Hexagon

annual report

2000

Annual General Meeting

The Annual General Meeting will be held on Monday 7 May 2001, at 5 PM at Ingenjörs Vetenskaps Akademien, IVA, (The Royal Swedish Academy of Engineering Sciences), Grev Turegatan 16, Stockholm.

Right of attendance
To be entitled to participate and vote in the Annual General Meeting, shareholders must:
• be entered in the register of shareholders
• have given prior notification of their intention to attend.
Entry of the shareholder names in the register maintained by Värdepapperscentralen VPC AB (VPC) must have taken place no later than 27 April 2001. Shareholders who have permitted their shares to be registered with a nominee must temporarily register the shares in their own name. Such registration must be in effect no later than 27 April 2001.

Notification
Notification of intention to participate in the Annual General Meeting must be submitted to Hexagon AB (publ), Box 1112, SE-131 26 Nacka Strand, Sweden, no later than 12 noon on Wednesday 2 May 2001. Notification may also be made by telephone or fax, at:
tel. +46 (0)8-601 26 20,
fax +46 (0)8-601 26 21
or by e-mail: ing-marie.moller@hexagon.se
When notifying, shareholders should state their name, civil registration/organisation number, address and telephone number.

Dividend
For fiscal year 2000, the Board proposes a dividend of SEK 5.00 per share (previous year SEK 5.00). Thursday 10 May 2001 is proposed as the day on which the dividend will be recorded. If the Annual General Meeting decides to adopt the Board's proposal, it is anticipated that the dividend will be distributed on 15 May 2001.

Change of address
Private individuals who are registered as domiciled in Sweden do not need to notify VPC of change of address. Other shareholders who have changed their address, and shareholders who have changed name or account number should notify the financial intermediary handling their account as soon as possible. A shareholder who has registered his/her shares with a nominee should notify the nominee of any changes of name, address, or account number without delay. A special notification form can be obtained at banks.

Opportunities to obtain information from Hexagon
For the year 2001, Hexagon will be issuing the following financial information:

7 May	Interim report 1st quarter
6 August	Half-year Report
30 October	Nine-month Report
February 2002	Report on Operations 2001
April 2002	Annual Report for 2001

These reports can be requisitioned from Hexagon AB, Box 1112, SE-131 26 Nacka Strand, Sweden.
Tel: +46 (0)8-601 26 20,
Fax: +46 (0)8-601 26 21.
E-mail: postmaster@hexagon.se
Website: www.hexagon.se

Those who have previously requested information on a regular basis from Hexagon will continue to have these reports sent to them.

Hexagon
annual report
2000

The year in brief

- **Earnings after financial items rose by 25 per cent to MSEK 223.2 (179.0)**
- **A new corporate structure, with four business areas, has been established. This will form the basis for continued international expansion**
- **Acquisition of Berendsen's Nordic hydraulics operations, as well as a bid for Brown & Sharpe's metrology operations. This will provide a combined turnover of approximately SEK 4 billion**
- **During 2000 and so far in 2001, companies with a combined turnover of approximately SEK 2 billion have been sold**
- **The Board of Directors propose a dividend of SEK 5 per share (5)**

	2000	1999
Invoiced sales (MSEK)	5,099	4,667
Earnings after financial items (MSEK)	223	179
Net income after tax (MSEK)	201	127
Earnings per share after full tax (SEK)	13.57	8.61
Operating margin (%)	5.2	4.5
Return on shareholders' equity after full tax (%)	14	9
Return on capital employed (%)	13	10
Cash flow per share (SEK)	25.59	16.29
Visible equity ratio (%)	45	47
Share price at date of closing (SEK)	120	134
Dividend per share (SEK)*	5.00	5.00

*Dividend in accordance with the proposal of the Board of Directors.

Contents

“ The objective is for Hexagon to grow rapidly, internationally and profitably. ”

After being appointed to the post of Chief Executive Officer in May 2000, Hexagon’s management has analysed the position of all subsidiaries in order to identify a core from which continued, profitable expansion may progress. During this process, a number of objectives and criteria have been established in order to ensure long-term, dependable growth without risking the profitability targets. The most important objective is to achieve a profit growth of at least 15 per cent per share per year.

Ola Rollén,
President and CEO.

Earnings outcome 2000 In many respects, 2000 was a year of readjustment for Hexagon. After powerful growth for much of the 90s, earnings turned downwards in 1999, although operations have recouped some of the earnings losses during the last year, but not all. Invoiced sales amounted to MSEK 5,099 (4,667) and pre-tax earnings amounted to MSEK 223 (179). There are three major reasons why the earnings level did not reach the historic peaks of around approx. MSEK 300 in pre-tax earnings (excluding extraordinary items and capital gains):

	Loss in profits against 1998
Moteco	MSEK -39
gigaAnt	MSEK -14
Johnson Industries	MSEK -55
Total	MSEK -108

Moteco has historically enjoyed a high level of profitability in a rapidly growing marketplace. A trend break took place in 1999: mobile telephones truly became consumer products. This led to shorter series production and more models. Moteco's highly automated production lines could not cost-effectively manufacture the antennas that customers demanded. At the same time, mobile telephone manufacturers moved from so-called extendable antennas to built-in antennas. This resulted in the average price per sold antenna falling more rapidly than the market grew. Moreover, a tangible redistribution of capacity has taken place in the mobile telephone sector, from Europe and the United States to Asia. In the future, the majority of the world's mobile telephones will be manufactured in Asia. Consequently, Hexagon has intentionally built up a presence in the area, and during 1999 the factory in China came on stream. It has produced low cost antennas with very good margins throughout the whole of 2000. Capacity has progressively been expanded. During last twelve months, the factory in Malaysia was built and became operational during September. It has already posted good results for the fourth quarter. In the later part of the autumn a decision was adopted to build an application centre in Singapore. This will function as a bridgehead between the Asiatic customers and our R&D centre in Lund. On 10 January this year, it was decided to phase out the plant in Ruda, Sweden. From now on, production will be concentrated in the Asian units. One-off costs for this redeployment amounted to MSEK 60, and the cost level is expected to be reduced by MSEK 45 on an annual basis as a result of this measure. Full effect will be attained as of the fourth quarter this year. Consequently, there is potential for re-establishing profitability within the mobile telephone sector.

gigaAnt is Hexagon's newly-established company for developing, manufacturing and selling antennas for so-called Bluetooth applications. In the next few years, demand for antennas for Bluetooth applications is expected to be considerably greater than the demand from mobile telephones. According to the Navian Inc. research company, the market for antennas for Bluetooth should exceed MUSD 350 by 2004.

During last year, great efforts were made in marketing the company's skills. This has resulted in a thousand-odd customer contacts which in turn have led to more than a score of delivery contracts at the time of writing. The company reported a loss of MSEK 14 last year. gigaAnt utilises Moteco's extensive radio frequency experience, as well as production resources, in the launching of its products. On the other hand, marketing is conducted separately.

After powerful growth for much of the 90s, earnings turned downwards in 1999, although operations have recouped some of the earnings losses during the last year, but not all.

Johnson Industries is a cyclical company. During 1998, the company group performed very well only to report halved earnings during 1999. During the past year, the position became acute within the Johnson Metal Bearing Components (JMBC) subsidiary.

The cumulative loss rate was more than MNOK –25 in a turnover of MNOK 149. At the turn of the year, the company was therefore sold to the management with a capital loss of MSEK 14 as a consequence. The remaining companies within Johnson Industries will thereafter report to the new "Engineering" business area. We assess that they will develop favourably in the future.

Seen as a whole, 2000 entailed us achieving a considerably improved operating earnings compared with the previous year, and also laid the foundation for continued expansion. Operating earnings adjusted for non-recurring items amounted to MSEK 247 (191), an improvement of 29 per cent compared with 1999.

Key events during the year During the year, the management analysed Hexagon's position within all subsidiaries in order to find a core from which continued profitable expansion can proceed. During this process, a number of objectives and criteria were established in order to ensure long-term, dependable growth without risking the profitability targets. The most important objective is to achieve a profit increase of at least 15 per cent per share per year. There is much talk about companies being more shareholder friendly, but ultimately it is the profit trend per share that counts. Hexagon has set in place a restructuring plan with three related objectives in order to ensure that we reach our key target. This will be achieved by:

• *Focussing operations.* At the beginning of 2000, Hexagon had 24 separate business units; these are to be reduced to between three and five main operations.

• *Increasing operating margin.* During the 90s, Hexagon expanded dramatically but margins kept diminshing. Hexagon's objective is to increase the operating margin toward levels enjoyed by focussed engineering companies.

• *Increasing turnover.* A natural step for guaranteeing profit growth is to ensure that Hexagon constantly expands. It is absolutely vital that Hexagon reaches a certain critical mass in order to enjoy structural economies of scale.

The consequences of the these objectives have resulted in companies with a total turnover of MSEK 1,980 (or 40 per cent of the Group turnover) having been sold. During the summer, Norfoods was sold to the Private Equity fund Segulah II. In February 2001, the greater part of Tecla (formerly AKA) and Fagerberg was sold to Industrivärldens subsidiary Indutrade, effective as of the turn of the year. As mentioned, JMBC has been sold to the management.

In June last year, Hexagon Automation acquired the Nordic sections of Sophus Berendsen's hydraulics operations, PMC. Hexagon Automation thereby reaches a leading position in the Nordic hydraulics market. The Berendsen companies contributed positively to the year's profits from the date of acquisition.

In November, we announced our bid for Brown & Sharpe, and the company forms the basis of the new Hexagon Metrology business area. Hexagon has identified the metrology sector as an avenue for profitable expansion. The business area is a global leader in its sector.

The measures that were adopted during the past year have created a totally new group structure which will play a definitive role in Hexagon reaching its established goals.

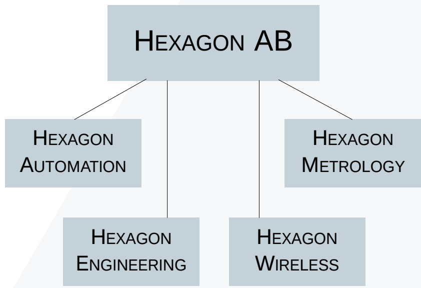
To sum up, we are moving into exciting times. Hexagon will grow rapidly, internationally and profitably. Within the framework of the new corporate structure, there is every potential for both organic growth and acquisitions.

Prospects for the future At the time of writing, a downturn in the economy appears likely. Moreover, Hexagon Wireless will be affected by the general slow down which the telecom sector is currently experiencing. However, it is our hope that the slowdown will be brief and that growth in the global economy will once again pick up speed towards the end of 2001. In a moderate economic downturn, Hexagon should still be able to achieve its goal of a profit growth of at least 15 per cent per share after tax.

To sum up, we are moving into exciting times. Hexagon will grow rapidly, internationally and profitably. Within the framework of the new corporate structure, there is every potential for both organic growth and acquisitions.

Nacka Strand, March 2001

Ola Rollén
President and CEO



Group structure

History Hexagon was formed in 1992 when a consortium of principally private individuals acquired a major share holding in the then Stock Exchange listed company Eken Industri & Handel AB. Subsequently the name was changed to Hexagon.

Business concept During 2000, we have updated our successful business concept.

• Hexagon acquires and develops engineering companies with the long term ambition of positioning itself as number one or number two in its sector.

• Hexagon will dispose of buinesses where further improvements to operations in our ownership cannot, in the long term, give an increase in profit per share of at least 15 per cent after tax.

Financial objectives During the previous year, the following financial objectives have been established:

1. Positive cash flow over the business cycle. A strong, positive cash flow ensures that Hexagon has the freedom to expand rapidly and to make long-term commitments. The importance of this objective was made clear during the winter when many technology companies suffered financial difficulties and were obliged to change dramatically. Thanks to our cash flow, we can, for example, finance a long-term, profitable expansion of our Bluetooth company gigaAnt and subsequently reap the benefits of a strong position when the market is ready.

A strong cash flow also permits Hexagon's shareholders to run the Group with a lower level of equity ratio than if the cash flow were uncertain.

2. Return on capital employed greater than 15 per cent over the business cycle. This objective is a crucial yardstick for Hexagon when measuring the efficiency of operations. The return requirement reflects a risk-free interest of approx. 5 per cent and a risk premium of approx. 10 per cent.

3. Profit per share after tax to increase by at least 15 per cent per year. This is Hexagon's definition of growth. A powerful growth in earnings per share is the best guarantee that our owners will enjoy long-term favourable returns in an attractive company.

4. Equity ratio of between 25 and 35 per cent. This objective is flexible, just like the returns objective. Under the prevailing circumstances, there is no reason for Hexagon to have a higher equity ratio. According to the experts, the global economy will continue to keep inflation down during the next few years. Consequently, loans will be a cheaper source of finance than shareholders' equity.

Operative objectives In order to realise the financial objectives, they must be linked to operative objectives for business operations.

Hexagons operative objectives are:

1. To be number one or two in the sector. Most industrial operations are global. This implies that advantages of scale as well as relative competitiveness are more important than ever.

All of Hexagon's business areas strive to obtain these advantages and in doing so aim to become either "market leader" or "challenger".

2. To be the most cost-effecient in the sector. In order to be able to operate successfully, in the long term, a competitive cost structure is vital. Moreover, cost management is the best insurance against short-term fluctuations in demand and exchange rate relationships.

3. To be the innovator in the sector. To be the innovator implies assuming responsibility for developing the business sector. This takes place, partly internally, and partly together with our customers. It is a big responsibility, but it also means that we are in control of developments.

4. To have the best management in the sector. All of these objectives would be unattainable without skilled personnel running and realising these objectives on a daily basis. Hexagon has identified the labour market as a critical factor for long-term success. A problem we face today is that the baby-boomers of the forties who occupy leading positions today will be retiring within ten years. We realise that the ability to attract skilled personnel will be decisive for our future competitive edge.

Investment criteria It is our aim to ensure that Hexagon's business areas should have the following characteristics:

1. In-house manufacture, sales and R&D. Wherever possible, Hexagon wishes to conduct R&D-intensive operations to further develop existing or create new products or applications. These applications are then distributed through the Group's own production and distribution network.

2. End-user and/or OEM focussing. Hexagon's aim is to sell solutions to problems. When selling goods to end-users it is possible to put forward arguments for the efficiency gains achieved by your products. If you sell input goods to an OEM (Original Equipment Manufacturer), they must be so-called "critical key components". For example, Hexagon sells antennas to mobile telephone manufacturers. The antenna accounts for less than one per cent of the total cost of a telephone, but without the antenna the telephone is worthless.

3. Global potential. Hexagon aims to operate globally. By competing in a defined market niche on a global scale, Hexagon can maintain an overview of shifts in technology as well as business threats and opportunities.

4. Strong brand names. As with consumer products, it is vital to have a strong name when marketing industrial products. Hexagon aims to market its products with names with which the buyer is familiar.

5. Fragmented sectors. Hexagon's strategy is based on creating leading market players. If the market is fragmented, Hexagon can strengthen its position considerably by making supplementary acquisitions or contributing to restructuring within the sector.

6. Growth. Hexagon is constantly looking for growth, and employs all of the following growth strategies:

• *Existing products/Existing markets.* This is Hexagon's most important growth combination. It is created, on the one hand, by product modifications, but above all by acquiring competitors and rationalising the overall structure. In order to achieve growth within this combination, the operative objective of being "cost leader" is critical.

• *New products/Existing markets.* Through a strong R&D organisation, it is possible to improve a group's competitiveness. Market shares are thereby won by having a superior product range. This is an important strategy for a market leader. Our operative objective – to be "the innovator" in the sector is consistent with this growth strategy.

• *Existing products/New markets.* This expansion can be achieved either geographically, or through the introduction in a new application. The economic advantages of this strategy are almost as great as those within existing products/existing markets.

• *New products/New markets.* This, for Hexagon, means bringing wholly-new products to new customers. Naturally, such a policy means that the risk level is considerably higher. This growth strategy has been given the lowest priority for Hexagon.

7. A continuation – stage two. Hexagon never invests exclusively financially. Hexagon must have an operational plan for each investment defined by a number of phases. The plan typically consists of a combination of re-organisation, cost-cutting and expansion.

Hexagon Automation

Hexagon Engineering

Hexagon Wireless

Hexagon Metrology

Hexagon today The Group consists of four business areas. Each business area conducts its operations independently but also utilise the combined advantages of scale which exist in Hexagon within logistics, purchasing, economy/finance and overseas market establishment. The business areas are:

Hexagon Automation The base for this business area is Dacke Hydraulik, as well as the Nordic operations acquired from Sophus Berendsen. The business area will continue to expand geographically within after sales service and wind power markets. The turnover of the business area is approximated at SEK 2.2 billion.

Hexagon Engineering Three companies form the core of this business area: SwePart, Johnson Industries and Gislaved Gummi. Each company is a subcontract supplier of components and systems to OEM buyers. Hexagon Engineering has a number of interesting expansion projects which will lead to new structures and has a turnover of approx. SEK 2.1 billion.

Hexagon Wireless The objective of this business area is to strengthen Moteco's position as a leading supplier of antennas to mobile telephones. In addition, the intention is to position gigaAnt as one of the largest manufacturers of antennas for Bluetooth applications. The business area has a turnover of approx. MSEK 200.

Hexagon Metrology This business area will initially consist of Brown & Sharpe with the acquisition expected to be completed during the first quarter of 2001. The business area is expected to have a turnover of MUSD 290 (SEK 2.8 billion). The need for geometric metrology is increasing. At the same time, the sector is fragmented, and for this reason Hexagon sees good potential for expansion, both organically and via acquisitions.

Hexagon tomorrow Hexagon's vision is to create a profitable, global, growth-oriented engineering group which will persistently be able to increase post-tax profits per share by at least 15 per cent per year.

JACK BEAGLEY, PRESIDENT

“Everything to measure anything”. Practically every form of an object can be measured today. Computer-based software has opened up avenues to areas that were closed before. Brown & Sharpe have the size to cover all facets of metrology.

Hexagon Metrology

On 17 November 2000, Hexagon AB announced that the company had concluded an agreement with the Board of Directors of Brown & Sharpe Manufacturing Company (BNS) on the acquisition of the entire operations of the company within the area of metrology. The agreement was conditional on approval by BNS shareholders, in addition to the customary permission from the relevant competition authorities.

Metrology is defined as “the science of physically determining an object’s dimensions or form.” Early in the 1900s, this was done with simple gauge blocks. Since then, rapid progress has been made.

The market embraces everything from simple manual tools (Precision Measurement Instruments, PMI) to advanced coordinate measurement machines (CMM). A CMM consists of a platform against which the desired measurement object is fixed. The station consists of an arm on which a probe is attached. The probe reads off the object which is to be measured and transmits the signals to an advanced computer system where the configuration can either be compared with a drawing or be processed further. The mechanical parts and the probe are controlled by a control cabinet.

