



Interim Report

January 1st – June 30th, 2004

Second Quarter 2004

- Net sales increased to 2 126 MSEK (1 825). Using fixed exchange rates and a comparable group structure, the organic growth was 15 per cent.
- Earnings before taxes increased by 39 per cent to 121 MSEK (87).
- Earnings per share after taxes increased by 41 per cent to 4.49 SEK (3.19).
- Cash flow per share increased to 13.14 SEK (2.97)

First half year of 2004

- Net sales increased by 6 per cent to 3 886 MSEK (3 672). Using fixed exchange rates and a comparable group structure, net sales increased by 9 per cent.
- Earnings before taxes increased by 32 per cent to 207 MSEK (157).
- Earnings per share after taxes increased by 35 per cent to 7.57 SEK (5.62).
- Cash flow per share increased to 17.03 SEK (6.17).

	Second quarter				Six months			
	2004	2003	Change		2004	2003	Change	
			Recorded	Adjust.*			Recorded	Adjust.*
Order intake	2 234	1 759	27 %	26 %	4 184	3 666	14 %	18 %
Net sales	2 126	1 825	16 %	15 %	3 886	3 672	6 %	9 %
Operating earnings	142	107	33 %	22 %	244	202	21 %	19 %
EBITA	171	126	36 %	23 %	291	241	21 %	18 %
Margin %	8.0	6.9	1.1	0.5	7.5	6.6	0.9	0.6
EBIT 1	147	107	37 %	26 %	249	202	23 %	21 %
Earnings before tax	121	87	39 %	31 %	207	157	32 %	32 %
Earnings after tax	83	59	41 %	32 %	140	104	35 %	34 %
Earnings per share	4.49	3.19	41 %	32 %	7.57	5.62	35 %	34 %
Cash flow per share	13.14	2.97	342 %		17.03	6.17	176 %	

* Adjusted for currency fluctuations and changes in group structure

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The Interim Report will be discussed on Tuesday, August 10th, at 16.00 hrs C.E.T. in a telephone conference. Please see instructions at: www.hexagon.se

A subscription service to Hexagon's financial information is available as e-mail at www.hexagon.se.

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Hexagon is a global technology group with the long-term ambition of positioning itself as number one or number two within its strategic sectors. 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 of more than 15 per cent over a business cycle.

General

During the quarter, the earnings have been negatively affected, with 5 MSEK, by the disposal of the subsidiary Tjust Mekaniska Verkstad AB. Simultaneously - the acquisitions of Sheffield and Thona Group affect the earnings positively. Thona Group is consolidated as of May 1st, 2004. The US Dollar average exchange rate for the period was 7.471 SEK. During the same period 2003 the average rate was 8.314 SEK. This implies a decrease by -10 per cent, which affects all relevant comparison numbers adversely. During the quarter, severance payments amounting to 10 MSEK have been paid out in connection to restructuring measures in Italy. This item is reported under Group costs.

Second Quarter 2004 – Earnings, Net Sales and Order Intake

The demand situation in Europe improved during the quarter. In particular the heavy vehicles industry grew, but the situation has also improved within other industry sectors. In North America, the demand for Hexagon's products continued to improve. The North American industrial activity is satisfactory. The strong growth in Asia continued during the quarter. Generally, a stabilisation and growth in the global demand seems to be evident for the Group. The organic growth during the quarter was 15 per cent. All business areas show improved margins and good growth.

Order intake increased by 27 per cent to 2 234 MSEK (1 759). Net sales increased by 16 per cent to 2 126 MSEK (1 825). Using fixed exchange rates and a comparable group structure, the order intake increased by 26 per cent and net sales by 15 per cent.

Operating earnings before amortisation of goodwill (EBITA) increased by 36 per cent to 171 MSEK (126), which corresponds to an operating margin of 8 per cent (7). Operating earnings were adversely affected by 9 MSEK, due to exchange rate fluctuations. The Group costs have been charged during the quarter by 10 MSEK for severance payments related to the Italian operation.

Operating earnings adjusted for capital gains (EBIT 1) amounted to 147 MSEK (107). During the quarter a capital loss of 5 MSEK arose from the divestment of Tjust Mekaniska Verkstad AB, as a consequence, the operating earnings including the capital losses (EBIT 2) amounted to 142 MSEK (107). Operating earnings were adversely affected by 8 MSEK, due to exchange rate fluctuations.

Earnings before taxes increased by 39 per cent to 121 MSEK (87). The earnings were adversely affected by 7 MSEK, due to exchange rate fluctuations.

