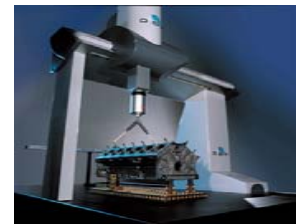
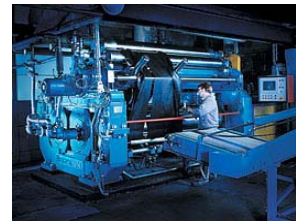




Report on operations Q2 2005

Summary so far in 2005...

	H:1 2005	<u>Comments</u>
Announced acquisitions:	160 MSEK	Metrology, Polymers Leica Geosystems AG – public tender offer
Announced divestitures:	2 300 MSEK	Hexagon Automation
Recorded growth:	+ 22 %	
Organic growth:	+ 12 %	
E.P.S :	+ 68 %	“more than 15 %”
EBIT margin %	9 %	“ >10 % “
ROCE:	14 %	“15 % over a cycle”
Return on Equity:	19 %	



Recorded growth 2005 vs. 2004

2005/2004	2004	Q1	Q2	Q3	Q4	2005
Sweden	7 %	10 %	-2 %			
Europe	14 %	27 %	23 %			
NAFTA	49 %	85 %	42 %			
Asia	25 %	28 %	13 %			
Other	2 %	- 28 %	18 %			
TOTAL	16 %	27 %	18 %			

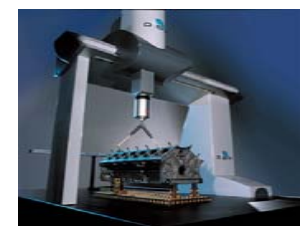
Adjusted growth 2005 vs. 2004

2005/2004	2004	Q1	Q2	Q3	Q4	2005
Sweden	18 %	10%	-2 %			
Europe	7 %	14%	14 %			
NAFTA	13 %	18%	22 %			
Asia	40 %	35%	17 %			
Other	2 %	-28%	18 %			
TOTAL	11 %	11%	13 %			

Summary Q2

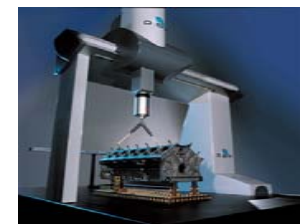
<u>Msek</u>	<u>Q2 -05</u>	<u>Q2 -04</u>	<u>Change / Adjusted *</u>
Order intake	2 525	2 234	+13 % / + 9 %
Net sales	2 507	2 126	+18 % / + 13 %
OP (EBIT 1)	233	169	+38 % / + 28 %
%	9.3 %	7.9 %	
EBIT	233	131	+78 % / + 63 %
%	9.3 %	6,2 %	
Financial, net	-30	-21	
PBT	203	110	+ 85 % / + 71 %
%	8.1 %	5,2 %	
EPS	2.53	1.48	+ 71 % / + 59 %
Investments	- 106	- 82	+ 29 %

* Adjusted for currency movements and structural changes



Summary H:1

<u>Msek</u>	<u>H:1 -05</u>	<u>H:1 -04</u>	<u>Change / Adjusted *</u>
Order intake	4 907	4 184	+17 % / + 8 %
Net sales	4 748	3 886	+22 % / + 12 %
OP (EBIT 1)	413	288	+43 % / + 25 %
%	8.7 %	7.4 %	
EBIT	413	241	+71 % / + 49 %
%	8.7 %	6.2 %	
Financial, net	- 58	-37	
PBT	355	204	+74 % / + 55 %
%	7.5 %	5,3 %	
EPS	4.48	2.65	+69 % / + 50 %
ROCE %	14.3 %	11.0 %	
Return on Eq, %	19.3 %	12.9 %	
Investments	- 188	- 137	+37 %
Solvency ratio %	30 %	30 %	