A global market There are no official statistics available for the metrology market. The figures in circulation are often produced at the request of an interested party within the industry. The total market is, however, usually estimated at approx. MUSD 1,500. BNS is not active throughout the entire market but has, with its turnover of approx. MUSD 300, achieved an average market share of approx. 25 per cent within the CMM sector. Competitors are Carl Zeiss, a similarly well-renowned manufacturer based in Germany, and Mitutoyo from Japan. Following these global players is a group of medium-sized companies with between two and five per cent of the world market. Among these are names such as Wenzel, LK Inc. and Giddings & Lewis Inc. The remaining roughly 25 per cent is distributed between 30 to 40 smaller, mostly local manufacturers. It is not uncommon to find the same players within PMI: Mitutoyo is the largest, followed by BNS with the trade marks Tesa, Roch and Mauser.

Global manufacture BNS is a well-established brand name within machine manufacture. For decades, the factory at North Kingstown, Rhode Island, constituted the base for manufacture of everything from advanced clocks to lathes and mills. During the end of the 1980s, metrology had moved into a dominant position in operations and BNS’ global market share was approx. ten per cent.

The 1990s was characterised by powerful expansion largely based on acquisition. First in line was Leitz located in Wezlar, Germany. Leitz is a prestige brand name in metrology whose origin comes from the Wildt group which also included the camera manufacturers Leica.

Within Leitz, the group’s most advanced CMMs have their own scanning probes and software. They are still being developed and manufactured.

In 1994, it was the turn of DEA, an Italian company which enjoyed a particularly strong position in the automotive industry with its so-called “sheet metal machines”. DEA still has the main responsibility within BNS for this type of equipment which includes simpler robot-like arms, as well as integrated, customised measurement lines. The latest special construction was a 34 meter long machine for BMW.

DEA in Turin, Italy and BNS’ factory in North Kingstown share the development and manufacture of the volume products within the so-called “bridge area”. The term “bridge” comes from the bridge-like construction in which the “probe” is fixed. Smaller bridge machines are manufactured at BNS’ joint ventures Precizikas (ownership holding 53 per cent) in Lithuania and Qingdao (ownership holding 65 per cent) in China. Both of these factories have a tradition within the development of measurement products, in addition to a highly competitive cost structure.

Within the PMI division, major changes were implemented during the past year. Three factories in the United Kingdom and one in France were closed or sold. In-house manufacture is now concentrated to two factories in Lausanne, Switzerland and one in Poughkeepsie, in the United States. Simpler products are manufactured by subcontract suppliers in Asia.

Slide callipers are also available digitalised today.

Metrology – not just machines

A gantry CMM for measuring large objects.

When a machine is delivered, a warranty undertaking is often included in the form of approved function, installation and training. These activities, as well as the upgrading of machines, new software or spare parts form the after sales market for CMMs. BNS offers its customers the largest network of customer service in the world. Customer service takes place in so-called "precision centra" where all types of service are housed under one roof. BNS also offers licences to independent agents to carry out customer service in its name. BNS will also take over and run the entire operation of a customer's metrology support: a trend that is growing in strength. At the present time, BNS has a score of "precision centra" throughout the world in an increasingly profitable after sales market.

Major investments in software

One of the demarcation lines between yesterday's machine manufacturers and today's/tomorrow's suppliers is the ability to develop and provide all-in solutions with associated software. At the present time, the market is divided between those customers who can manage with a simple, manual CMM and those who need access to more advanced measurements and statistics. At an early stage, BNS introduced a number of its own software programmes. The more advanced products from Leitz and DEA are available with customised software.

BNS is also behind PC Dmis, the software which has become something of a standard on the market. PC Dmis was developed by Wilcox and Associates, of which BNS owns 30 per cent. In addition to the ownership holding, BNS has the exclusive rights to market and sell the products. PC Dmis is sold both to BNS' own machines and to most of the competing makes.

As a development project, Hexagon AB has acquired 16.7 per cent (with an option to acquire additional holdings of up to 47 per cent) of BSIS. This company was previously an independent unit within the former Brown and Sharpe Manufacturing Company. The application which has been developed by BSIS is based on a so-called joint operative system which is used in measurement machines, as well as CAD/CAM and CNC machines. The vision is to create "windows" for the shop-floor.

In contrast to earlier systems, open architecture is employed which will accelerate standardisation and simplicity.

A profitable core business

When Hexagon placed its bid for BNS, the company was in default. Because of its weak earnings outcome, BNS had broken a number of the key stipulations which been set out with regard to the financing of the company. Theoretically, the lenders could immediately forerclose the loans and thereby place BNS in liquidation.

In recent years, group-wide costs also went through the roof. This is partly due to protracted and doubtful projects; excessively high costs were also a factor. Hexagon will halve the central costs of 1999. Two major restructuring measures have already involved large costs. One of these has, among other things, financed the restructuring of PMI; both BNS and Hexagon will benefit as a result.

The core activities within MS** and PMI have made a profit throughout the entire period described here. For the year 2000, Hexagon made the assessment that core activities could generate approx. MUSD 28-30.

The transaction

Hexagon acquires BSN's assets in the United States and shares in foreign subsidiaries. By this measure, Hexagon is discharged of any possible undertakings which maybe the result of ongoing or future litigation against the company in the United States.

The price of these assets was set at MUSD 160 plus a supplementary purchase price depending upon the earnings outcome for 2000. The revised earnings outcome gave a purchase price of MUSD 170.

The goodwill which occurs is, for the greater part, fiscally deductible. In order to pay for the acquisition, Hexagon has agreed on short-term financing. During the spring of 2001, a long-term financial solution will be put in place.

New organisation Hexagon is introducing a new matrix organisation within BNS. The purpose is to delegate earnings responsibility to units. Product line managers and regional managers are included in the steering group so that they can co-ordinate the local initiatives with central plans.

Lower costs Central costs will be halved during the year. A new, flatter organisation and focus on core business will create the right conditions for this reduction. These savings correspond to approx. MUSD 10 compared with the outcome in 1999.

Cost targets are also being applied in product lines and sales organisations. The foundation for a profitable expansion is built on a sound cost base. Manufacturing costs for the new Global™ bridge family are to be reduced by 20 per cent compared with manufacturing costs for today's machines. Component manufacture is to be put into effect where it is most efficient. Today, BNS has a position in China and one in Lithuania, which is unique for the sector.

Development, service and partnership

Local manufacturers can also assemble simple CMMs, but may never meet the skill requirement or presence which the major OEM buyers demand. BNS' development resources within the hardware sector (including the major drivers within software) amount to some 250-300 people. The local service organisations employ even more.

BNS will also develop partnerships with its most demanding customers, for the benefit of all categories of users. A separate move will also be initiated to expand the after sales service market concept. This can be achieved either internally or on a franchise basis. A correctly-managed after sales service business would mean considerable profit potential for both BNS and its customers.

Consolidation of the metrology sector

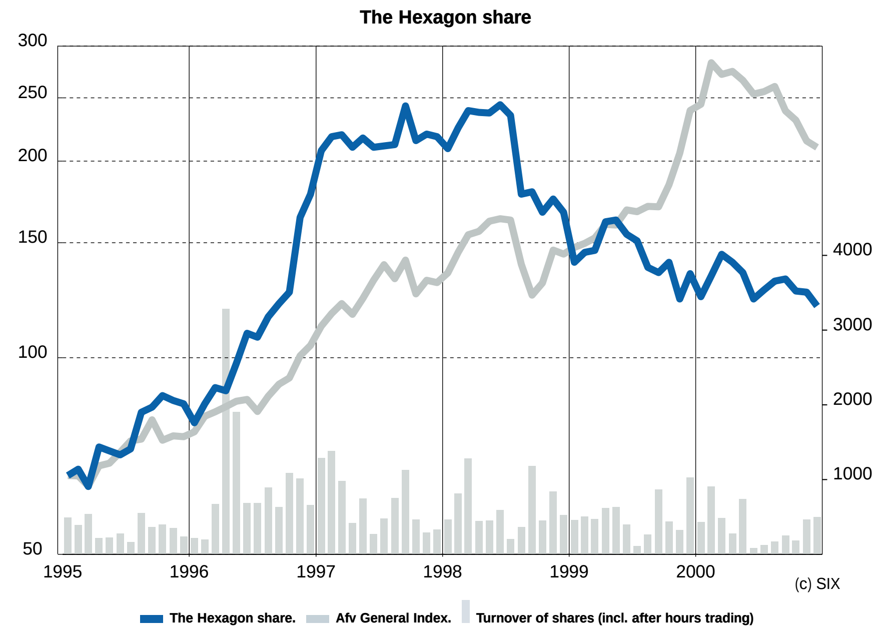
The growth rate for CMM machines is normally set at around five per cent. Hexagon has set the sights for BNS considerably higher than this. We believe that the concept which we are now launching has every potential to promote continued structuring of the market, where Brown & Sharpe will further strengthen its role as market leader not only in market share but also in profitability.

Profile machines for measuring round parts.

EARNINGS TRENDS BY BUSINESS AREA 1997-2000

Pre-tax earnings MUSD	MS/** PMI	Other areas	Inter Group	Re-Structuring	Pre-tax earnings Group
1997	25	-4	-12	-16	-7
1998	37	-9	-14	1	15
1999	25	-10	-19	-36	-40
2000 proforma*	28–30	-	-8–-10	-	18–22

*Hexagon's assessment of units taken over.
**MS relates to sales of CMM including associated after sales market.
As is apparent from the table, Other areas have taken major resources.
This includes inputs within electronics and turbine impellers, but also investments in BSIS.



The Hexagon share

OWNER RELATIONSHIPS

According to information from VPC, the number of shareholders at 31 December 2000 was 5,809.

The major owners	A	B	Percentage of share capital	Percentage of votes
Konverta/Mexab – Melker Schörling	840 000	2 591 842	23.2	49.2
Skrindan – Maths O Sundqvist		1 865 000	12.6	8.3
6:e AP-Fonden		1 538 000	10.4	6.9
Roburs Småbolagsfonder Sverige och Norden		754 300	5.1	3.4
Livförsäkrings AB Skandia		462 457	3.1	2.1
Metalworkers' Union		353 457	2.4	1.6
Simon Bonnier		291 000	2.0	1.3
Östersjöstiftelsen		255 600	1.7	1.1
	840 000	8 111 656	60.5	73.9

DEVELOPMENT OF SHARE CAPITAL

Year	Issues	Changes in number of shares	Number of shares	Capital Stock TSEK
1985			840 000	42 000
1986	Selective issue	6 800	846 800	42 340
1987	Selective issue	250 000	1 096 800	54 840
1988	Split 5:1	4 387 200	5 484 000	54 840
1988	New issue convertibles, new subscription to warrants	25 885	5 509 885	55 099
1989	New issue convertibles, new subscription to warrants	41 598	5 551 483	55 515
1990	New issue convertibles, new subscription to warrants	325 127	5 876 610	58 766
1991	New issue convertibles	206 666	6 083 276	60 833
1993	New issue with preferential rights	6 083 276	12 166 552	121 666
1994	Selective issue	1 408 448	13 575 000	135 750
1996	Selective issue	1 218 182	14 793 182	147 932

Shareholders' equity Hexagon's shareholders' equity totals MSEK 147.9 distributed between 840,000 series A shares and 13,953,182 series B shares.

Number of shares In total, there are 14,793,182 shares in the company. The series A share carries ten votes and the series B share one vote.

Market valuation The Hexagon share price fell by 10 per cent during 2000 compared with the General Index which fell by 12 per cent during the same period. The market valuation at the end of the year was MSEK 1,755 (1,982).

Liquidity in the share A total of 4,623,122 shares (6,114,554) changed hands at Stockholm Stock Exchange including post-reported transactions to a total value of MSEK 614 (875). Per day, an average of 18,400 (24,300) shares changed hands. One trading unit is 100 shares.

Shareholder structure On 31 December 2000, the number of shareholders was 5,809, compared with 6,987 on 31 December 1999. The proportion of foreign holding amounted at the turn of the year to 7 per cent (6). Institutional ownership was 31 per cent (38) of the total number of shares and 20 per cent (25) of the votes.

Dividend policy The Group's earnings growth and equity ratio will be critical for future dividends. The general basis of Board recommendations regarding dividend is that 25-35 per cent of the year's post-tax profits is to be allocated for dividend to the shareholders. The Board will recommend at the Annual General Meeting that a dividend of SEK 5.00 (5.00) per share be approved, which corresponds to MSEK 74.0 (74.0). The dividend constitutes 37 per cent (58) of the profit per share after full tax and 4.8 per cent (5.3) of the Group's shareholders' equity.

The Parent Company's unrestricted funds as at 31 December 2000 amounted to MSEK 703.4 once the year's proposed dividend of MSEK 74.0 has been deducted.

The dividend approved at the Annual General Meeting will be paid out via VPC to those shareholders who, on the day of record, are entered in the company's stock register.

The dividend is expected to be paid out by VPC on 15 May 2001, provided that the Board's proposal is accepted at the Annual General Meeting that 10 May 2001 is to be the record day.

KEY RATIOS

SEK/share	2000	1999	1998	1997	1996
Share price at date of closing	120	134	167	218	178
Visible shareholders' equity	103	95	92	82	67
Profit per share after full tax	13.57	8.61	13.83	13.80	12.72
Cash flow per share	25.59	16.29	24.60	22.78	19.40
Dividend	5.00*	5.00	5.00	5.00	4.00
Direct return (per cent)	4.2	3.7	3.0	2.3	2.2
Dividend proportion (per cent)	37	58	36	26	32
P/E ratio	8.8	15.6	12.1	15.8	14.0

*According to the proposal of the Board of Directors.

SHAREHOLDER STRUCTURE

Shares held	Number of owners	Number of shares	Share percentage
1 – 500	4 476	688 786	4.7
501 – 1 000	679	577 948	3.9
1 001 – 2 000	326	526 101	3.6
2 001 – 5 000	169	560 647	3.8
5 001 – 10 000	62	516 486	3.5
10 001 – 20 000	39	593 895	4.0
20 001 – 50 000	35	1123 303	7.6
50 001 – 100 000	7	510 710	3.4
100 001 –	16	9 695 306	65.5
	5 809	14 793 182	100.0

Five-year review

MSEK	2000	1999	1998	1997	1996
Income statement					
Total income	5 099	4 667	4 946	4 218	3 148
Operating earnings	267	209	333	325	273
Earnings after financial items	223	179	313	388	255
Of which non-recurring items	14	-	-	84	-
Earnings after tax	201	127	205	282	174
Balance sheet					
Current assets	2 001	1 570	1 826	1 577	1 441
Fixed assets	1 453	1 450	1 468	1 300	1 215
Noninterest-bearing liabilities and allocations	1 037	852	969	895	792
Interest-bearing liabilities and allocations	874	759	958	751	861
Minority interest	13	10	9	12	7
Shareholders' equity	1 530	1 399	1 358	1 219	996
Balance sheet total	3 454	3 020	3 294	2 877	2 656

Key ratios	2000	1999	1998	1997	1996
Growth in earnings per year (%)	9	- 6	17	34	21
Return on capital employed (%)	13	10	17	18*	25
Return on shareholders' equity (%)	14	9	16	18*	22
Visible equity ratio (%)	45	47	42	43	38
Percentage risk-bearing capital (%)	47	51	47	49	43
Interest coverage ratio (times)	4.4	4.5	6.6	8.7	8.6
Net indebtedness (times)	0.42	0.47	0.55	0.43	0.57
Cash flow (MSEK)	378	241	364	337	265
Investments (MSEK)	162	213	210	188	126
Earnings per share after full tax (SEK)	13.57	8.61	13.83	13.80*	12.72
Cash flow per share (SEK)	25.59	16.29	24.60	22.78	19.40
Visible shareholders' equity per share (SEK)	103	95	92	82	67
Market value year ending (SEK)	120	134	167	218	178
Average number of shares ('000)	14 793	14 793	14 793	14 793	13 676
Average no. of employees	4 078	3 656	3 568	3 001	2 315

*Excluding capital gains in connection with the listing of shares in Svedbergs.

Key ratio definitions

Growth in earnings per year
Change in total earnings compared with previous year

Capital employed
Balance sheet total less noninterest-bearing liabilities.

Return on capital employed
Earnings after financial items plus financial expenses as a percentage of average capital employed.

Return on shareholders' equity
Earnings as a percentage of average shareholders' equity.

Equity ratio
Shareholders' equity including minority interest as a percentage of the balance sheet total.

Percentage risk-bearing capital
Sum total of shareholders' equity plus deferred taxes and minority interest as a percentage of the balance sheet total.

Interest coverage ratio
Earnings after financial items plus financial expenses divided by financial expenses.

Net indebtedness
Interest-bearing liabilities minus liquid assets divided by shareholders' equity.

Cash flow
Cash flow from normal operations before changes in working capital and investments.

Investments
Investments in fixed assets excluding that supplied by corporate acquisitions.

Earnings per share after full tax
Year's earnings divided by average number of shares.

Cash flow per share
Cash flow from normal operations before changes in working capital divided by average number of shares.

Shareholders' equity per share
Accounted shareholders' equity divided by number of shares at year-ending.

Market value
Last close on the Stock Exchange.

Capital turnover rate
Year's invoicing divided by average shareholders' equity, or alternatively average capital employed.

Operating margin
Operating earnings as a percentage of year's invoicing.

Profit margin
Earnings after financial items as a percentage of annual invoiced sales.

Profit margin used in calculating return on capital employed
Earnings after financial items plus interest expenses as a percentage of annual invoiced sales.

Direct return
Dividend as a percentage of market value of the share.

Dividend proportion
Dividend divided by earnings per share after full tax.

P/E ratio
Market value at year-ending divided by earnings per share after full tax.

The Board of Directors and Chief Executive Officer of Hexagon AB (publ), company registration number 556190-4771, herewith submit the Annual Report and Consolidated Financial Statements for the fiscal year 2000.

Report of the Directors

Operations Hexagons' operations are divided into the following business areas: Hexagon Automation, Hexagon Engineering, Hexagon Wireless and Other operations.

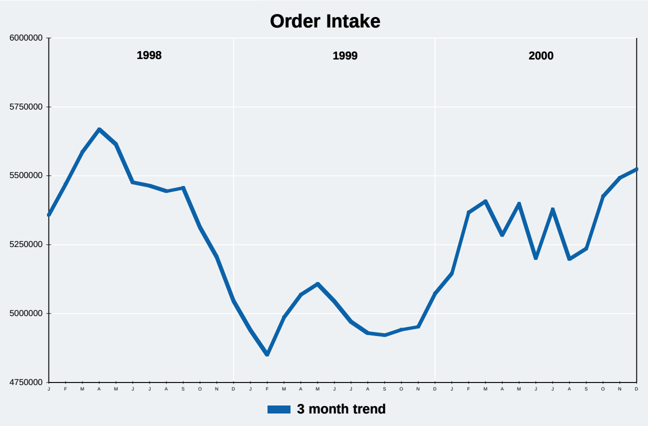
Acquisitions In accordance with the corporate strategy of growing in areas of priority, decisions were adopted during the year on the acquisition of three business operations. The acquisitions took place in the following chronological order:

In February, Nybro Stålprodukter within Johnson Industries acquired a minor company, Sweden Eurosteel AB, as a stage in developing e-commerce within the steel sector.