Earnings after taxes amounted to 83 MSEK (59), corresponding to an earnings per share of 4.49 SEK (3.19).

	2004		2003				
(MSEK)	Q1	Q2	Q1	Q2	Q3	Q4	2003
Order intake	1 950	2 234	1 907	1 759	1 630	1 830	7 126
Net sales	1 760	2 126	1 847	1 825	1 605	1 826	7 103
EBITA *)	120	171	115	126	87	152	480
Margin, %	6.8	8.0	6.2	6.9	5.4	8.3	6.8
EBIT 1 **)	102	147	95	107	68	136	406
Margin, %	5.8	6.9	5.1	5.9	4.2	7.4	5.7
EBIT 2 ***)	102	142	95	107	68	136	406
PBT ****)	86	121	70	87	50	116	323

* = Earnings before financial items, tax, capital gains, non-recurring items and amortization on goodwill

**) = Earnings before financial items, tax, capital gains and non-recurring items.

***)) = Earnings before financial items and tax

****)) = Earnings before tax

First six months 2004 – Earnings, invoiced sales and order intake

Order intake increased by 14 per cent to 4 184 MSEK (3 666). Net sales increased by 6 per cent to 3 886 MSEK (3 672). Using fixed exchange rates and a comparable group structure, order intake increased by 18 per cent and net sales by 9 per cent.

Earnings before amortisation of goodwill (EBITA) amounted to 291 MSEK (241), which corresponds to a margin of 7 per cent (7). Earnings were adversely affected by 19 MSEK, due to exchange rate fluctuations..

Earnings before capital gains and non-recurring items (EBIT 1) amounted to 249 MSEK (202). Including these items the earnings (EBIT 2) amounted to 244 MSEK (202). These earnings were adversely affected by 16 MSEK, due to exchange rate fluctuations.

Earnings before taxes increased by 32 per cent to 207 MSEK (157). These earnings were adversely affected by 14 MSEK, due to exchange rate fluctuations.

Earnings after taxes increased by 35 per cent to 140 MSEK (104), which corresponds to earnings per share of 7.57 SEK (5.62).

Profitability

The Group's capital employed, defined as total assets less non-interest bearing liabilities, amounted to 5 294 MSEK (4 466). Return on average capital employed excluding amortisation on goodwill increased to 13.1 per cent (11.1). Return on average capital employed was 11.3 per cent (9.3). The capital turnover rate was 1.7 times (1.6).

Return on average shareholders' equity excluding amortisation on goodwill amounted to 16.1 per cent (12.9). Return on average shareholders' equity was 12.4 per cent (9.4)

Group financial position

Shareholders' equity amounted to 2 190 MSEK (2 188). The moderate increase in equity during the period is explained by the extraordinary distribution, to Hexagons shareholders, of the shareholding in VBG, carried out during the second quarter together with the payment of the ordinary dividend. These dividends reduced the equity by 208 MSEK. The Equity ratio was 30 per cent (37). The Group's total assets increased as a consequence of the recent acquisitions, to 7 536 MSEK (6 100).

Cash, including non-utilised credit limits, amounted to 1 147 MSEK (842). The Group's net debt amounted to 2 774 MSEK (2 113), and the net indebtedness amounted to 1.27 times (0.97). Interest coverage ratio was 4.8 times (4.0).

Cash flow

The Cash flow from operations, before changes in working capital, increased to 333 MSEK (281), which corresponds to 18.00 SEK per share (15.20). The cash flow from operations increased to 315 MSEK (114), which corresponds to 17.03 SEK per share (6.17). The operating cash flow increased to 178 MSEK (12).

Investments and depreciation

The Group's net investments, excluding acquisitions, amounted to 137 MSEK (102). Depreciations for the period were 162 MSEK (155), of which 42 MSEK (39) was amortisation of goodwill.

Divestitures and acquisitionsDivestitures

Effective January 2nd, 2004, Metodsvets in Kungälv AB (formerly Roto-Sieve AB) was divested to key employees within the company. The company, which was consolidated within the business area Hexagon Automation, had a turnover of 29 MSEK last year.

Effective May 3rd, 2004, Tjust Mekaniska Verkstad AB was divested to the Managing Director of the company, among others. The company, which was consolidated within the business area Hexagon Engineering, had a turnover of 22 MSEK last year. This divestiture resulted in a capital loss of 5 MSEK in the second quarter.

Effective May 10th, 2004, Hexagon's shares in VBG have been distributed to the shareholders in Hexagon. In 2003, VBG contributed to Hexagon's operating earnings with 11 MSEK. The dividend caused a reduction of the Group's assets and equity by 123 MSEK.