* Adjusted for currency movements and structural changes

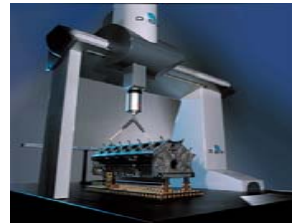
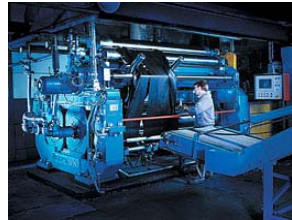
Cash flow H:1 2005

	<u>H:1 -05</u>	<u>H:1 -04</u>	<u>2004</u>
Cash flow from operations	432	333	723
Change in working capital			
-Inventories	-206	-134	-145
-Accounts Receivables	-346	-445	-362
-Accounts Payables	270	503	319
- <u>Others</u> (Acq/Div/transl.diff)	<u>21</u>	<u>58</u>	<u>107</u>
-TOTAL	- 261	-18	-81
Cash flow from oper. a. WC Changes	171	315	642
Net Investments	-188	-137	-299
Cash Flow	-17	178	343

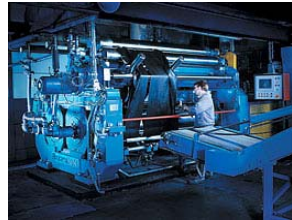


The share

- Dividend 6:00 SEK (30 %)
- 2 198 415 new shares issued in April (incl split)
- Split 1 to 3 in May
- Total number of shares 57 673 thousands



Update per business area



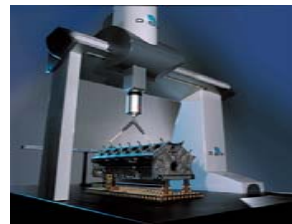
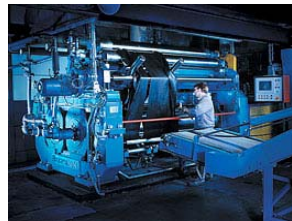
Development per business area H:1 2005

<u>MSEK</u>	<u>Inv.sales</u>	<u>Adj. sales growth %</u>	<u>Profit</u>	<u>Margin %</u>
Automation	1 248	+ 8 %	64	5 (5)
Engineering	889	+ 19 %	45	5 (6)
Metrology	1 549	+ 13 %	178	11 (9)
Polymers	1 077	+ 10 %	140	13 (13)
Ass.companies			0	
Group costs	- 15		-14	
EBIT	4 748	+ 12 %	413	9 (7)
			-	
Financial, net			-58	
PAF	4 748	+ 12 %	355	7 (6)
			-	
Non comp. items			-	
PBT	4 748	+ 12 %	355	7 (5)



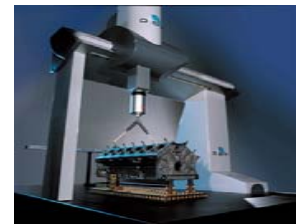
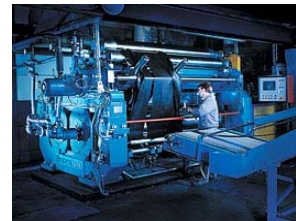
Automation

- Disposed of as of July 1st 2005
- Cash 1 153 MSEK before transaction costs
- Capital Gain 459 MSEK
- No Capital gains tax



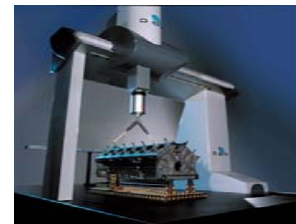
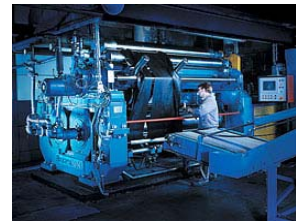
Engineering

- Significant growth in core business continues + 13 % in Q2
- Non core operations generated a loss amounting to - 15 MSEK during the first six months on a Sales turn over of app. 55 MSEK
- These entities will be disposed of or shut down during Q3 resulting in a non recurring cost of -74 MSEK.
 - Cash cost amounts to - 22 MSEK -> Pay back : 8 months.
- Inauguration of the new press line at EBP on 12th May
- 2005 Outlook: Continued growth and margin expansion in core business
Non-recurring restructuring cost of 74 MSEK will reduce the business areas profit for the year charged in Q3.