In March, Hydraul Syd within Dacke Hydraulik acquired a minor company, GL Hydraulik AB, focusing on service and maintenance of hydraulic components.

In June, Dacke Hydraulik acquired Berendsen PMC's hydraulic operations in the Nordic region. This group of companies has a turnover of approx. SEK 1.1 billion on a full year basis. The acquisition

Rubber gaskets
for heat exchangers.



positively affected Hexagons' earnings per share in 2000. The acquisition price was MSEK 178, which was below the shareholders' equity of the companies. The need for certain restructuring measures was identified on acquisition, where estimated costs were reserved in a restructuring reserve fund. Acquisition goodwill amounted to approx. MSEK 25. As a result of this acquisition, Dacke Hydraulik became the market leader within hydraulics in the Nordic region.

Divestitures In March, operations in AKA VVS AB were sold. During 1999, the turnover for this unit was MSEK 33.

Effective as of July 2000, Hexagon has sold the entire operation in Norfoods within the earlier business area of Industrial Food Technology, with a capital gains of MSEK 30.7.

Norfoods had a turnover of MSEK 837 and pre-tax earnings of MSEK 4.0 during 1999.

Group order intake Hexagon monitors the three-month order intake trend in a comparable structure and on a seasonally-adjusted, full year basis. The improvement in the order intake which became clear during the last quarter of 1999 has continued during 2000, as is apparent from the above diagram.

The order intake in reported structure increased by 9 per cent and amounted to MSEK 5,214 (4,766). In a comparable Group structure, the order intake was increased by 8 per cent.

Group invoiced sales Group invoiced sales amounted to MSEK 5,099 (4,667) an increase by 9 per cent. The figures are not fully comparable because of changes in the Group structure. In a comparable structure, invoiced sales increased by 7 per cent.

Of the Groups' invoiced sales, the Swedish companies account for 63 per cent (70), companies in other Nordic countries accounted for 31 per cent (25) and the rest of the world for 6 per cent (5). Direct exports from Swedish companies, and invoiced sales in overseas companies, together constitute 49 per cent (42) of the Group's total invoicing.

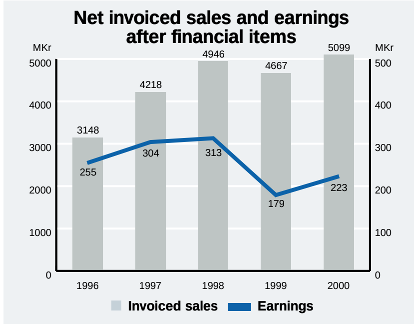
Operating earnings Operating earnings before depreciations (EBITDA) amounted to MSEK 469.8 (399.3), an increase of 18 per cent compared with 1999. The increase principally stems from improvements within existing operative units, favourable earnings outcome in acquired units, and the SPP's surplus of MSEK 73.6, which is reported as an incomparative item. EBITDA also includes MSEK 60.0 relocation costs for Moteco's production. The gross margin, calculated as earnings outcome before depreciations in relation to turnover, amounted to 9.2 per cent (8.6).

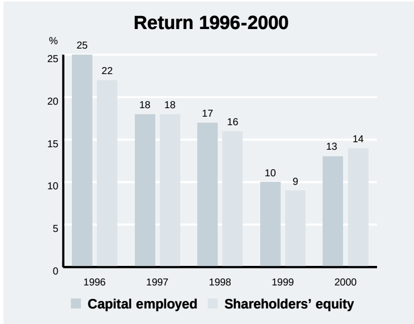
Group operating earnings before goodwill depreciations (EBITA) amounted to MSEK 307.6 (252.0), an increase of 22 per cent. The operating margin before goodwill depreciations amounted to 6.0 per cent (5.4).

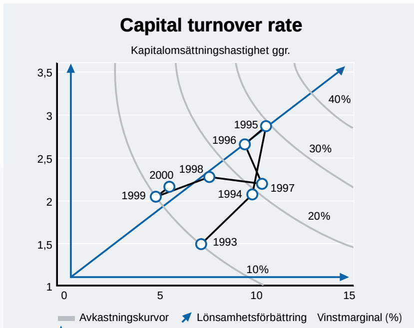
Goodwill depreciations amounted to MSEK 40.7 (42.8).

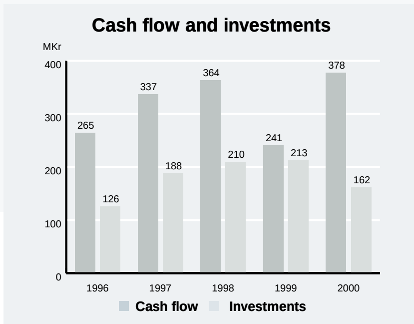
Group pre-tax earnings (EBT) rose to MSEK 223.2 (179.0). The profit margin defined as earnings before tax in relation to turnover amounted to 4.4 per cent (3.8).

Group taxes are considerably influenced by the fact that the Group utilised a loss deduction in the Swedish companies. The tax cost amounted to MSEK 19.0 (50.1) which constitutes 8.5 per cent (28.0) of earnings before tax. In total, roughly MSEK 312 of the group loss deduction was utilised.









The remaining loss deduction amounts to approx. MSEK 671.

Group profitability Return on average equity was 14 per cent (9).

The capital employed in the Group, defined as the balance sheet turnover less non-interest bearing liabilities, amounted to MSEK 2,417 (2,167). Return on average capital employed amounted to 13 per cent (10). The profit margin for calculating return on capital employed was 5.7 per cent (4.9). The capital turnover rate was 2.2 times (2.1). Over the last five years, the profit margin and capital turnover rate for capital employed has developed as follows:

1996	9.2 %	2.6
1997	10.4 %	2.2
1998	7.4 %	2.3
1999	4.9 %	2.1
2000	5.7 %	2.2

Profitability calculations are made on average capital.

The Group's financial position The Group's balance sheet total amounted to MSEK 3,454 (3,020). The increase is largely attributable to changed corporate structure.

The visible equity ratio amounted at 31 December 2000 to 45 per cent (47). The goal for the Group is that equity ratio should not fall below 25 per cent. The visible shareholders' equity was MSEK 1,530 (1,399). Group goodwill amounted at 31 December 2000 to MSEK 257 (321), which corresponds to 7 per cent (11) of Balance Sheet total and 17 per cent (23) of visible shareholders' equity.

Goodwill refers to the following operations (MSEK):

Tecla (formerly AKA)	86
Dacke Hydraulik	46
Gustaf Fagerberg	19
Gislaved Gummi	16
Johnson Industries	43
SwePart	46
Others	1
Total	257

Precision-cast gear wheel
for heavy duty vehicle.

Liquid assets, including unutilised overdraft facilities, amounted to MSEK 424 (322). Net debt in the group was MSEK 639 (652) and the net indebtedness ratio was 0.42 times (0.47). Interest coverage ratio was 4.4 times (4.5).

Group investments The groups' investments in fixed assets amounted to MSEK 162 (213) and sales of fixed assets took place at MSEK 12 (43). In addition, shares in affiliates have been acquired at MSEK 0 (7), as well as acquisition of other shares at MSEK 5 (0).

The major proportion of investments in fixed assets relates to capacity-increasing equipment to the workshop engineering-related companies.

Total depreciations during 2000 were MSEK 203 (190).

Group cash flow Cash flow from normal operations before changes in working capital amounted to MSEK 378.6 (241.0) which corresponds to SEK 25.59 per share (16.29). This increase is principally explained by the higher operating earnings outcome.

The cash flow effect from operating capital changes deteriorated to MSEK -106.9 (96.8). The increased group invoicing has entailed increased needs for operating capital. The operative cash flow amounted to MSEK 122.4 (168.2).

New loans have been taken at MSEK 36.7. In the previous year, amortisations were made at MSEK 117.5.

The dividend to the shareholders in respect of the fiscal year 1999 amounted to MSEK 74.0 (74.0) which corresponded to SEK 5.00 per share (5.00).

The years' cash flow consequently amounted to MSEK 87.1 (-102.9).

Business areas Invoicing within the business area *Hexagon Automation* amounted to MSEK 1,214 (533). The order intake increased to MSEK 1,206 (539). In a comparable structure, invoicing rose by 5 per cent and order intake by 6 per cent. Earnings outcome excluding SPP funds increased by 95 per cent and amounted to MSEK 55.0 (28.2). On 13 June 2000, Berendsen PMC Norden was acquired and is included in the accounts from that date. The integration process of the acquired Berendsen companies is running according to plan.

NET TURNOVER AND EARNINGS INCLUDING DISTRIBUTED GOODWILL DEPRECIATIONS BY BUSINESS AREA (business areas reported with operating earnings excluding SPP funds and other incomparative items)

	Net turnover		Earnings	
	2000	**1999**	**2000**	**1999**
Hexagon Automation	1 214	533	55.0	28.2
Hexagon Engineering	2 195	1 878	132.7	114.8
Hexagon Wireless	206	216	-11.1	1.3
Other operations	1 512	2 064	80.2	68.3
Capital gains outcome			18.6	14.9
Incomparative items			13.6	-
Financial items			-43.7	-30.2
Group adjustments and Parent Company	-28	-24	-22.1	-18.3
	5 099	4 667	223.2	179.0

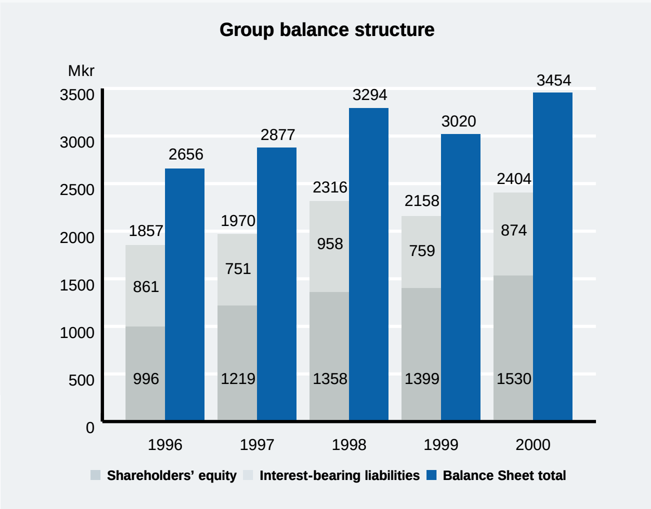
Invoiced sales within the business area *Hexagon Engineering* increased by 17 per cent to MSEK 2,195 (1,878). The order intake rose by 15 per cent to MSEK 2,228 (1,932). Earnings outcome excluding SPP funds increased by 16 per cent to MSEK 132.7 (114.8). After the end of the period, Johnson Metal Bearing Components has been disposed of. This disinvestment is expected to have a favourable effect on the earnings outcome in the present year. Gislaved Gummi and SwePart saw a powerful increase in earnings outcome, while Johnson Industries' profits were halved.

Invoiced sales in the business area *Hexagon Wireless* fell to MSEK 206 (216) and earnings outcome excluding SPP funds and restructuring costs deteriorated to MSEK -11.1 (1.3).

During the year, the subsidiary gigaAnt AB was started, geared to antenna solutions for Bluetooth. Invoiced sales in this unit amounted to MSEK 0.8 (0) and earnings outcome, which is proceeding according to plan, was MSEK -13.6 (0).

In Moteco AB, which manufactures antennas for mobile telephones, the order intake fell by 6 per cent compared with the previous year. Invoiced sales were 5 per cent down, because of relocation and closure of major customer projects. During the fourth quarter, Moteco's invoicing was 4 per cent better than during the same period in the previous year. The earnings outcome, before SPP funds and restructuring costs for the fourth quarter, was MSEK 5.3, the full year outcome was MSEK 2.5 (1.3). At the beginning of 2001, Hexagon Wireless decided to relocate all Moteco's production from Sweden to the factories in Asia. The restructuring costs for the relocation of MSEK 60 will be charged to the fourth quarter. Savings amount to approx. MSEK 45 per year and will reach full effect during the second half of 2001.

Under *Other operations*, reports are presented of Norfoods which was



disposed of during 2000, as well as the companies Tecla (formerly AKA) and Fagerberg which were disposed of early in 2001.

The development of Tecla and Fagerberg has been favourable during 2000. The order intake surged steeply during the end of the year and earnings outcome in these companies improved compared with the previous year.

The affiliate VBG AB contributes to Hexagon's earnings in accordance with the equity method of MSEK 23.7 (25.6).

The parent company The earnings of the Parent Company after financial items amounted to MSEK 214.8 (141.3). The equity ratio in the Parent Company was 50 per cent (56). Visible shareholders' equity, including the capital proportion of untaxed reserves amounted to MSEK 1,360 (1,226). Liquid assets, including unused overdraft facilities, amounted to MSEK 211 (172). During the period, the Parent Company has acquired shares for MSEK 5 (0).

Workforce The average number of employees has risen to 4,078 (3,656), principally because of Dacke's acquisition of the Berendsen companies.

The work of the Board of Directors

The Board of Directors decides on the Group's overriding strategy, major acquisitions and disinvestments. Otherwise, the Board of Directors is responsible for the Group's organisation and administration in compliance with the provisions of the Swedish Companies Act.

During 2000, a revised working arrangement and instruction was adopted by the Board. This governs, among other things, the number of Board meetings during a financial year, invitations to attend, matters which are to be submitted to the Board, agendas, instructions to the CEO, financial reports and the duties of the Chairman.

The Board consists of six members and meets at least five times a year. During 2000, twelve minuted Board meetings have been held, including constitutory meeting.

The auditors participate in the annual accounts meeting of the Board.

Environmental effects Six Swedish subsidiaries of the Group conduct operations requiring permission according to the Swedish Environmental Code. The relevant effects on the environment are noise pollution, as well as emissions into the air and waterways. In 1996, Hexagon decided that all Group companies were to be certified or registered in compliance with EMAS at the end of 2000. All companies apart from one have reached this goal. The remaining company will be certified during 2001. The follow-up audits of the environmental work which were carried out during the year have confirmed that the companies live up to its documented undertakings.

Events after the end of the fiscal year

In mid-February 2001, an agreement was reached on the sale of the major proportion of Tecla/Fagerberg to Indutrade AB. Four companies: IP Produkter, A-Filter, Roto Sieve Filter AB and Carl Lidén AB, will remain in the Group as part of the Hexagon Automation business area. The price of MSEK 270 gives a capital gains of approx. MSEK 20. This sale was a step in creating a focus around an engineering core-business in Hexagon.

At the same time, an agreement was reached with the management of Johnson Metal Bearing Components A/S in Norway to dispose of these operations. The company, which had a turnover of approx. MNOK 149, made heavy losses during 2000.
A depreciation of the value of that company was made in the final accounts at 31 December 2000 at an amount of MSEK 14.4. The disinvestment is expected to have a favourable effect on the earnings outcome in Johnson Industries.

In November 2000, Hexagon made a bid for Brown & Sharpe's metrology operations which have an estimated turnover of SEK 3 billion. The price is expected to be MUSD 170. The timing of the takeover is dependent on an approval by SEC (the Securities and Exchange Commission). The transaction is expected to be finalised at the end of March. Preparations of the different aspects of the acquisition have continued throughout 2001.

Early in January, the Board of Moteco decided to relocate production of mobile telephone antennas to the company's factories in Asia, and to close the production unit in Ruda. The costs for this relocation were included in the closing accounts at 31 December 2000.

Expected future trends The restructuring of the Group will continue, the objective being to reduce the number of strategic operations and thereby release capital to create a profitable, international, growth-oriented industrial Group. The acquisition of Brown & Sharpe fits neatly into this picture.

A slow down in the economy during the present year appears likely. However, the hope is that growth will improve towards the end of 2001.

Proposed allocation of profits

The unrestricted shareholders' equity of the Group amounts, according to the Consolidated Balance Sheet, to TSEK 834 308. No allocations to restricted reserves are required in the Group. The following profits in the Parent Company are at the disposal of the Annual General Meeting:

	TSEK
Profits brought forward from previous year	558 269
Group contribution net after tax	-8 133
Net earnings for the year	227 255
Total	777 391

The Board of Directors and the CEO propose that these profits be allocated such:

That a dividend of 5 SEK per share be paid to the shareholders	73 965
That the remaining profits be carried forward in a new Balance Sheet	703 426
Total	777 391

Welding of body parts intended as spares.

In terms of finance, Hexagon's operations involve risks such as currency translation risks, interest risks, borrowing risks and credit risks. Hexagon's operative subsidiaries have full responsibility for their local financial exposure. We co-ordinate currency and interest exposure centrally, as well as the majority of external and internal financing via the Group's internal bank. Guidelines for handling financial exposure are laid down by the Board in a Group-wide finance policy. Currency exposure is defined, exemplified and quantified below with respect to transaction exposure and translation exposure, as well as interest exposure for the Group.

Financial Exposure and Instruments

Transaction exposure The transaction exposure for Hexagon relates to currency exposure which principally is a result of the subsidiaries' international trade and, in particular, imports of finished goods and input goods in production. The earnings in overseas subsidiaries are also defined as transaction exposure. Fluctuations in exchange rates affect the earnings of the Group and the finance policy dictates hedging measures for an average of 50 per cent of coming twelve month exposure.

Roughly 53 per cent (59) of the total direct invoicing of the Hexagon Group goes to customers in Sweden. Invoicing in overseas subsidiaries amounts to MSEK 1,864 (1,481) or 37 per cent (30). Of total invoicing, only MSEK 398 (200) or 8 per cent (4) is directly exposed against other currencies than the local currency (Table 2).

Of the Group companies' purchases via imports (a total of MSEK 1,715), MSEK 301 relates to purchases in the country's own currency. The remaining MSEK 1,413 relates to purchases in other currencies (Table 3).

Table 1 Sales – distribution by country

MSEK	
Sweden	2 706
Finland	835
Denmark	430
Norway	397
Germany	249
United Kingdom	55
Rest of Europe	190
North America	113
South America	1
Asia	116
Australia	7
Total	5 099

Table 2 Sales – exposed to other currencies than the local currency

MSEK	
EUR	170
USD	114
DKK	24
CAD	10
Others	80
Total	398

Table 3 Purchases – distribution of purchases in other currency than the local currency

MSEK	
EUR	765
USD	59
GBP	154
SEK	33
Others	402
Total	1 413

Table 4 Earnings after financial items in the overseas subsidiaries

MSEK	2000	1999
Finland	56	29
Denmark	-6	-5
Norway	1	3
Germany	7	8
Sri Lanka	8	6
Poland	-	-2
USA	-6	-9
Malaysia	4	-
China	14	8
Others	0	0
Total	78	38

Earnings after financial items in the overseas subsidiaries amounts to MSEK 78 (38), which corresponds to 35 per cent (21) of Hexagon's consolidated earnings (Table 4).

