

Press release

August 20th, 2002

HEXAGON ACQUIRES THE SOFTWARE PROVIDER XYGENT INC.

Hexagon Metrology, Hexagon's business unit within metrology, has acquired the remaining majority stake in the American software provider Xygent, Inc. from BNSCo, Inc. Subsequent to the transaction Xygent will be fully owned by Hexagon. The company will be consolidated as of August 21st, 2002.

Xygent has since 1997 invested more than 30 MUSD in developing an open architecture metrology and applications software, based upon a common platform known as XactCOM. Accordingly, XactCOM is a valuable contribution to Hexagon's software portfolio.

Operationally, the business of Xygent will be integrated with Wilcox and Associates, Inc. (WAI), which is already fully owned by Hexagon. WAI's software PCDMIS is today the leading software within the metrology area. PCDMIS is sold together with any new metrology hardware of Hexagon Metrology, or as retrofit of own or most competitor machines. The software PCDMIS is turning into a common platform for many applications.

"By adding certain technology and utilizing skills developed within Xygent, the development of PCDMIS will continue even faster," says Ola Rollén, CEO Hexagon Group. From a market perspective, PCDMIS provides a proven and widely accepted technology, which get more and more accepted as a market standard. "Just as for hardware, most customers are concerned investing in smaller brands, that might not be sustainable on the market. Especially enterprise customers want to have a long term relation with their suppliers, and a software platform is something You regard as strategic because it involves huge internal investments in internal part program, education and IT-structure", Ola Rollén continues.

Hexagon Metrology has a strategy to be an active part in the ongoing consolidation of the total metrology market. PCDMIS will be the software platform supporting different metrology technologies to meet the total need of a customer from design to manufacturing and quality control.

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Hexagon AB is a multinational engineering group with the long-term ambition of positioning itself as number one or number two within its strategic sectors. The operation is divided into three business areas: Hexagon Automation, Hexagon Engineering and Hexagon Metrology. The group's targets are to increase earnings per share after tax by at least 15 per cent p.a., and achieve a return on capital employed higher than 15 per cent over the business cycle. Current turnover amounts to more than 7 GSEK p.a.