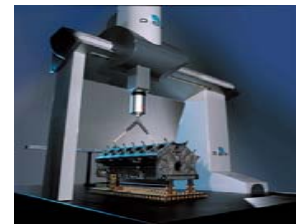
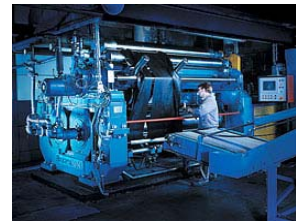
Metrology

- Strong development in all segments and regions
 - Growth in EU fuelled by market share gains
- 17 % organic growth (Service and S/W + 20 %) in Q2
- Launch of new products during H:2:
 - Sensors contact and non-contact
 - Vision products
 - Soft Ware
 - New Articulated arms and portable systems
- Restructuring costs for production transfers from Europe to Asia amounting to 25 MSEK will be charged in Q3, Pay Back: 8 months
- 2005 Outlook: Continued growth and margin expansion



Polymers

- Organic growth in Q2 10 %
- Raw material price increases continues in USA
- So far we have managed to increase prices and rationalise operations in order to meet raw materials cost increases
- Turbulent situation with losses for many customers
- 2005 outlook: Improved profit and volumes with a somewhat lower margin (14% -> 13 %) in 2005.



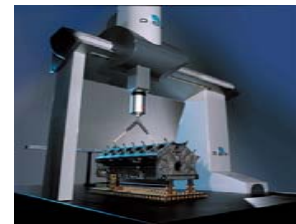
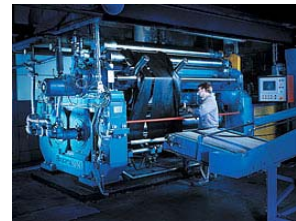
Leica Geosystems - status

- Road show in Europe - end of June
 - Message from “long term” shareholders
 - “The price is OK even though a fair price is 460-550”
 - “Industrial story is attractive”
 - “We want Hexagon shares”
 - Message from “short term” shareholders
 - “The price is to low- 500 CHF minimum!”
- Antitrust clearance
- End of the offer period extended from 9th to 24th of August because of Danaher's offer
- Access to same info as Danaher - Evaluate options



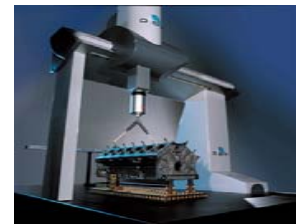
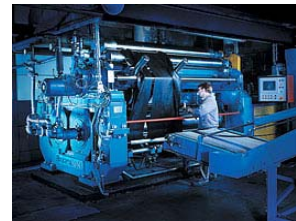
E.O. Items in Q3 2005

	Amount
Automation Capital gain	+ 459 MSEK
Engineering Restructuring	- 74 MSEK
Metrology Prod.transfer	- 25 MSEK
Other	- 15 MSEK
TOTAL	+ 345 MSEK



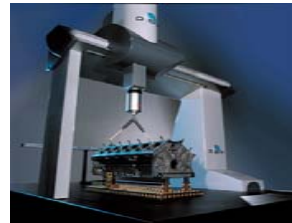
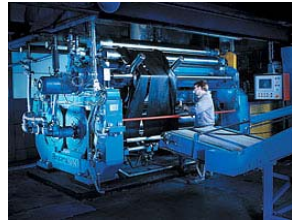
Outlook for 2005

“ We will surpass our strategic target of an E.P.S. growth of at least 15 % per annum in 2005.”



Thank you for your time

- *Questions?*



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