Fluctuations in rates of exchange during the year have influenced earnings for the Group when the earnings of the overseas subsidiaries are converted into Swedish krona, at an amount of MSEK –0.8 (0.2).

Transaction exposure is hedged via forward contracts and, to a great extent, via currency clauses in commercial contracts and price lists. At 31 December 2000, there were forward contracts to a net value of MSEK 10 with an average life of approx. 1 month hedged via the internal bank. The hedging measures principally relate to the Euro against the Swedish krona and the earnings effect in the contracts amounted to MSEK 0.3

Translation exposure The Group's finance policy lays down that the effects of exchange rate fluctuations on shareholders' equity are to be reduced by hedging by taking loans or forward contracts in the currency of the net assets. The net assets, in other words the shareholders' equity of overseas subsidiaries plus goodwill in foreign currency, amounts to MSEK 516 (375) translated into Swedish kronor (Table 5). Loans in foreign currency and the value of forward contracts to balance these assets amount at 31 December 2000 to MSEK 310.

Interest exposure The term interest risks signifies the risk of negative influence on Group earnings by changes in market interest rates. The Group's interest risks are handled by the Parent Company. Interest risks arise essentially as a consequence of Group borrowing. Standardised derivate instruments are employed to control interest exposure, for example by extending or shortening the average interest binding period without renegotiating the basic loan.

At December 2000, the Group's interest-bearing liabilities amounted to MSEK 873 (759) (Table 6 and 7).

Interest binding on outstanding long- and short-term loans was on average 3.6 months (11.1) at an average interest rate of 5.6 per cent (4.5). At 31 December, MSEK 8 (45) had been utilised of existing overdraft facilities at an average interest of 7.5 per cent (5.3).

Borrowing risk/solvency Relates to the risk that Hexagon cannot meet the requirements for outside capital. In order to ensure these needs, not only a strong financial position is needed in the Group, but also active measures to ensure access to external credits.

In December 1997, Hexagon signed a five-year syndicated loan of MUSD 150. At 31 December 2000, MUSD 75, corresponding to approx. MSEK 712, was unutilised of the original loan ceiling. The unutilised part of all loans, together with existing liquidity and unutilised overdraft facilities, means that solvency is approx. SEK 1.4 billion in Hexagon, which is approx. 41 per cent of the Balance Sheet total.

In connection with the bid for Brown & Sharpe, an agreement was reached on a short-term financial solution of a maximum of MUSD 270 in order to bridge the time until a long-term financial structure, in the form of a new syndicated loan, is in place.

Hexagon's objective is to have liquidity including pledged credits which correspond to at least 15 per cent of the Balance Sheet total.

Credit risks Credit risks are related to the credit rating of the counterparty and may be reduced by an assessment of the solvency of the customers. The routines of the subsidiaries in this respect are an active part of the sales process.

The Group's accounts receivable amounted at 31 December 2000 to MSEK 751 (644). The average credit period for accounts receivable was 39 days (41).

Table 5 Net assets – distribution by currency

	MSEK	Hedging %
EUR	294	81%
NOK	127	50%
LKR	83	0%
Others	12	-
Total	516	60%

Table 6 Group interest bearing liabilities at 31 December 2000

MSEK	2000	1999
Pension liabilities	68	83
Long term loans	756	493
Short term loans	37	135
Overdraft facilities	8	45
Other liabilities	4	3
Total	873	759

Table 7 Interest bearing liabilities – distribution by currency

MSEK	
SEK	234
EUR	387
DKK	124
NOK	88
USD	32
Others	8
Total	873

Börje Vernet, President

Hexagon Automation

	2000	1999
Invoiced sales	1 214	533
Operating earnings	55.0	28.2
Capital employed	576	181
Return on capital employed	15.4%	17.5%

Through the acquisition of Berendsen PMC Nordic, the business area has considerably strengthened its position in hydraulics within the Nordic region. By working on strengthening the companies locally, concentrating on after sales service and an increased internationalisation, Hexagon Automation will further strengthen its position as a leading player in this sector.

Three companies were included in the earlier Industrial Components and Systems business area: Tecla AB (formerly AKA Industriprodukter AB), Dacke Hydraulik AB and Gustaf Fagerberg Holding AB. A common denominator was that these companies were technology trading companies with sales of components, systems and service. Dacke Hydraulik also has some degree of production.

In order to concentrate resources, Hexagon decided to focus on the hydraulics sector and dispose of the operations within Tecla and Fagerberg. During February 2001, an agreement was signed between Hexagon and Indutrade AB on a transfer of the major part of Tecla/Fagerberg. Four remaining companies will belong to Hexagon Automation.

Hexagon Automation

Dacke Hydraulik AB Over a number of years, Dacke Hydraulik has built up a leading position in the Nordic region with Sweden as a base. With the acquisition of Berendsen PMC Nordic, the local presence has been considerably strengthened within the Nordic countries.

The company's basic strategy is to sell in-house products parallel with agency operations for numerous well-known brand names; to design and supply system solutions and to develop a service concept based on the Dacke group's unique application skills.

Operations are being developed on a regional level and links are being forged even more closely with local customers. Simultaneously, the combined strength makes it easier to join certain customers' international expansion.

The old Dacke organisation had operations through nine subsidiaries and a presence in nineteen locations throughout Sweden and four in Norway.

During the spring, negotiations commenced with the Danish Group Sophus Berendsen A/S relating to an acquisition of the company's Nordic operations grouped under the name of Berendsen PMC (Power and Motion Control). These operations were taken over in June. Turnover in the acquired parts amounted to approx. SEK 1.1 billion annually and the total workforce was around 800.

Earnings for the Berendsen companies during 2000 have exceeded expectations. The new Dacke organisation achieved an invoiced sales level of MSEK 1,214 (533). Earnings outcome rose to MSEK 55 (28). On a full year basis, the turnover is now roughly SEK 1.9 billion.

Sweden Dacke has previously manufactured hydraulic cylinders and advanced systems through three companies: CA–Verken, Vaggeryds Hydraulik and Hällaryds Hydraulik.

Gustaf Terling, Hydraulik Leverantören and Sweden Hydro Tools are all specialised engineering companies which work nation-wide (and to some degree internationally) on the basis of their respective areas of competence.

Hydraul Syd and INAB are also advanced engineering companies but play a more regional role. During the year, Hydraul Syd acquired a service company, GL Hydraulik & Svets, and has also taken over Berendsen PMC's Gothenburg branch. INAB have also successfully integrated Berendsen PMC's Borlänge branch.

The remaining Berendsen PMC operations in Stockholm have been reorganised into the Hydronova company focusing on OEM customers and distributors.

Norway The Dacke company Hydronic conducts operations at four places and focuses on the offshore industry.

In 2000, Berendsen PMC Norge had a turnover of MNOK 265. The company has changed name to Servi Motion Control AS. This company is also actively engaged in the offshore market and, towards the end of 2000, saw a powerful increase in the order intake.

Both companies are well equipped to meet the improving economic climate within the offshore industry.

Denmark Dacke did not previously have any operations in Denmark. On the other hand, Berendsen PMC is both a distributor and manufacturer of equipment for wind power mills. Operations are located in Copenhagen. Berendsen PMC has been reformed into PMC Technology A/S. The company has a leading position as a supplier of hydraulics and transmission equipment for the wind power industry, with a turnover of MDKK 222.

In addition to PMC Technology A/S, Dacke also acquired System Teknik A/S. This company focuses on electronic and control equipment.

Finland Berendsen PMC Finland, now reorganised as Polarteknik PMC OY, is market leader in Finland with a turnover of MFIM 331.

In addition to local engineering operations and distribution, the company conducts cylinder manufacture in Nastola and manufacture of pneumatic components and systems in Huittinen. Moreover, Polarteknik has six local service centres throughout the whole of Finland. The company's largest customer groups are within the paper and pulp industry, as well as manufacturers of machinery to this industry.

Operations have been established in both Estonia and Latvia.

The future The future strategy for Hexagon Automation can be outlined as follows:

• *Strengthen the local positions.* The hydraulics market is a mature sector of industry with low organic growth. In order to achieve the development that Hexagon's growth targets demand, expansion will partly be through acquisitions. There are many smaller/medium-sized companies within this sector. By themselves, they find it difficult to meet the requirements of an increasingly changing global economy. In this scenario, Hexagon Automation's commercial concept fits in where the workforce is cared for and developed at the same time as the individual companies are allowed to maintain their independence. Parallel with this, resources can be transferred between the different units. As a result, the companies benefit from economies of scale as provided by a large organisation.

• *Develop a new service concept for hydraulics.* A number of Automation's companies conduct some form of service operations. Several customer groups demand a more concerted input in both maintenance and technology development. As a result, Automation will develop a concept for this type of service and gradually offer it to the market.

• *Increase internationalisation.* So far, Hexagon Automation has mainly been active within the Nordic region. Increasingly, Automation will accompany its customers abroad by offering cutting edge competence within certain niche markets such as wind power.

Torbjörn Wistrand, President

Johnson Industries AB
SwePart AB

Lars Olofsson, President

Gislaved Gummi AB

	2000	1999
Invoiced sales	2 195	1 878
Operating earnings	132.7	114.8
Capital employed	988	1 070
Return on capital employed	13.5%	11.4%

Hexagon Engineering

This business area consists of Gislaved Gummi, SwePart and Johnson Industries – all specialists within the manufacture of products for the engineering industry. The companies have a strong market position within their respective niches. The products are either developed in-house or produced in close co-operation with customers. The growing trend towards outsourcing gives these companies increasing market potential.

Hexagon Engineering was formed to make use of the Group's specialist skills as subcontract suppliers of components and systems to the engineering industry. This market will grow rapidly as customers are out-sourcing production to an ever increasing extent. The business area initially consists of the companies Gislaved Gummi AB, SwePart AB and Johnson Industries AB. These engineering companies are specialists within different application areas, such as rubber gaskets for plate heat exchangers; gear wheels in transmission systems; tools for pressing sheet metal; brass castings for manufacturers of light fittings, as well as sliding bearings in bronze.

The year 2000 During the year, operations have developed in a favourable manner and volume growth has been powerful in all companies. Gislaved Gummi has increased invoiced sales by 16 per cent, SwePart by 26 per cent and Johnson Industries by 9 per cent compared with the previous year. Profitability trends have also been strong in Gislaved Gummi and SwePart. On the other hand, Johnson Industries was in focus during the year for breaking the negative earnings curve which the Group had experienced since the earnings peak in 1998. During 2001, the measures implemented are expected to give the desired results. As one phase in this process, the Norwegian subsidiary Johnson Metal Bearing Components was disposed of early in 2001. The company lost approx. MNOK 14 during 2000.

During 2000, the order intake level has been high, partly because of the generally healthy economic climate in precision engineering, but also thanks to increased market shares. Market resources have been strengthened during the year, but primarily to increase the companies' international presence. New key orders have been signed for compounds for the cable industry; tools for the demanding German automotive industry; components for industrial robots and pressed sheet metal parts for the after sales service market for vehicles.

Commercial development Within product and process development, resources have been strengthened in order to be able to meet future product demands and maintain cost-efficient production. Gislaved has developed new rubber compounds for even more stringent environmental requirements and new materials for gaskets for heat exchangers. SwePart was awarded a project for developing precision gears for industrial robots. SwePart has signed licence agreements for a wheel-adjustment design with Dana, Brazil, for the South American heavy duty vehicle industry.

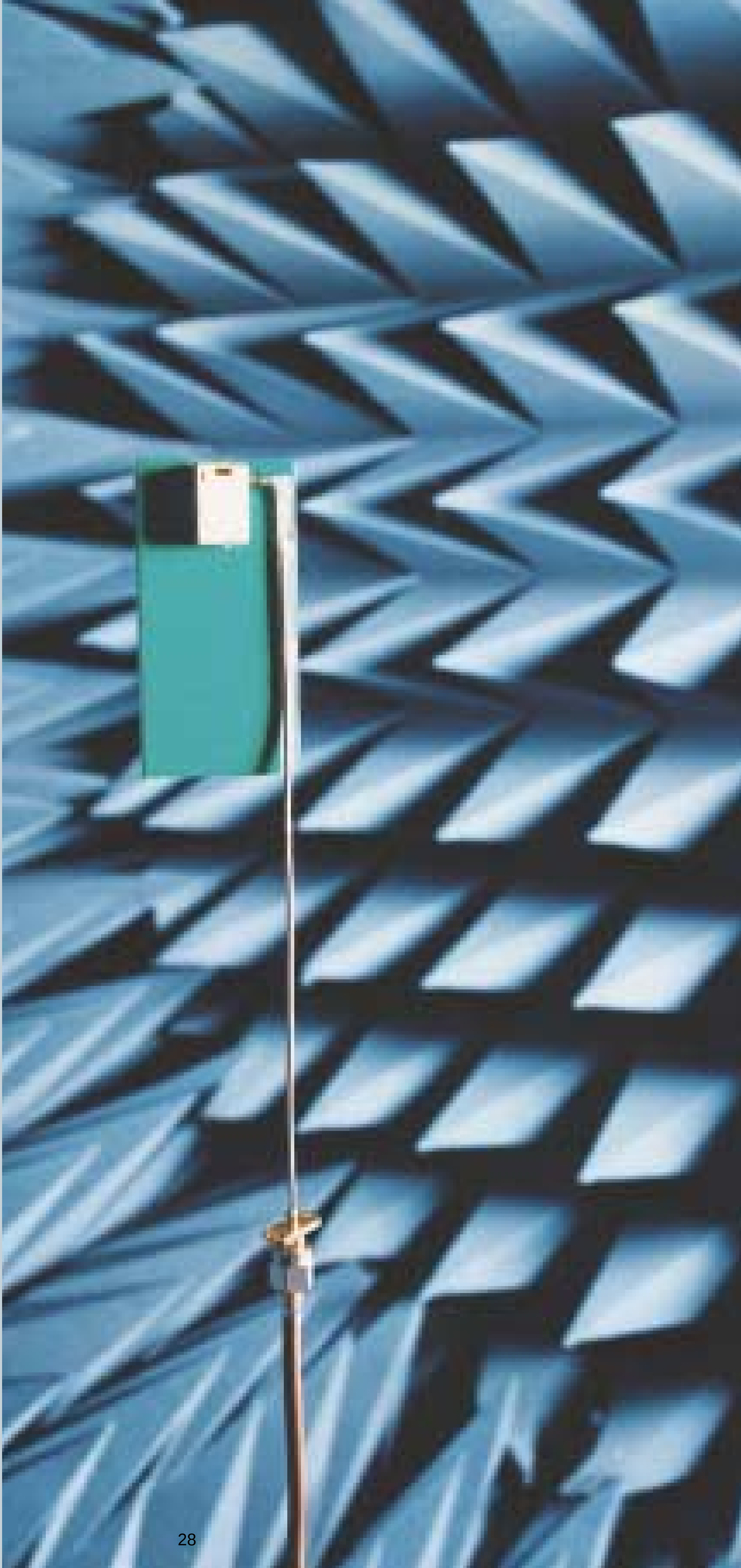
Investments The rate of investment continues to be high within this business area. Modernisation of machines for cutting processing has been in progress for a few years. Investments made in the SwePart companies have produced extremely good results in efficiency, quality and dependability of delivery. The different customer segments of interest to the business area are very demanding. A crucial requirement is a high level of dependability in delivery. Today, many of Hexagon Engineering's companies deliver with 100 per cent reliability. EBP i Olofström AB has invested in a new paint plant for sheet metal parts. The start-up of this unit has gone wholly according to plan and contributed to the doubled turnover during the year. Gislaved continues its modernisation of presses for heat exchanger gaskets, and a new line has been brought on stream for the production of profiles. In Sri Lanka, investments have been made in order to shorten lead times in the manufacture of rubber profiles for heat exchangers.

The future Hexagon Engineering will focus its resources on dominating certain niche markets where the Group can fill the role as a qualified partner to major OEM purchasers. These are now transfering their resources from production to marketing. Among other activities, Hexagon Engineering's EBP subsidiary has taken over Volvo's production of spare parts for motor cars that are no longer in regular production.

Morten Smedstad, President

Hexagon Wireless

	2000	1999
Invoiced sales	206	216
Operating earnings	-11.1	1.3
Capital employed	126	113
Return on capital employed	neg	2.2%



This business area includes Moteco which develops, markets and manufactures antenna systems for mobile telephones. Early in 2000, gigaAnt AB was formed in order to benefit from the major potential which has been identified for wireless short wave communication: the so-called Bluetooth technology. The market for these types of product is expected to show powerful growth over the next few years.

Hexagon Wireless

During 2000, Hexagon Wireless was established, a business area within wireless communications. Operations are conducted by Moteco AB with subsidiaries in China, Malaysia and Singapore, as well as by gigaAnt AB.

Hexagon Wireless focuses on antennas and antenna systems for mobile telephones and Bluetooth applications.

Moteco AB – Sweden During the year, R&D resources have been strengthened and centered at the head office in Lund. Competence has been added within the areas of radio frequency engineering, mechanics, design and construction, as well as in project management.

This reinforcement of resources reflects the market's extremely rapid growth, as well as increased technical demands on the next generation's mobile telephone antennas.

Early in 2001, the Board of Moteco decided to commence negotiations under the Industrial Co-determination Act on the closure of operations in Ruda, in order to concentrate production in the Asian units.

Changes in the needs and demands of the market meant that the Ruda unit is no longer competitive. Manufacturers of mobile telephones are increasing in number and, moreover, every producer launches a greater number of models with steadily shorter service life. Set against this background, it will be more difficult to achieve cost-efficiency through fully automated production. The trend is crystal clear, and an increasing number of mobile telephones are being manufactured in Asia. Moteco's previously established strategy of starting production of antennas there remains in place and is to be developed further.

China Operations in China have developed extremely favourably during the year. Several local mobile telephone manufacturers have certified Moteco as supplier and cooperation partner. At present, the degree of penetration for mobile telephone technology in China is very low. Given the market's growth potential, it is a strategic move to be able, at an early stage, to deliver to the local producers. Presently, there are twelve local companies licenced for the production of mobile telephones. Most of the international mobile telephone companies have a presence in China. Invoiced sales amounted to MSEK 24 (14) and the workforce was 91 (58).

Malaysia Early in 2000, a decision was taken to establish production in Malaysia. A new factory was built in Johor Bahru, close to the border with Singapore. In August, the first antennas were manufactured for delivery to customers in Asia and Europe. Today, the workforce numbers 100. The company's rapid development confirms the importance of having a presence with production in south-east Asia.

Singapore As a result of the concentration of production and development of mobile telephone systems in Asia, Moteco is opening an Application and Support Center in Singapore. The development of this centre is proceeding with resources in marketing, RF technology and project planning.

