
	Q1	Q1	Q2	Q3	Q4	
Hexagon Measurement Technologies	451	309	422	350	466	1 547
Hexagon Polymers	69	64	57	50	52	223
Other operations	2	5	0	-3	-4	-2
Divested businesses ¹⁾	11	18	20	24	49	111
Parent company	-13	-8	-14	-13	-17	-52
Group	520	388	485	408	546	1 827
EBIT margin, %	14.9	11.6	14.4	12.8	15.3	13.6

¹⁾ Johnson Metall and Eurosteel.**Net sales**

MSEK	2007	2006				Year
	Q1	Q1	Q2	Q3	Q4	
EMEA	2 154	2 013	2 044	1 895	2 231	8 183
Americas	717	827	853	759	822	3 261
Asia	628	495	480	542	508	2 025
Group	3 499	3 335	3 377	3 196	3 561	13 469

The table displays net sales to customers within each, respective, geographical area.

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 the OMX Stockholm Stock Exchange on the last business day for the period.