Invoiced sales for Moteco amounted to MSEK 206 (MSEK 216) and earnings amounted to MSEK 2.5 (1.3).

gigaAnt AB Early in 2000, gigaAnt was formed to address the highly attractive potential for wireless short wave communication. The purpose of gigaAnt AB is to provide adapted antenna solutions in the global market for wireless short wave communication. Wireless communication will revolutionise data transfer throughout the world. The need for antenna technology and products is a key part of the development in wireless applications, which is the background to gigaAnt's commercial concept.

In December 2000, gigaAnt AB, as the first supplier of antennas in Europe, became certified as a Bluetooth solution provider by Ericsson Microelectronics. In the same month, gigaAnt's antennas were tested and approved by the market's classification society.

Development has resulted in a new antenna concept where the new products fit into applications of limited size. Production is expected to start during the first quarter of 2001.

From the moment the company was founded, great efforts were made to launch the brand name globally. During the second half of 2000, gigaAnt was on site at all major Bluetooth conferences and computer fairs, both in Europe, Asia and in the United States. This has resulted in a number of new customer contacts being established with leading companies within the electronics industry.

In order to optimise and increase customer support in North America and Asia, customer centres have been established, and these are expected to be running during the first half of 2001.

gigaAnt AB has local resources in North America and Asia to increase customer support there.

The introduction of new chips and further development of software for Bluetooth applications has moved more slowly than expected, and, as a result, delayed the roll out of products. These obstacles are expected to be overcome during the second half of 2001.

Other operations

This business area includes Norfoods for the period January – June. Norfoods was sold to the private equity fund Segulah II with effect from the last day of June 2000. Tecla (formerly AKA Industriprodukter) and Gustaf Fagerberg are included in full year figures. The major parts of these company groups were sold to Indutrade AB during February this year for MSEK 270. Hexagon retains four companies from Tecla and Fagerberg in its ownership holding. These remaining units will be organised as a filter division within Hexagon Automation during 2001. The holding in VBG AB is reported in accordance with the equity method under this section.

Norfoods Norfood's commercial concept was, with a Nordic base, to meet the raw materials, ingredients and packaging needs of the food and pharmaceutical industries. During the period January – June, invoiced sales amounted to MSEK 379 compared with MSEK 837 for 1999. Pre-tax earnings for the same period amounted to MSEK 0.5 (4.0)

Tecla (formerly AKA) Tecla is an industrial trading group with operations in the Nordic countries as well as Russia and the Baltic States. Invoiced sales during the year amounted to MSEK 602 (621). Pre-tax earnings amounted to MSEK 21.3 (15.5). In March 2000, operations in AKA VVS AB were sold. After a weak 1999 and also a sluggish start during last year, operations developed favourably in Tecla.

Gustaf Fagerberg The Fagerberg group is one of Northern Europe's leading players within sales of components for control and regulation technology, as well as flow control. Invoiced sales during the year amounted to MSEK 530 (527) and pre-tax earnings amounted to MSEK 29.5 (20.4). Fagerbergs is a late cyclic company in the business cycle. Operations developed well during the second half of last year, and at the turn of the year, Fagerbergs' stock of orders was good.

VBG In addition to the wholly-owned companies, VBG AB is also included as an affiliate. Hexagon's ownership holding amounted at 31 December 2000 to 48.6 per cent of the capital and 41.9 per cent of the votes. VBG AB in Vänersborg is the parent company in an engineering group with manufacturing in Sweden and Germany, and sales companies in Norway, Denmark and the United States. Operations are focused on load haulage equipment consisting of couplings, kerb rings, slip protection, load platform posts and other accessories, principally for heavy duty lorries. A supplementary business area is machine parts and elements where the product areas shaft couplings and ring springs are delivered to machine manufacturers and high tech companies throughout the world. VBG is listed on the O-list of the Stockholm Stock Exchange. Invoiced sales amounted to MSEK 609 (615). Pre-tax earnings amounted to MSEK 56.0 (60.3).

Environment

In 1996, Hexagon decided that all companies included in the Group should be environmentally certified or registered in compliance with EMAS by the end of 2000. This goal has largely been achieved. With one exception, all companies have been certified in compliance with ISO 14001. A number of the earlier-certified companies have also had time to complete follow-up audits during the past year. These audits confirm that the companies live up to their documented undertakings.

Six Group companies conduct operations that require permits under the provisions of the Environmental Code. The relevant effects on the environment occur through noise pollution, as well as by emissions into the air and waterways.

Apart from day-to-day measurements of emissions of dust, smoke and noise (together with more general programmes such as sorting waste at source), considerable inputs are made on the basis of the approved policy. One example is Gislaved Gummi. The company annually sends 400 tonnes of rubber waste for energy recycling. Another example is the investment in a new salt bath line for extruded profiles. This has ensured that the recycling of vulcanisation salt has been improved and the risk of salt emissions has been completely eliminated.

But the environmental work within Hexagon does not stop at living up to given permit concessions. We also strive to develop more environmentally friendly products and processes.

Gislaved Gummi is attempting to cut the lead content in rubber compounds for winter tyres. PMC Technology, a Hexagon Automation company in Denmark is concentrating major efforts on hydraulics and transmissions for wind power mills. This company is, among other things, main supplier of these products to Vestas, the world's largest manufacturer of wind power stations.

Moteco has assumed a leading position in research aimed at limiting the SAR value (radiation effect) from mobile telephones. This work is being conducted together with manufacturers of mobile telephones.

Hans Nergårdh
Born 1934, Board Member since 1993. Commissions include: Board Chairman in Persona Consulting AB, Schneidler-Företagen AB. Board Member of FPG AMFK Kreditdelegationen, Fylkinvest AB, Kami Forskningsstiftelse, and Nordbanken Stockholm region. Shareholding in Hexagon: 10,800 series B shares.

Melker Schörling, Chairman
Born 1947, Board Member since 1999. Commissions include: Board Chairman in Securitas AB and TeleLarm Care AB. Deputy Chairman in Assa Abloy AB. Board Member of Cardo AB, Hennes & Mauritz AB, Skandia AB and the Swedish Federation of Industry. Shareholding in Hexagon: 840,000 series A shares and 2,591,842 series B shares privately and through company.

Sven Ohlsson
Born 1944, Board Member since 1993. Commissions include: Board Chairman of AudioDev AB, Esselte AB, Hardford & Schtoff AB, MBD Invest AB and IVT AB. Board Member of Munters AB and Schneidler-Företagen AB. Shareholding in Hexagon: 25,233 series B shares.

Maths O Sundqvist, Deputy Chairman.
Born 1950, Board Member since 1991. Commissions include: Board Member of Fischer Partners Fondkommission AB, Länsförsäkringar Wasa Liv AB and Wihlborgs Fastigheter AB. Shareholding in Hexagon: 1,865,000 series B shares privately and through company.

Ola Rollén Chief Executive Officer and President
Born 1965, Board Member since 2000. Board Member in VBG AB (publ) Subscription warrants: 212,000.

Carl-Henric Svanberg
Born 1952, Board Member since 1999. Commissions include: President and CEO of Assa Abloy AB. Shareholding in Hexagon: 202,050 series B shares, through company.

Board of Directors, Group Management and Auditors

Auditors

Auditors

Gunnar Widhagen
Born 1938, Authorized Public Accountant. Ernst & Young AB. Auditor since 1989.

Peter Pankko
Born 1954, Authorized Public Accountant. SET Revisionsbyrå AB. Auditor since 1994.

Deputy auditors

Peter Lander
Born 1949, Authorized Public Accountant. Ernst & Young AB. Deputy Auditor since 1992.

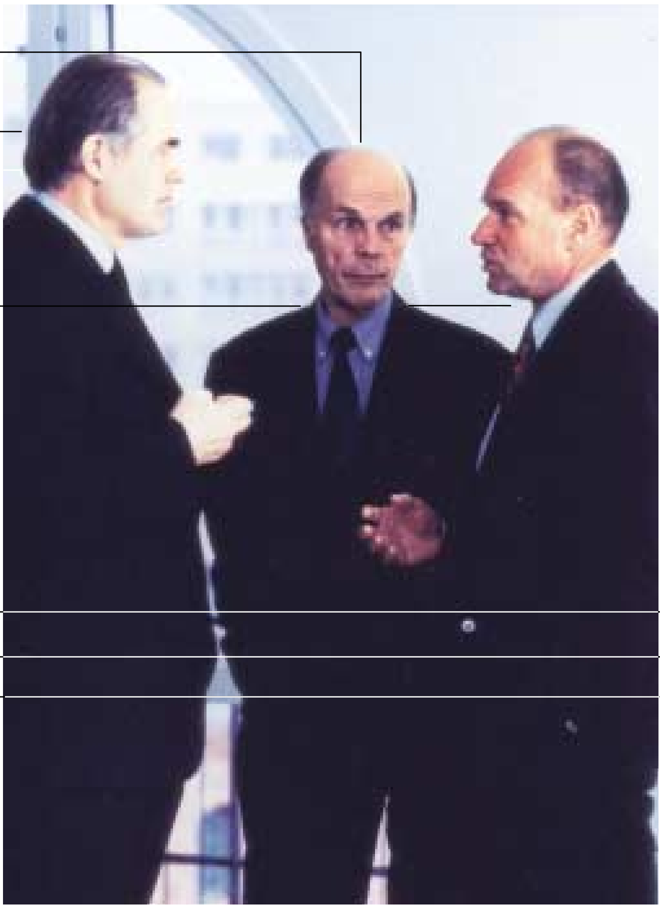
Gilbert Larsson
Born 1943, Authorized Public Accountant. SET Revisionsbyrå AB. Deputy Auditor since 1994.

Gert Viebke
Employed in Hexagon since 2000. Born 1951. Vice President – Strategy. Subscription warrants: 20,000.

Ola Rollén
Employed in Hexagon since 2000. Born 1965. Chief Executive Officer and President. Subscription warrants: 212,000.

Per-Olof Borggren
Employed in Hexagon since 1993. Born 1950. Chief Financial Officer. Shareholding in Hexagon: 20,000 series B shares. Subscription warrants: 20,000.

Torbjörn Wistrand
Employed in Hexagon since 1997. Born 1948. Vice President – Operations. Shareholding in Hexagon: 1,500 series B shares. Subscription warrants: 20,000.



Board of Directors

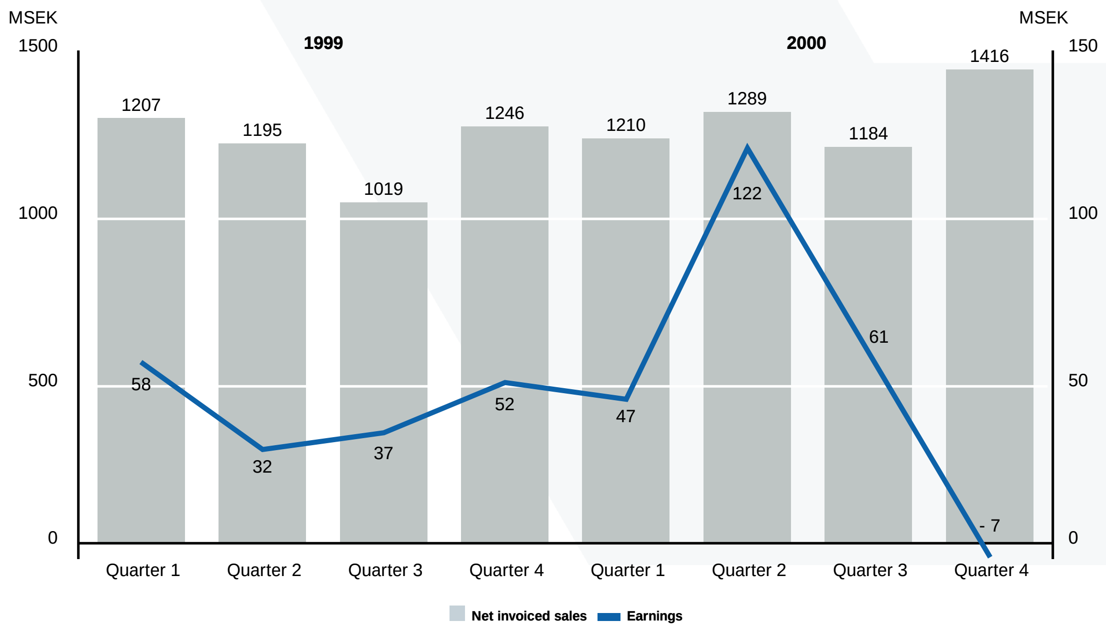
Group Management

Hexagon
in figures

CONSOLIDATED INCOME STATEMENT

(TSEK)		Note	2000	1999
Net sales		1	5 098 783	4 667 231
Costs of goods sold		4, 7	-3 966 015	-3 713 215
Gross earnings			**1 132 768**	**954 016**
Sales expenses		4, 7	-526 270	-456 385
Administration costs		4, 7, 13	-379 282	-320 301
R&D costs		4, 7	-26 619	-23 696
Other operating incomes			20 620	36 490
Other operating expenses		7	-10 828	-21 567
Incomparative items		5	13 555	-
Share of earnings in affiliates		12	24 213	25 812
Earnings from shares in Group companies		6	18 650	14 927
Operating earnings			**266 807**	**209 296**
Earnings from financial activities	Earnings from other securities	8	1 642	6 893
	Other interest incomes	8	17 499	9 637
	Other financial incomes	8	3 602	3 606
	Interest expenses	8	-54 651	-43 474
	Other financial costs	8	-11 703	-6 974
Pre-tax earnings			**223 196**	**178 984**
Tax on earnings for the year		9	-18 969	-50 064
Minority shares in year's earnings			-3 416	-1 531
Net income			**200 811**	**127 389**
Earnings per share after full tax			**13.57**	**8.61**

Invoiced sales and earnings after financial items by quarter 1999 and 2000 (See also Note 21).



CONSOLIDATED BALANCE SHEET

(TSEK)		Note	2000	1999
ASSETS				
Fixed assets				
Intangible fixed assets	Balanced expenses for computer programme	10	3 511	5 129
	Patents and Trademarks	10	398	3 357
	Goodwill	10	256 799	320 992
Total intangible fixed assets			260 708	329 478
Material fixed assets	Buildings	10	326 433	309 456
	Land and other real estate	10	43 015	35 450
	Machinery and other technical plants	10	452 368	446 875
	Equipment, tools and installations	10	119 005	123 596
	Ongoing new installations and advances to suppliers	10	13 341	16 653
Total material fixed assets			954 162	932 030
Financial fixed assets	Shares in affiliated companies	11, 12	170 552	160 475
	Other long-term securities holdings	11	21 915	14 105
	Other long-term receivables	11	46 017	13 812
Total financial fixed assets			238 484	188 392
Total fixed assets			**1 453 354**	**1 449 900**
Current assets				
Inventories	Raw materials and requisites		208 331	171 925
	Goods under production		136 543	112 222
	Finished goods and commodities		553 511	445 619
Total inventories			898 385	729 766
Short-term receivables	Accounts receivable		750 721	643 902
	Receivables from affiliates		251	220
	Other receivables		83 198	46 205
	Prepaid expenses and accrued incomes	14	74 216	42 539
Total short-term receivables			908 386	732 866
Short-term investments			14 345	7 849
Cash and bank balances			179 756	99 164
Total current assets			**2 000 872**	**1 569 645**
TOTAL ASSETS			**3 454 226**	**3 019 545**
SHAREHOLDERS' EQUITY, ALLOCATIONS AND LIABILITIES				
Shareholders' equity		15		
Restricted shareholders' equity	Share capital		147 932	147 932
	Restricted reserves		548 188	520 650
Total restricted shareholders' equity			696 120	668 582
Unrestricted shareholders' equity	Unrestricted reserves		633 497	602 927
	Net income		200 811	127 389
Total unrestricted shareholders' equity			834 308	730 316
Total shareholders' equity			**1 530 428**	**1 398 898**
Allocations	Allocations for pensions		71 820	84 847
	Allocations for taxes		66 832	121 191
	Other allocations	17	75 319	2 644
Total allocations			**213 971**	**208 682**
Minority interest			**13 232**	**9 686**
Long-term liabilities	Overdraft facility	18	8 560	44 883
	Loans	18	755 909	492 647
	Other long-term liabilities		4 034	3 888
Total long-term liabilities			**768 503**	**541 418**
Short-term liabilities	Loans	18	37 288	135 606
	Advances from customers		29 063	20 808
	Accounts payable		409 479	360 432
	Tax liability		15	–
	Other liabilities		127 510	101 718
	Accrued costs and prepaid incomes	14	324 737	242 297
Total short-term liabilities			**928 092**	**860 861**
TOTAL SHAREHOLDERS' EQUITY, ALLOCATIONS AND LIABILITIES			**3 454 226**	**3 019 545**
MEMORANDUM ITEMS		19, 20		
Securities pledged			122 211	132 537
Contingent liabilities			12 978	10 391

CONSOLIDATED CASH FLOW ANALYSIS

(TSEK)		2000	1999
Cash flow from normal operations	Net invoiced sales	5 098 783	4 667 231
	Operating expenses	-4 874 839	- 4 498 674
	Operating earnings	**223 944**	**168 557**
	Adjustment for items in operating earnings not affecting cash flow		
	Depreciations	202 858	190 082
	Write down	36 629	-
	Allocations	4 891	831
	SPP pension fund	-54 359	-
	Capital gains on disposal of fixed assets	-1 135	- 7 529
	Interest received	17 125	9 467
	Dividend received	4 989	4 103
	Interest paid	-50 918	- 42 762
	Other financial incomes/expenses	-8 094	- 3 368
	Tax paid	2 636	- 78 342
	Cash flow from normal operations before changes in working capital	**378 566**	**241 039**
Cash flow from changes in working capital	Change in inventories and ongoing work	-77 208	28 704
	Change in current receivables	-64 938	23 539
	Change in current liabilities	35 269	44 542
	Cash flow from changes in working capital	**-106 877**	**96 785**
	Cash flow from normal operations	**271 689**	**337 824**
Cash flow from ordinary investment operations	Investments in intangible fixed assets	-556	- 6 347
	Investments in material fixed assets	-161 053	- 206 097
	Sale of material fixed assets	12 343	42 847
	Cash flow from ordinary investment operations	**-149 266**	**- 169 597**
	Operative cash flow	**122 423**	**168 227**
Cash flow from other investment operations	Net assets in acquired subsidiaries	-139 762	- 160 566
	Net assets in subsidiaries disposed of	147 987	81 840
	Investments in financial fixed assets	-11 333	- 9 530
	Sale of financial fixed assets	-	7 140
	Dividend	1 635	1 500
	Cash flow from other investment operations	**-1 473**	**- 79 616**
Cash flow from financial operations	Borrowing	36 731	-
	Amortisation	-	- 117 508
	Subscription warrants	3 372	-
	Dividend to shareholders	-73 965	- 73 965
	Cash flow from financial operations	**-33 862**	**- 191 473**
	Year's cash flow	**87 088**	**- 102 862**
	Liquid funds at 1 January	**107 013**	**209 875**
	Effects of translation differences on liquid funds	1 542	- 3 023
	Change in liquid funds excluding translation differences	85 546	- 99 839
	Liquid funds at 31 December	**194 101**	**107 013**
	Net debt		
	Interest bearing allocations and liabilities	873 650	758 817
	Liquid funds	-194 101	- 107 013
	Other short-term financial claims outstanding	-40 358	-
	Net debt	**639 191**	**651 804**

PARENT COMPANY INCOME STATEMENT

(TSEK)		Note	2000	1999
Net turnover		2	10 279	8 967
Operating expenses	Administration costs	4, 7, 13	-35 294	-30 057
	Incomparative items	5	6 797	-
	Outcome synthetic warrants	4	259	2 950
	Total operating expenses		-28 238	-27 107
Operating income			**-17 959**	**-18 140**
Earnings from financial investments	Earnings from share in Group companies	8	246 801	162 290
	Earnings from share in affiliates	8	4 989	4 069
	Other interest incomes	8	53 173	27 877
	Other financial incomes	8	-	8 549
	Interest expense	8	-59 517	-40 138
	Other financial costs	8	-12 724	-3 223
Earnings before allocations and taxes			**214 763**	**141 284**
Allocations	Change in capital-based reserve		2 790	2 789
	Change in period-based reserve		13 144	-9 950
	Difference between book depreciation and scheduled depreciation		-	18
	Total allocations		15 934	-7 143
Pre-tax earnings			**230 697**	**134 141**
Tax on earnings for the year		9	-3 442	-15 497
Net income			**227 255**	**118 644**

PARENT COMPANY BALANCE SHEET

(TSEK)		Note	2000	1999
ASSETS				
Fixed assets				
Intangible fixed assets	Patents and Trademarks	10	0	1 300
Material fixed assets	Buildings	10	5 118	-
	Land	10	1 752	-
	Equipment	10	656	435
Total material fixed assets			7 526	1 735
Financial fixed assets	Shares in Group companies	11	1 231 984	1 247 560
	Receivables from Group companies	11	968 995	268 282
	Shares in affiliates	11, 12	94 861	94 861
	Other long-term securities holdings	11	5 040	-
	Other long-term receivables	11	28 910	-
Total financial fixed assets			2 329 790	1 610 703
Total financial fixed assets			**2 337 316**	**1 612 438**
Current assets				
Short-term receivables	Receivables from Group companies		250 837	531 613
	Tax liability		205	8 719
	Other receivables		50 468	682
	Prepaid expenses and accrued incomes	14	19 094	4 028
Total short-term receivables			320 604	545 042
Cash and bank balances			45 553	24 690
Total current assets			**366 157**	**569 732**
TOTAL ASSETS			**2 703 473**	**2 182 170**
SHAREHOLDERS' EQUITY, ALLOCATIONS AND LIABILITIES				
Shareholders' equity		15		
Restricted shareholders' equity	Share capital		147 932	147 932
	Share premium fund		127 543	127 543
	Premium reserve		220 381	220 381
Total restricted shareholders' equity			495 856	495 856
Unrestricted shareholders' equity	Profit carried forward		550 136	513 590
	Net income		227 255	118 644
Total unrestricted shareholders' equity			777 391	632 234
Total shareholders' equity			**1 273 247**	**1 128 090**
Untaxed reserves	Capital-based reserve		-	2 790
	Period-based reserve	16	120 279	133 423
Total untaxed reserves			**120 279**	**136 213**
Allocations	Allocations for pensions		763	925
Total allocations			**763**	**925**
Long-term liabilities	Loans		735 441	455 726
Total long-term liabilities			**735 441**	**455 726**
Short-term liabilities	Loans		1 523	82 278
	Accounts payable		1 310	2 882
	Debts to Group companies		540 750	367 811
	Other liabilities		730	1 589
	Accrued costs and prepaid incomes	14	29 430	6 656
Total short-term liabilities			**573 743**	**461 216**
TOTAL SHAREHOLDERS' EQUITY, ALLOCATIONS AND LIABILITIES			**2 703 473**	**2 182 170**
MEMORANDUM ITEMS		20		
Securities pledged			-	-
Contingent liabilities			35 707	47 288

PARENT COMPANY CASH FLOW ANALYSIS

(TSEK)		2000	1999
Cash flow from normal operations	**Net invoiced sales**	**10 279**	**8 967**
	Operating expenses	-28 238	-27 107
	Operating earnings	**-17 959**	**-18 140**
	Adjustment for items in operating earnings not affecting cash flow:		
	Depreciations	1 291	1 610
	Allocations	-162	-154
	SPP pension fund	-6 413	-
	Capital gains on disposal of fixed assets	-165	- 99
	Value change/earnings redemption synthetic warrants	-259	-2 950
	Interest received	49 912	27 851
	Dividend received	4 989	4 069
	Payment synthetic warrants	-	-385
	Interest paid	-55 609	-39 307
	Other financial incomes/expenses	-12 724	5 326
	Tax paid	8 234	-35 416
	Cash flow from normal operations before changes in working capital	**-28 865**	**-57 595**
Cash flow from changes in working capital	Change in current receivables	265 955	-244 804
	Change in current liabilities	190 081	23 103
	Cash flow from changes in working capital	**456 036**	**-221 701**
	Cash flow from normal operations	**427 171**	**-279 296**
Cash flow from investment operations	Investments in material fixed assets	-7 407	-238
	Investments in financial fixed assets	-33 950	-119 754
	Sale of intangible fixed assets	325	-
	Sale of material fixed assets	165	147
	Sale of financial fixed assets	-1 089	99 127
	Change in long-term receivables Group companies	-700 713	113 060
	Group contributions received	324 007	113 175
	Group contributions made	-302 882	-15 004
	Dividend	340 323	206 646
	Shareholders' contribution rendered	-109 724	-
	Cash flow from investment operations	**-490 945**	**397 159**
Cash flow from financial operations	Borrowing	158 602	-
	Amortisation	-	-104 706
	Dividend to shareholders	-73 965	-73 965
	Cash flow from financial operations	**84 637**	**-178 671**
	Year's cash flow	**20 863**	**-60 808**
	Liquid funds at 1 January	**24 690**	**85 498**
	Liquid funds at 31 December	**45 553**	**24 690**

COMMENTS AND NOTES

All amounts are shown in thousands of SEK unless otherwise indicated. The amounts shown in brackets are the comparable figures for 1999.

Accounting principles The financial statements of all Group companies were prepared using the same accounting concepts. Hexagon complies with the recommendations issued by the Swedish Financial Accounting Standards Council.

The Hexagon Group preferably applies operational leasing. Financial leasing occurs only on a modest scale and relates primarily to motor cars. Other operating incomes/other operating expense relate principally to projects for the automotive industry, renting and exchange rate gains/losses.

Consolidated financial statements The consolidated financial statements comprise the Parent Company and those companies in which the Parent Company's direct or indirect shareholding represents more than 50 per cent of the votes.

The purchase method is employed in preparing the consolidated financial statements. This method implies that the Parent Company's acquisition value for shares in subsidiaries is eliminated against the shareholders' equity existing in the subsidiaries at the time of acquisition. Shareholders' equity in acquired subsidiaries is calculated by assigning a market value to the assets and liabilities existing at the time of acquisition. In cases where the acquisition value of shares in subsidiaries exceeds the value of shareholders' equity arrived at as shown above, the difference is entered as a goodwill item in the consolidated balance sheet. Goodwill is written off in the Group over ten to twenty years on the basis of expected earnings capability. On each accounting occasion, goodwill and depreciation requirements (if any) are examined.

Acquired companies are included in earnings from the date of acquisition. Divested companies are included up until the time of sale. Provision is made for deferred taxes concerning items of income and expenditure that are included in the financial statements and also computed for income tax purposes, but at different times (timing differences).

Accordingly, in the consolidated financial statements there are no allocations in the income statement or untaxed reserves in the balance sheet. The tax component of the allocations made in individual subsidiaries is entered in the consolidated income statement as a tax expense calculated at 28 per cent. Consequently, in the consolidated balance sheet, 28 per cent of the subsidiaries' untaxed reserves is entered as deferred taxes while the remainder is recorded in shareholders' equity.

In converting the financial statements of foreign subsidiaries, the current method is employed. This means that their balance sheets are recalculated according to the exchange rates as of the day of closing, and that their income statements are recalculated using average exchange rates. Conversion differences that arise are applied to shareholders' equity in the Group.

Affiliated companies Hexagon employs the equity method to account for affiliated companies. The term affiliated companies signifies those companies in which Hexagon does not exercise majority control but where its long-term operating interest represents between 20 per cent and 50 per cent of the shareholding. The share of net income in affiliates is included in the consolidated income statement among financial items. The affiliates' taxes are reported among other tax expenses in the Group. In the consolidated balance sheet, the holdings in affiliates are entered at acquisition value after adjustment for dividends and share in net profit or loss after the date of acquisition. Undistributed share in earnings is reported as restricted reserves in the Group's shareholders' equity.

Receivables and liabilities Provision for loss risks is assessed on a case-to-case basis. Receivables and liabilities in foreign currencies are converted at the year-end exchange rate. The difference between acquisition value and year-end value is taken up as income. In cases where transactions are secured under forward cover, the forward rate is used.

Inventories Inventories are valued as follows using the first in, first out (FIFO) method. Market terms and conditions are employed in trade between Group companies. Necessary write-downs are made for obsolescence and intercompany profits.

Raw materials and purchased manufactures, finished and semi-finished, are valued at the lower of acquisition or market value.

Manufactured goods, finished and semi-finished, are valued at the lower of production cost (including a reasonable part of production overheads) and market value.

Scheduled depreciation Scheduled depreciation is based on the acquisition value and estimated economic life of the fixed assets. Depreciation times for various asset categories are:

Intangible assets	3-5 years
Goodwill	10-20 years
Machinery and equipment	3-10 years
Buildings	20-33 years
Land improvements	20 years

NOTE 1 NET TURNOVER AND EARNINGS INCLUDING DISTRIBUTED GOODWILL DEPRECIATIONS (the business areas are reported with operating earnings excluding SPP funds and other incomparative items) AND DIVIDED BY GEOGRAPHIC MARKETS

	Net Sales		Earnings	
	2000	1999	2000	1999
Hexagon Automation	1 214 493	532 859	55 033	28 240
Hexagon Engineering	2 195 382	1 878 480	132 715	114 751
Hexagon Wireless	205 524	215 567	-11 107	1 327
Other operations	1 511 433	2 064 598	80 168	68 405
Capital gains outcome			18 650	14 927
Incomparative items			13 555	-
Net interest income/expense			-43 611	-30 312
Group adjustments and Parent Company	-28 049	-24 273	-22 207	-18 354
Total	**5 098 783**	**4 667 231**	**223 196**	**178 984**

In the Group, the subsidiaries' net turnover and earnings after financial items are distributed as follows:

	Net Sales		Earnings after financial items	
	2000	1999	2000	1999
Northern Europe	4 839 296	4 443 530	195 303	165 382
Germany	100 778	112 583	6 990	8 106
USA	54 645	44 642	-5 549	-9 094
Asia	104 064	66 476	26 452	14 590
Total	**5 098 783**	**4 667 231**	**223 196**	**178 984**

NOTE 2 **PURCHASES AND SALES BETWEEN GROUP COMPANIES**

Of the Parent Company's net turnover, 100 per cent (99) is Group internal.

NOTE 3 **AVERAGE WORKFORCE**

	2000			1999		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Parent company	7	3	10	7	3	10
Subsidiaries	3 181	887	4068	2 876	770	3 646
Total	3 188	890	4078	2 883	773	3 656

Average workforce distributed by workplace	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Arboga	11	1	12	12	1	13
Borlänge	3	0	3	0	0	0
Eksjö	8	2	10	8	2	10
Filipstad	0	0	0	34	4	38
Gislaved	106	191	297	111	160	271
Göteborg	95	28	123	90	29	119
Halmstad	8	4	12	8	4	12
Hässleholm	137	8	145	130	11	141
Högsby	64	56	120	108	104	212
Kalmar	2	0	2	2	0	2
Karlskoga	6	2	8	0	0	0
Kungälv	22	4	26	25	5	30
Landskrona	6	3	9	7	3	10
Laxå	72	13	85	66	12	78
Lidköping	4	0	4	0	0	0
Ljungby	45	9	54	47	8	55
Luleå	6	0	6	7	0	7
Lund	31	1	32	7	1	8
Malmö	31	12	43	54	31	85
Nybro	100	7	107	97	6	103
Olofström	102	23	125	69	14	83
Skellefteå	5	0	5	0	0	0
Stockholm	79	30	109	66	19	85
Sundsvall	3	1	4	0	0	0
Sävsjö	54	9	63	56	6	62
Tidaholm	76	9	85	74	10	84
Tranemo	4	0	4	0	0	0
Trollhättan	31	1	32	34	1	35
Vaggeryd	77	6	83	70	6	76
Vetlanda	18	0	18	17	0	17
Värnamo	19	2	21	18	2	20
Västervik	93	30	123	89	27	116
Västerås	113	16	129	118	17	135
Ystad	42	7	49	40	7	47
Älmhult	112	16	128	125	17	142
Örebro	179	23	202	182	23	205
Örnsköldsvik	22	2	24	22	1	23
Other municipalities	13	1	14	32	3	35
Belgium	1	0	1	1	0	1
Denmark	138	32	170	54	22	76
Estonia	5	8	13	6	2	8
Finland	384	105	489	232	65	297
France	1	0	1	1	0	1
China	6	85	91	7	51	58
Latvia	5	1	6	6	1	7
Lithuania	4	1	5	1	1	2
Malaysia	2	37	39	0	0	0
Netherlands	1	0	1	1	0	1
Norway	248	39	287	181	31	212
Poland	0	0	0	9	4	13
Russia	5	1	6	6	0	6
Sri Lanka	485	27	512	447	30	477
Germany	50	25	75	49	23	72
USA	54	12	66	57	9	66
Total	**3 188**	**890**	**4 078**	**2 883**	**773**	**3 656**

NOTE 4 PERSONNEL COSTS, PENSIONS AND OTHER EMOLUMENTS

Salaries and remuneration (of which premium and bonus)	Board and CEO 2000	Board and CEO 1999	Other Workforce 2000	Other Workforce 1999
Parent company	2 654	2 942	6 736	5 554
	(-)	(200)	(-)	(-)
Subsidiaries in Sweden	28 513	29 333	585 786	564 903
Total	**31 167**	**32 275**	**592 522**	**570 457**
Belgium	-	-	251	215
Denmark	3 395	2 562	63 227	28 840
Estonia	-	-	1 020	785
Finland	6 943	5 234	126 233	79 286
France	-	-	749	574
China	609	502	1 589	963
Latvia	-	-	530	468
Lithuania	-	-	439	238
Malaysia	-	-	1 678	-
Netherlands	-	-	420	402
Norway	8 436	5 280	86 046	63 099
Poland	-	195	-	1 176
Russia	-	-	452	308
Singapore	1 036	-	638	-
Sri Lanka	472	415	5 930	4 402
Germany	1 425	1 354	23 920	22 794
USA	-	611	28 644	19 075
Total	**53 483**	**48 428**	**934 288**	**793 082**
	(4 175)	(2 400)	(12 838)	(6 640)

The above figures do not include synthetic warrants (see below)

Payroll charges	Total workforce (of which pension costs) 2000	1999
Parent company	7 915	6 433
	(3 776)	(2 952)
Subsidiaries	343 592	302 689
	(76 951)	(55 164)
Total	**351 507**	**309 122**
	(80 727)	(58 116)

Pension costs for Board and CEOs in the Group amounted to MSEK 11.8 (9.0). Paid or indebted pension undertakings to Board and CEOs in the Group were MSEK 5.2 (10.9).

NOTE 5 INCOMPARATIVE ITEMS

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
SPP funds	73 555	-	6 797	-
Restructuring costs	-60 000	-	-	-
Total	**13 555**	**-**	**6 797**	**-**

NOTE 6 EARNINGS FROM SHARES IN GROUP COMPANYS

	Group 2000	Group 1999
Capital gains	33 025	26 572
Capital losses/write down	-14 375	-11 645
Total	**18 650**	**14 927**

Emoluments to Executives Total Board fee decided by the Annual General Meeting was SEK 530,000 (460,000). The Board Chairman received SEK 120,000, Deputy Chairman SEK 110,000 and other Board members SEK 100,000 each (The CEO of Hexagon receives no director's emoluments).

During the period 1 January – 30 April, the CEO, Mr Börje Andersson, received a salary of TSEK 200 (2,482). In addition, he enjoyed the benefit of a company car. Pension costs for Mr Börje Andersson were TSEK 1,219 (1,125). During the period 1 May – 31 December, CEO Mr Ola Rollén's salary was TSEK 1,821 (0). In addition, Mr Rollén enjoyed the benefit of company car and accommodation. Pension costs for Mr Rollén were TSEK 252 (0). The CEO and other executives are covered by a general pension scheme (ITP) or other pension schemes at the same cost. If the company gives notice of termination, the CEO is entitled to severance pay corresponding to one and a half years' salary. Other executives are subject to periods of notice of 12 to 18 months on the company's part.

Synthetic warrants Hexagon's programme of synthetic warrants expired on 7 November 2000. No redemption of warrants has taken place during the year. The change in the market value has, during the life of the warrants, been reported as expenses in the income statement. During 2000, this item was TSEK 259 (2,950).

Subscription warrants On 4 May 2000, Hexagon's annual general meeting decided to introduce a warrants programme. The motivation was to facilitate for key members in the Group to become shareholders in the company in the long term. Hexagon decided to issue a promissory note of SEK 100,000 linked to 700,000 separable warrant rights for new subscription of shares in Hexagon. The promissory note was signed by the subsidiary Hexagon Förvaltning AB. Each warrant right entitles the holder to subscribe one new share of series B at par SEK 10 during the period from 1 June 2002 up to and including 31 May 2005 for SEK 201. The warrant rights are transferred at market value in accordance with the so-called Black-Scholes model. On full utilisation of the warrant rights, the share capital can be increased by at most SEK 7,000,000. The dilution effect on full utilisation corresponds to approx. 4.7 per cent of the share capital and 3.1 per cent of the votes. As of the closing day of accounts, 272,000 warrant rights had been subscribed.

NOTE 7 SCHEDULED DEPRECIATION

Depreciations of intangible and material fixed assets are included in the items of the Income Statement as follows:

	Group		Parent company	
Year's depreciations	**2000**	**1999**	**2000**	**1999**
Expenses for goods sold	137 115	121 636	-	-
Sales expenses	41 291	41 585	-	-
Administration costs	22 098	22 803	1 291	1 610
R&D costs	1 922	1 728	-	-
Other operating expenses	432	2 330	-	-
Total	**202 858**	**190 082**	**1 291**	**1 610**

NOTE 8 EARNINGS FROM FINANCIAL INVESTMENTS

	Group		Parent company	
	2000	**1999**	**2000**	**1999**
Earnings from participations in Group companies				
Dividend*			340 323	206 646
Group contribution received			32 419	113 175
Capital gains			659	12 102
Capital loss			-1 300	-
Write down of shares in subsidiaries			-125 300	-169 633
Total			**246 801**	**162 290**

*Anticipated dividend included at TSEK 311,323 (111,966)

	Group		Parent company	
	2000	**1999**	**2000**	**1999**
Earnings from share in affiliates				
Dividend	-	-	4 989	4 069
Total	**-**	**-**	**4 989**	**4 069**
Earnings from other securities				
Dividend	1 639	1 500	-	-
Capital gains	3	5 393	-	-
Total	**1 642**	**6 893**	**-**	**-**
Other interest incomes				
Interest incomes Group companies	-	-	43 405	25 807
Other interest incomes	17 499	9 637	9 768	2 070
Total	**17 499**	**9 637**	**53 173**	**27 877**
Other financial incomes				
Exchange rate gains	2 716	3 131	-	8 545
Others	886	475	-	4
Total	**3 602**	**3 606**	**-**	**8 549**
Interest expense				
Interest expenses Group companies	-	-	42 615	12 329
Other interest expenses	54 651	43 474	16 902	27 809
Total	**54 651**	**43 474**	**59 517**	**40 138**
Other financial costs				
Exchange rate losses	8 569	6 763	9 812	-
Others	3 134	211	2 912	3 223
Total	**11 703**	**6 974**	**12 724**	**3 223**

NOTE 9 TAXES

	Group		Parent company	
	2000	**1999**	**2000**	**1999**
Paid tax	27 510	38 471	3 442	15 497
Deferred tax	-17 831	3 180	-	-
Share of affiliate's tax	9 290	8 413	-	-
Total	**18 969**	**50 064**	**3 442**	**15 497**

There is an unutilised loss deduction of MSEK 671 (983). Deferred tax liability relating to loss deduction is booked at TSEK 45,544 (62,281). Deferred tax in the Parent Company's untaxed reserves amounts to TSEK 33,678 (38,140).

NOTE 10 INTANGIBLE AND MATERIAL FIXED ASSETS

Intangible fixed assets

	Balanced expenses for computer programme	Patents and Trademarks	Goodwill
Initial acquisition value	6 921	11 653	487 159
Exchange rate change	207	45	1 374
Purchase	707	7	29 661
Sale/obsolescence	-3 232	-8 225	-69 124
Reclassification	1 250	20	4 091
Outgoing acquisition value	5 853	3 500	453 161
Initial depreciations	-1 792	-8 296	-166 167
Exchange rate change	-14	-34	-1 256
Purchase	-	-	-
Year's depreciations	-2 076	-1 358	-40 679
Sale/obsolescence	1 540	6 606	16 515
Reclassification	-	-20	-4 646
Outgoing depreciations	-2 342	-3 102	-196 233
Year's writedown	-	-	-129
Outgoing depreciations	0	0	-129
Book value	3 511	398	256 799

Material fixed assets

	Buildings	Land and other real estate	Machinery and other technical plants	Equipment, tools and installations	Ongoing new installations and advances to suppliers
Initial acquisition value	471 456	38 336	1 054 536	384 879	16 653
Exchange rate change	4 301	86	9 277	6 668	205
Purchase	51 699	5 829	116 830	125 522	11 432
Sale/obsolescence	-8 975	-152	-27 274	-53 731	-1 013
Reclassification	-416	2 524	47 151	-33 575	-13 936
Outgoing acquisition value	518 065	46 623	1 200 520	429 763	13 341
Initial depreciations	-162 000	-2 886	-607 661	-261 283	-
Exchange rate change	-1 543	-44	-6 489	-5 021	-
Purchase	-6 894	-	-11 641	-58 012	-
Year's depreciations	-17 267	-330	-91 029	-50 119	-
Sale/obsolescence	5 013	-	20 874	41 783	-
Reclassification	-3 364	-3	-27 206	27 472	-
Outgoing depreciations	-186 055	-3 263	-723 152	-305 180	0
Year's writedown	-5 577	-345	-25 000	-5 578	-
Outgoing depreciations	-5 577	-345	-25 000	-5 578	0
Book value	326 433	43 015	452 368	119 005	13 341

Taxation value for Swedish properties is TSEK 145,172 (134,124) relating to buildings and TSEK 25,764 (22,671) relating to land.

Parent company	Patents and Trademarks	Building	Land	Equipment
Initial acquisition value	8 500	-	-	2 091
Purchase	-	5 181	1 752	474
Sale/obsolescence	-6 500	-	-	-537
Outgoing acquisition value	2 000	5 181	1 752	2 028
Initial depreciations	-7 200	-	-	-1 656
Year's depreciations	-975	-63	-	-253
Sale/obsolescence	6 175	-	-	537
Outgoing depreciations	-2 000	-63	-	-1 372
Book value	0	5 118	1 752	656

NOTE 11 FINANCIAL FIXED ASSETS

Group	Shares in affiliated companies 2000	Shares in affiliated companies 1999	Other long-term securities holding 2000	Other long-term securities holding 1999	Other long-term receivables 2000	Other long-term receivables 1999
Initial acquisition value	160 475	143 456	14 105	16 204	13 812	7 490
Exchange rate change	-	-	81	-356	-	-
Purchase	-	6 636	7 891	4	40 833	6 322
Year's change earnings shares	10 077	10 383	-	-	-	-
Sales	-	-	-162	-1 747	-8 628	-
Outgoing acquisition value	170 552	160 475	21 915	14 105	46 017	13 812

Other long-term securities holdings

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Svedbergs i Dalstorp AB (publ)	11 355	11 355	-	-
Tradimus AB	5 040	-	5 040	-
Kiint Oy Honkakoli	2 063	2 285	-	-
Others	3 457	465	-	-
Total	**21 915**	**14 105**	**5 040**	**0**

The share price for Svedbergs i Dalstorp AB (publ) was SEK 96 (89). The holding relates to 545,000 Series B shares, which corresponds to 10.3 % of the capital and 6.7 % of the votes.

Parent company	Shares in Group companies 2000	Shares in Group companies 1999	Receivables from Group companies 2000	Receivables from Group companies 1999	Shares in affiliates 2000	Shares in affiliates 1999
Initial acquisition value	1 247 560	1 391 100	268 282	381 342	94 861	88 225
Capital addition	109 724	-	-	-	-	-
Write down	-125 300	-169 633	-	-	-	-
Purchase	-	113 118	700 713	-	-	6 636
Sales	-	-87 025	-	-113 060	-	-
Outgoing acquisition value	1 231 984	1 247 560	968 995	268 282	94 861	94 861

Parent company	Other long-term securities holdings 2000	Other long-term securities holdings 1999	Other long-term receivables 2000	Other long-term receivables 1999
Initial acquisition value	-	-	-	-
Purchase	5 040	-	28 910	-
Outgoing acquisition value	5 040	-	28 910	-

The Parent Company's holding of shares in affiliates relates to VBG AB (publ).

	Org No.	Reg. Office	Participations	Book value 2000	Book value 1999
Subsidiaries of Hexagon AB					
All of the following companies are owned to 100%					
Tecla AB	556068-1602	Stockholm	160 000	123 829	123 829
Dacke Hydraulik AB	556207-5357	Sävsjö	2 000	109 700	45 000
Gustaf Fagerberg Holding AB	556040-9087	Göteborg	100 000	83 936	83 936
Gislaved Gummi AB	556112-2382	Gislaved	2 000	106 028	106 028
Moteco AB	556103-0502	Högsby	20 000	43 037	44 537
Johnson Industries AB	556099-2967	Örebro	3 000	227 995	234 295
SwePart AB	556046-3407	Landskrona	8 662 500	217 867	231 166
Kramsten Food and Drink Suppliers AB	556083-1124	Landskrona	100 000	11 977	57 977
Hexagon Förvaltning AB	556016-3049	Landskrona	200 000	206 599	206 599
Röomned AB	556394-3678	Landskrona	1 439 200	99 918	113 118
Other companies essentially dormant			-	1 098	1 075
Total				**1 231 984**	**1 247 560**

NOTE 12 SHARES IN AFFILIATED COMPANIES

	No shares	Share % Capital	Share % Votes	Share of Equity TSEK	Book value Group 2000	Book value Group 1999	Share of earnings in affiliates Pre-tax 2000	Tax 2000	Pre-tax 1999	Tax 1999
VBG AB (publ)	1 663 089	48.6%	41.9%	147 138	168 742	159 009	23 735	-9 156	25 600	- 8 354
Precisionsstål AB	1 250	25.0%	25.0%	1 610	1 610	1 266	478	-134	212	- 59
Gilex AB	2 000	20.0%	20.0%	846	200	200	-	-	-	-
Total				**149 594**	**170 552**	**160 475**	**24 213**	**-9 290**	**25 812**	**-8 413**

VBG AB (publ) org. number 556069-0751 has its registered office in Vänersborg
Precisionsstål AB, org. number 556096-9940 has its registered office in Stockholm.
Gilex AB, org. number 556025-2529 has its registered office in Gislaved.

The share price for VBG AB (publ) was SEK 110 (140).

NOTE 13 REMUNERATION TO AUDITORS

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Audit				
Ernst & Young	3 135	2 746	225	120
SET Revisionsbyrå	2 000	1 910	131	127
Others	417	635	-	-
Total	**5 552**	**5 291**	**356**	**247**
Other assignments than the audit assignment				
Ernst & Young	1 192	1 666	133	481
SET Revisionsbyrå	1 512	770	458	227
Others	68	70	-	-
Total	**2 772**	**2 506**	**591**	**708**

NOTE 14 ACCRUAL ITEMS

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Prepaid expenses and accrued incomes				
Accrued commission	757	945	-	-
Accrued interest incomes	821	123	821	39
Prepaid rents	7 016	6 975	-	84
Other items	65 622	34 496	18 273	3 905
Total	**74 216**	**42 539**	**19 094**	**4 028**
Accrued expenses and prepaid incomes				
Accrued personnel-related costs	202 763	167 655	3 348	2 445
Accrued interest costs	7 353	4 825	7 074	3 532
Other items	114 621	69 817	19 008	679
Total	**324 737**	**242 297**	**29 430**	**6 656**

NOTE 15 SHAREHOLDERS' EQUITY

Change of shareholders' equity in the Group

	Share capital	Restricted reserves	Capital share reserve	Unrestricted reserves	Net income	Total
Amounts at 1 January	147 932	451 320	69 330	602 927	127 389	1 398 898
Transferred earnings 1999				127 389	-127 389	0
Dividend				-73 965		-73 965
Subscription warrants				3 372		3 372
Translation difference				1 312		1 312
Displacement between restricted and unrestricted shareholders' equity		17 461	10 077	-27 538		0
Year's income					200 811	200 811
Amounts at 31 December	147 932	468 781	79 407	633 497	200 811	1 530 428

Change of shareholders' equity in the Parent Company

	Share capital	Share premium fund	Premium reserve	Profit carried forward	Net income	Total
Amounts at 1 January	147 932	127 543	220 381	513 590	118 644	1 128 090
To be carried forward				118 644	-118 644	0
Dividend				-73 965		-73 965
Group contributions made				-302 882		-302 882
Tax referable to Group contributions made				84 807		84 807
Group contribution received				291 588		291 588
Tax referable to Group contribution received				-81 646		-81 646
Net profit					227 255	227 255
Amounts at 31 December	147 932	127 543	220 381	550 136	227 255	1 273 247

The number of shares in the Parent Company at year-end was 14,793,182 with a nominal value of SEK 10 apiece, of which 840,000 series A shares. Each series A share carries 10 votes and each series B share one vote. All shares carry the same entitlement to a share in the company's assets and profits.

NOTE 16 PERIOD-BASED RESERVES (PARENT COMPANY)

	2000	1999
Allocated taxation 1995	-	8 600
Allocated taxation 1996	10 456	15 000
Allocated taxation 1997	36 233	36 233
Allocated taxation 1998	33 530	33 530
Allocated taxation 1999	30 110	30 110
Allocated taxation 2000	9 950	9 950
Total	**120 279**	**133 423**

NOTE 17 OTHER ALLOCATIONS

	Group		Parent company	
	2000	**1999**	**2000**	**1999**
Restructuring costs	65 321	-	-	-
Guarantee risks	9 998	2 644	-	-
Total	**75 319**	**2 644**	**-**	**-**

NOTE 18 OTHER FINANCIAL INFORMATION

The Group's total limit on overdrafts is TSEK 238,521 (260,327), of which TSEK 8,560 (44,883) is utilised. The Parent Company's limit is TSEK 165,007(147,311) and is not utilised. Interest-bearing debts amount to TSEK 873,650 (758,817), of which TSEK 38,778 (135,606) are short-term.

Of the Group's loans:
TSEK 37,288 mature within one year from the closing day of accounts.
TSEK 744,607 between one and five years from the closing day of accounts.
TSEK 11,302 later than five years from the closing day of accounts.

NOTE 19 RENTED ASSETS

The information includes undiscounted contract undertakings.
Leasing/rents which have been paid during 2000 are TSEK 65,451.

Leasing/which fall due for payment:

2001	76 013
2002	60 161
2003	54 253
2004 and later	54 841

NOTE 20 MEMORANDUM ITEMS

	Group		Parent company	
Securities pledged	**2000**	**1999**	**2000**	**1999**
Property mortgages	20 336	23 355	-	-
Floating charges	87 755	91 805	-	-
Blocked bank account	-	2 137	-	-
Others	14 120	15 240	-	-
Total	**122 211**	**132 537**	**-**	**-**

Securities pledged are in favour of credit institutes in connection with loans, overdrafts and guarantees

Contingent liabilities				
Guarantee in favour of Group companies	-	-	35 707	46 915
Other contingent liabilities	12 978	10 391	-	373
Total	**12 978**	**10 391**	**35 707**	**47 288**

NOTE 21 EARNINGS BY QUARTER

	2000				1999			
	Kv 1	**Kv 2**	**Kv 3**	**Kv 4**	**Kv 1**	**Kv 2**	**Kv 3**	**Kv 4**
Net Sales	1 209.8	1 289.5	1 183.3	1 416.2	1 206.8	1 195.1	1 018.8	1 246.5
Gross earnings	**244.8**	**272.6**	**272.4**	**343.0**	**244.7**	**241.9**	**208.2**	**259.2**
Sales expenses	-111.3	-122.4	-135.6	-157.0	-117.5	-117.4	-103.4	-118.1
Administration costs	-81.9	-88.3	-92.4	-116.6	-81.2	-83.6	-68.8	-86.7
R&D costs	-6.1	-7.6	-6.0	-6.9	-6.3	-6.8	-4.7	-5.9
Other operating incomes/expense	1.0	1.5	0.6	6.7	0.2	1.7	5.8	7.2
Incomparative items	0.0	65.6	0.0	-52.0	-	-	-	-
Share of earnings in affiliates	7.2	8.2	3.7	5.1	8.7	6.3	4.5	6.3
Earnings from shares in Group companies	1.7	0.1	31.8	-15.0	22.3	-2.9	0.0	-4.5
Operating earnings	**55.4**	**129.7**	**74.5**	**7.3**	**70.9**	**39.2**	**41.6**	**57.5**
Financial incomes and expenses	-8.5	-7.4	-13.9	-13.9	-13.0	-7.1	-4.6	-5.5
Pre-tax earnings	**46.9**	**122.3**	**60.6**	**-6.6**	**57.9**	**32.1**	**37.0**	**52.0**
Tax	-9.5	-9.1	-13.0	12.6	-14.5	-9.7	-9.6	-16.3
Minority shares in year's earnings	-0.7	-0.8	-0.8	-1.1	-0.7	-0.4	-0.2	-0.2
Net income	**36.7**	**112.4**	**46.8**	**4.9**	**42.7**	**22.0**	**27.2**	**35.5**
Depreciations included in earnings at	*-47.9*	*-51.1*	*-52.1*	*-51.8*	*-48.6*	*-47.4*	*-46.2*	*-47.9*
Profit per share after full tax	2.48	7.60	3.16	0.33	2.89	1.49	1.83	2.40

Landskrona, Sweden, 5 March 2001

Melker Schörling
Chairman

Hans Nergårdh

Sven Ohlsson

Maths O Sundqvist
Deputy Chairman

Carl-Henric Svanberg

Ola Rollén
President and CEO

Our Auditors' Report was issued on 27 March 2001

Gunnar Widhagen
Authorized Public Accountant

Peter Pankko
Authorized Public Accountant

AUDITORS' REPORT

To the Annual General Meeting of Hexagon AB (publ)
Organisation Number 556190-4771

We have examined the Annual Report, the Consolidated Financial Statements and the accounts, as well as administration by the Board of Directors and the Chief Executive Officer of Hexagon AB for 2000. It is the Board of Directors and the Chief Executive Officer who hold the responsibility for the accounts and administration. Our responsibility is to issue a statement of opinion on the Annual Report, the Consolidated Financial Statements and the administration on the basis of our audit.

The audit has been conducted in accordance with accepted accounting standards in Sweden. This implies that we have planned and completed the audit in order, to a reasonable degree, to ensure that the Annual Report and the Consolidated Financial Statements do not contain any major errors. An audit entails examining a selection of the documentary basis for amounts and other information in the accounts. An audit also includes testing the accounting principles and their application by the Board of Directors and the Chief Executive Officer and also assessing the body of information in the Annual Report and the Consolidated Financial Statements. As a basis for our statement of opinion on discharge of liability, we have examined crucial decisions, measures and conditions in the company in order to be able to assess whether any Board Member or the Chief Executive Officer is liable to compensate the company. We have also examined whether any Board Member or the Chief Executive Officer has otherwise acted contrary to the provisions of the Companies Act, the Annual Reports Act or the Articles of Association. We are of the opinion that our audit gives us reasonable grounds for our pronouncements below.

The Annual Report and the Consolidated Financial Statements have been prepared in compliance with the Annual Reports Act and thereby give a true picture of the earnings and position of the Company and the Group in accordance with accepted accounting standards in Sweden.

We recommend that the Annual General Meeting adopt the Income Statement and Balance Sheet for the Parent Company and the Group, that the profits in the Parent Company be disposed of in accordance with the proposal in the Directors' Report and that the Members of the Board of Directors and the Chief Executive Officer be discharged of liability for the fiscal year.

Landskrona, Sweden, 27 March 2001

Gunnar Widhagen	Peter Pankko
Authorized Public Accountant	Authorized Public Accountant

HEXAGON AB

Cylindervägen 12
Box 1112
SE-131 26 NACKA STRAND, Sweden
Tel +46-(0)8-601 26 20
Fax +46-(0)8-601 26 21
postmaster@hexagon.se

HEXAGON AUTOMATION

Dacke Hydraulik AB
Kronobryggan
SE-261 31 LANDSKRONA, Sweden
Tel +46-(0)418-45 01 50
Fax +46-(0)418-45 01 55
info@dackehydraulik.se

Subsidiaries of Dacke Hydraulik AB:

Pneumatik AB CA-Verken
Hantverkaregatan 7
Box 118
SE-576 23 SÄVSJÖ, Sweden
Tel +46-(0)382-616 20
Fax +46-(0)382-614 28
info@caverken.se

AB Gustaf Terling
Askims Verkstadsväg 15
Box 1013
SE-436 21 ASKIM, Sweden
Tel +46-(0)31-28 98 40
Fax +46-(0)31-28 64 01
info@terling.se

Vaggeryds Hydraulik AB
Frideborgsvägen 21
Box 20
SE-567 21 VAGGERYD, Sweden
Tel +46-(0)393-365 00
Fax +46-(0)393-365 19
info@vaggerydshydraulik.se

Hydraul Syd AB
Kommendörsgatan 1
Box 1506
SE-271 51 YSTAD, Sweden
Tel +46-(0)411-690 00
Fax +46-(0)411-690 49
info@hydraulsyd.se

G.L. Hydraulik & Svets AB
Majorsallén 2
Box 677
SE-531 16 LIDKÖPING, Sweden
Tel +46-(0)510-290 30
Fax +46-(0)510-236 36
gl.hydraulik@beta.telenordia.se

Hydronic A/S
Nye Vakåsvei 32
Postboks 280
N-1379 NESBRU, Norway
Tel +47 66 77 88 00
Fax +47 66 84 68 68
hydronic@hydronic.no

Hällaryds Hydraulik AB
Skede
SE-574 93 VETLANDA, Sweden
Tel +46-(0)383-512 00
Fax +46-(0)383-510 09
info@hallarydshydraulik.se

Hydraulik Leverantören i Spånga AB
Maltesholmsvägen 88
Box 3443
SE-165 23 HÄSSELBY, Sweden
Tel +46-(0)8-445 54 20
Fax +46-(0)8-445 54 30
info@hydlev.se

Sweden Hydro Tools AB
Gamla Nissastigen 109
Box 21
SE-313 21 OSKARSTRÖM, Sweden
Tel +46-(0)35-497 50
Fax +46-(0)35-681 26
info@swedenhydrotools.se

INAB Ingeniörsbyrå AB
Svedjevägen 9
Box 321
SE-891 27 ÖRNSKÖLDSVIK, Sweden
Tel +46-(0)660-597 50
Fax +46-(0)660-37 64 65
info@inab.se

PMC Technology A/S
Klausdalsbrovej 1
DK-2860 SÖBORG, Denmark
Tel +45 70 21 21 21
Fax +45 70 21 21 22
info@pmctechnology.dk

SystemTeknik A/S
Rebslagervej 4
DK-9000 AALBORG, Denmark
Tel +45 96 31 73 33
Fac +45 98 12 73 84
info@systemteknik.dk

Servi Motion Control AS
Haugenveien 2
Postboks 3230
N-1402 SKI, Norway
Tel +47 64 97 97 97
Fax +47 64 97 98 99
servi@servi.no

Polarteknik PMC Oy Ab
Mästarvägen 6
PB 24
FIN-01731 VANDA, Finland
Tel +358 9 878 080
Fax +358 9 8780 8180
info@polarteknik.com

Hydronova AB
Fagerstagatan 19A
Box 65
SE-163 91 SPÅNGA, Sweden
Tel +46-(0)8-795 22 00
Fax +46-(0)8-795 22 15
info@hydronova.se

Roto-Sieve Filter AB
Helgonagatan 13
SE-442 41 KUNGÄLV, Sweden
Tel +46-(0)303-20 87 00
Fax +46-(0)303-20 87 01
info@roto-sievefilter.com

A-Filter AB
N Långebergsgatan 6
Box 160
SE-421 22 VÄSTRA FRÖLUNDA, Sweden
Tel +46-(0)31-49 62 50
Fax +46-(0)31-49 16 89
info@filter.aka.se

AB Carl Lidén
Klangfärgsgatan 25-27
Box 12106
SE-402 41 GÖTEBORG, Sweden
Tel +46-(0)31-69 68 80
Fax +46-(0)31-69 01 15
info@carlliden.se

IP-Produkter Oy
Muuntotie 3
Box 60
FI-01511 VANTAA, Finland
Tel +358 9 87 06 71
Fax +358 9 87 06 888
ip-produkter@ip-produkter.fi

Subsidiaries of IP-Produkter:

Filtercon Oy
Kairakatu 8
FIN-26100 RAUMA, Finland
Tel +358 2 822 22 34
Fax +358 2 822 66 55
filtercon@filtercon.fi

HEXAGON ENGINEERING

Gislaved Gummi AB
Åbjörnsgatan 9
Box 522
SE-332 28 GISLAVED, Sweden
Tel +46-(0)371-848 00
Fax +46-(0)371-848 88
info@ggab.se

Subsidiaries of Gislaved Gummi AB:

Stellana AB
Röforsvägen
Box 54
SE-695 22 LAXÅ, Sweden
Tel +46-(0)584-44 48 00
Fax +46-(0)584-44 48 90
info@stellana.se

Elastomeric Engineering Company Ltd
371, Colombo Road
Bokundara
PILIYANDALA
Sri Lanka
Tel +94 74 212 722
Fax +94 74 21 16 58
eeng@eureka.lk

Johnson Industries AB
Cylindervägen 12
Box 1112
SE-131 26 NACKA STRAND, Sweden
Tel +46-(0)8-601 26 20
Fax +46-(0)8-601 26 21
torbjorn.wistrand@hexagon.se

Subsidiaries of Johnson Industries AB:

Johnson Metall AB
Stålgatan 15
Box 1513
SE-701 15 ÖREBRO, Sweden
Tel +46-(0)19-17 51 00
Fax +46-(0)19-14 83 40
info.orebro@johnson-metall.com

Subsidiaries of Johnson Metall AB:

Johnson Metal A/S
Nyholms Allé 20
DK-2610 RØDOVRE, Denmark
Tel +45 36 70 00 44
Fax +45 36 70 80 50
j-m@johnson-metal.dk

OY Johnson Metall Ab
Turkkirata 14
FI-33960 PIRKKALA 6, Finland
Tel +358 334 277 00
Fax +358 334 277 28
jouko.kinnunen@johnson-metall.fi

Johnson Metall A/S
Postboks 55
NO-3360 GEITHUS, Norway
Tel +47 32 78 32 00
Fax +47 32 78 32 01
info.geithus@johnson-metall

Nordic Brass AB
Pressverksgatan 6
Box 524
SE-721 09 VÄSTERÅS, Sweden
Tel +46-(0)21-19 88 00
Fax +46-(0)21-19 82 52
info@nordicbrass.com

AB Centrostål
Södra Promenaden 55
SE-211 38 MALMÖ, Sweden
Tel +46-(0)40-10 34 20
Fax +46-(0)40-611 53 49
abc@centrostal.se

AB Nybro Stålprodukter
Madesjövägen 19
Box 827
SE-382 28 NYBRO, Sweden
Tel +46-(0)481-442 00
Fax +46-(0)481-107 87
info@nybrostalprodukter.se

Branch office to Nybro Stålprodukter
Ringugnsgatan 4
SE-216 16 MALMÖ, Sweden
Tel +46-(0)40-16 38 65
Fax +46-(0)40-16 17 58

Subsidiaries of Nybro Stålprodukter AB:

Moss Stål & Metall A/S
Varnavejen 41
Postboks 2098
NO-1521 MOSS, Norway
Tel +47 69 23 54 00
Fax +47 69 23 54 11
msm@mostmetal.no

Värnamo Stålprodukter AB
Fabriksgatan 14
SE-331 35 VÄRNAMO, Sweden
Tel +46-(0)370-69 95 00
Fax +46-(0)370-496 66
order@vmostalprod.se

CB-Agentur AB
Silovägen 5
SE-691 42 KARLSKOGA, Sweden
Tel +46-(0)586-588 10
Fax +46-(0)586-527 30
hakan@cbagentur.se

Sweden Eurosteel AB
von Holtensgatan 1
SE-415 02 GÖTEBORG, Sweden
Tel +46-(0)31-19 75 00
Fax +46-(0)31-19 87 81
info@eurosteel.se

SwePart AB
Cylindervägen 12
Box 1112
SE-131 26 NACKA STRAND, Sweden
Tel +46-(0)8-601 26 20
Fax +46-(0)8-601 26 21
torbjorn.wistrand@hexagon.se

Subsidiaries of SwePart AB:

SwePart Verktyg AB
Hässleholmsvägen
Box 158
SE-282 23 TYRINGE, Sweden
Tel +46-(0)451-597 00
Fax +46-(0)451-506 25
sales@swepartverktyg.se

Högmans Industri Verktyg AB
Lextorpsvägen 977
Box 910
SE-461 29 TROLLHÄTTAN, Sweden
Tel +46-(0)520-700 40
Fax +46-(0)520-739 20
hogmans@hogmansind-verktyg.se

Tjust Mekaniska Verkstads AB
Allén 78
Box 33
SE-593 21 VÄSTERVIK, Sweden
Tel +46-(0)490-825 80
Fax +46-(0)490-100 62
tjust@tjustmek.se

EBP i Olofström AB
Agrasjövägen 3-5
Box 34
SE-293 21 OLOFSTRÖM, Sweden
Tel +46-(0)454-30 17 00
Fax +46-(0)454-996 30
mailbox@ebp.se

SwePart Transmission AB
Allbogatan 40
SE-343 74 LIATORP, Sweden
Tel +46-(0)476-209 00
Fax +46-(0)476-209 50
info@transmission.swepart.se

Tidamek AB
Västra Ringvägen 6
Box 123
SE-522 23 TIDAHOLM, Sweden
Tel +46-(0)502-166 00
Fax +46-(0)502-166 26
info@tidamek.com

Swedrive AB
Åby
SE-340 14 LAGAN, Sweden
Tel +46-(0)372-265 00
Fax +46-(0)372-265 49
swedrive@swedrive.se

HEXAGON WIRELESS

Moteco AB
Ideon, Ole Römers väg 16
SE-223 70 LUND, Sweden
Tel +46-(0)46-286 41 70
Fax +46-(0)46-286 21 89
sales@moteco.se

Subsidiaries of Moteco AB:

gigaAnt AB
Ideon, Ole Römers väg 16
SE-223 70 LUND, Sweden
Tel +46-(0)46-286 42 70
Fax +46-(0)46-286 21 89
info@gigaant.com

Moteco Telecommunication Equipment Co.Ltd
No 2 Building, Area B
Shunyi Tianzhu Airport Industrial Zone
Beijing P.R.C. Zip Code 101300, China
Tel +86 10 80 49 95 69
Fax +86 10 80 49 95 81
helmerli@moteco.com.sn

MOTECO Inc
4030 Wake Forest Road,
Suite 300
Raleigh, NC 27609
USA
Tel +1 919 719 27 48
Fax +1 919 719 27 70
martin.jensen@moteco.se

MOTECO Asia PTE Ltd
6 Battery Road #22-00
049909 Singapore
Tel +65 423 06 50
Fax +65 423 06 51
alex.luiga@moteco.com.sg

MOTECO Malaysia SDN. BHD
8, Jalan Arung, Kawasan
Perindustrian Taman Johor
81200 Tampoi
Johor Bahru
Johor, Malaysia
Tel +60 (0) 723 53 000
Fax +60 (0) 723 57 600
alex.luiga@moteco.com.sg

OTHER COMPANIES

VBG Produkter AB (publ)
Tenggrenstorpsvägen 11
Box 1216
462 28 VÄNERSBORG, Sweden
Tel +46-(0)521-27 77 00
Fax +46-(0)521-27 77 90
info@vbg.com

HEXAGON METROLOGY

Corporate World Headquarters
Brown & Sharpe – U.S.A.
Measuring Systems World Headquarters
Brown & Sharpe
Precision Park, 200 Frenchtown Road
North Kingstown, RI 02852-1700, USA
Tel +1 401 886-2000
Fax +1 401 886-2762 (Main)
bwnshp@us.bnsmc.com

Precision Centers
Brown & Sharpe – U.S.A.

Southeast
5010 Linbar Drive, Suite 199
Nashville, TN 37211-5064, USA
Tel +1 615 331-0800
Fax +1 615 331-0875

Chicago Area
1558 Todd Farm Drive
Elgin, IL 60125-1287, USA
Tel +1 847 931-0100
Fax +1 847 931-1979

Central & Canada
51170 Grand River Avenue
Wixom, MI 48393-3327, USA
Tel +1 248 449-9400
Fax +1 248 449-7438

Ohio Area
World Park, Building 9
10012 International Boulevard
Cincinnati, OH 45246-4839, USA
Tel +1 513 942-0800
Fax +1 513 942-0804

West - California
199 Technology Drive, Suite 150
Irvine, CA 92618-2451, USA
Tel +1 800 955-5200
Fax +1 949 727-0167

Brown & Sharpe – Mexico
Brown & Sharpe de Mexico
Vasconcelos 1501
2 Piso Local #8
Garza Garcia N.L. 66230, Mexico
Tel +52 8 338 6272
Fax +52 8 338 7968
atrevino@us.bnsmc.com

Brown & Sharpe – South America (JV)
Brown & Sharpe do Brazil
Rua Sansao Alves dos Santos
9 Andar
Cep 04571-090
Sao Paolo, SP Brazil
Tel +55 011 5505-0215
Fax +55 011 5505-5677
info@bnsmc.com.br

Brown & Sharpe – Europe
Italy
Brown & Sharpe DEA SpA
Via Cesare Battisti 78/80
IT-20010 Pogliano Milanese (Milano), Italy
Tel +39 02 93549608
Fax +39 02 93549609

Brown & Sharpe DEA SpA
Via Donati 5
IT-51100 Pistoia, Italy
Tel +39 0573 364664
Fax +39 0573 364663

Brown & Sharpe DEA SpA
c/o Centro Tecnopolis
Via Casamassima Km. 3
IT-70100 Valenzano (Bari) Italy
Tel +39 080 8770496
Fax +39 080 8770495

Germany
Brown & Sharpe GmbH
Vertriebsgesellschaft für Meßtechnik
Netzestraße 32
D-71638 Ludwigsburg, Germany
Tel +49 7 141 8747 0
Fax +47 7 141 8747 88
contact@de.bnsmc.com

France
Brown & Sharpe SA
110 av Barthélémy Buyer
FR-69006 Lyon, France
Tel +33 4 72 57 90 24
Fax +33 4 72 57 90 27
bnsfr@de.bnsmc.com

Brown & Sharpe
Immeuble ”Le Viking”
32 Avenue du la Baltique
FR-91978 Courtaboeuf Cedex, France
Tel +33 1 69 29 12 00
Fax +33 1 69 29 00 32
bnsfr@de.bnsmc.com

United Kingdom
Brown & Sharpe Ltd.
Swindon Tech Centre
10 Hillmead
Swindon, Wiltshire, SN5 9FZ
GB-United Kingdom
Tel +44 1793 877633
Fax +44 1793 877636
msuk@uk.bnsmc.com

Spain
Brown & Sharpe, SA
Carrer dels Sabaters, 5
Parc Tecnologic del Valles
ES-08290 Cerdanyola (Barcelona) Spain
Tel +34 93 5946920
Fax +34 93 5946921
bsspain@bnsh.es

Brown & Sharpe – Asia
China (JV)
Beijing
Brown & Sharpe Beijing
Room 905, Office Tower 3
Henderson Center, Beijing
18 Jianguomennei Avenue
Dongcheng District
CN-100005 Beijing, P.R. China
Tel +86 10-65186561/62/63
Fax +86 10-65186557
bsqbj@chinabnsmc.com

Shanghai
Room 1601, Unicom International Mansion
547, Tianmuxi Road,
Shanghai CN-200070 P.R. China
Tel +86 21 63531000
Fax +86 21 63535159
bsqshanghai@chinabnsmc.com

Shenyang
Room 2-121, Shenyang City Plaza,
206, Nanjingbei Street, Heping District
CN-110001 Shenyang P.R. China
Tel +86(24) 23341690/91
Fax +86(24) 23341685
bsqsy@chinabnsmc.com

Guangzhou
Room 407, AVIC Hotel
30, Tianhezhi Street,
Guangzhou CN-510620 P.R. China
Tel +86 20 87541986
Fax +86 20 87541987
bsqgz@chinabnsmc.com

Japan
Brown & Sharpe KK
Ebina Sanshi Bldg.
JP-5-18-19 Higashi Kashiwagaya
Ebina-shi, Kanagawa-pref.
243-0401 Japan
Tel/Fax Tel +81 46-236-0095
Fax +81 46-236-0093

Factories
Brown & Sharpe – U.S.A.
Measuring Systems World Headquarters
Brown & Sharpe
Precision Park, 200 Frenchtown Road
North Kingstown, RI 02852-1700, USA
Tel +1 401 886-2000
Fax +1 401 886-2762 (Main)
bwnshp@us.bnsmc.com

Brown & Sharpe
70 Parker Avenue
Poughkeepsie, NY 12601-1927, USA
Tel +1 914 471-3100
Fax +1 914 471-3143

Brown & Sharpe – Europe
Switzerland
PMI World Headquarters
Brown & Sharpe TESA SA
Bugnon 38
CH-1020 Renens, Switzerland
Tel +41 21 6331600
Fax +41 21 6357535
tesainfo@ch.bnsmc.com

Brown & Sharpe TESA SA
P.O. Box 77
CH-1180 Rolle, Switzerland
Tel +41 21 8224343
Fax +41 21 8253624

Italy
Brown & Sharpe DEA SpA
Strada del Portone, 113
IT-10095 Grugliasco (TO), Italy
Tel +39 011 4025111
Fax +39 011 7803254
cantact@it.bnsmc.com

Germany
Brown & Sharpe GmbH
Siegmund-Hiepe Straße 2-12
D-35578 Wetzlar, Germany
Tel +49 06441 207 0
Fax +49 06441 207 122
contact@de.bnsmc.com

Lithuania (JV)
Brown & Sharpe-Précizika
Zirmunu 139
LT-2600 Vilnius, Lithuania
Tel +370 02 771 848
Fax +370 02 775 963

United Kingdom
CM World Headquarters
Brown & Sharpe Limited (MS, CM)
Metrology House
Halesfield 13
Telford, Shropshire, TF7 4PL
GB-United Kingdom
Tel +44 01952 681300
Fax +44 01952 681310
bns@uk.bnsmc.com

Brown & Sharpe – Asia
China (JV)
Brown & Sharpe Qianshao
11 Luoyang Road, Qingdao
CN-266045 P.R. China
Tel +86 532 486 2324 +
Tel +86 532 486 2534
Fax +86 532 485 6427
info@cn.bnsmc.com

Designed and produced by Dowell//Stubbs. Photographer: Lasse Davidsson, Metrology images courtesy of Brown & Sharpe.
Printing and repro: On Paper Grafiska AB. Paper: cover – Invercote G 260g, insert – Silverblade matt 150g.

HEXAGON