Acquisitions

Effective February 27th, 2004, the metrology operations were acquired from the South Korean company Korea ErFa Systems Eng. Co. Hexagon runs the operations in a new company, Hexagon Metrology Korea. At takeover, the company's turnover was approximately 10 MSEK on a yearly basis.

Effective March 1st, 2004, the metrology operations were acquired from the American company Sheffield Automation LLC. Hexagon runs the operations in a new company, Sheffield Measurement Inc. At takeover, the company's turnover was approximately 125 MSEK on a yearly basis.

Effective May 1st, 2004, Hexagon acquired the Belgium based polymer compounder Thona Group, with production facilities in Belgium, the Czech Republic, Canada and USA. Thona Group is a technically advanced supplier with capacity to produce both rubber and TPE compounds. The Group has an annual turnover of approximately 100 MEUR. Through this acquisition Hexagon Polymers will become the world-leading supplier of polymer products.

Effective July 1st, 2004, Hexagon acquired the French metrology company Romer S.A. The company has a turnover of approximately 8 MEUR, and will contribute to Hexagon's earnings from the date of consolidation.

On August 3rd, 2004 Hexagon informed about the agreement to acquire the American metrology company Romer Cimcore Inc. The company has an annual turnover of approximately 16 MUSD. The acquisition, which is conditioned by the approval from relevant competition authorities, will be consolidated as of August 1st, 2004, and will generate a positive contribution to Hexagon's earnings from start.

Group Tax rate

The Group's income taxes amounted to 62 MSEK (48), which corresponds to a tax rate of 30 per cent (31). The tax cost is affected by amortisation of goodwill, which is non-tax deductible, as well as the fact that a considerable part of the Group's earnings is generated in foreign subsidiaries located in countries, where the tax rates differ from those in Sweden.

Workforce

During the quarter, the average number of employees in the Group were 5 675 (5 341). The number of employees at the end of the period was 6 125 (5 681), which is an increase from the beginning of the year of 589 employees. This increase explained by the acquisitions made during the period as well as increased production in Sri Lanka.

Business areas

Hexagon Automation

The business area is focused on products and services, and includes a range of components and systems as well as aftermarket services within hydraulics, pneumatics, electromechanical engineering, flow control, lubrication systems and electric and control systems. The customers are found within a great variety of industries – as for example, wind power, offshore, pulp and paper, processing, engineering, the automotive industry and materials handling.

Order intake increased by 7 per cent to 1 225 MSEK (1 144). Net sales amounted to 1 154 MSEK (1 143). Operating earnings (EBITA) amounted to 52 MSEK (50), which corresponds to an operating margin of 5 per cent (4).

The hydraulics market in Sweden and Finland continued to improve during the period. The activity within the Norwegian off shore market has improved. This has, however, not yet resulted in orders. The Danish market has enjoyed improved volumes but a strong price pressure. Generally, a stabilisation and growth seems to be imminent after a three year period of sluggish demand.

Hexagon Engineering

The Business area is focused on selling key components and systems to customers within the automotive, engineering and construction industries.

Order intake amounted to 818 MSEK (844) and net sales amounted to 744 MSEK (827). Using a comparable group structure, order intake increased by 29 per cent and net sales by 20 per cent. Operating earnings (EBITA) increased to 46 MSEK (36), which corresponds to an operating margin of 6 per cent (4).

The business area has progressed satisfactory during the quarter. The reasons behind the improvement are the increased demand from the heavy vehicles sector combined with the successful outcome from the restructuring measures, where, among others, Tjust Mekaniska Verkstad was divested. The joint venture company Outokumpu Nordic Brass proceeds according to plan.

Hexagon Metrology

The business area is the world leader within the metrology industry, with production of coordinate measurement machines (CMM's) and hand tools at seven plants in different parts of the world. Extensive aftermarket services are fulfilled via some 30 regional so called Precision Centres, with responsibility for upgrades of machines and software, training, contracted maintenance and other services. The largest customers are found within the automotive industry including its sub-suppliers, aerospace and defence related industries, engineering and electronics, computing and medical industries.

Order intake amounted to 1 429 MSEK (1 231). Using fixed exchange rates and a comparable group structure, order intake increased by 20 per cent. Net sales amounted to 1 326 MSEK (1 270). Using fixed exchange rates and a comparable group structure, net sales increased by 8 per cent. Operating earnings (EBITA) amounted to 117 MSEK (107), which corresponds to an operating margin of 9 per cent (8). EBITA was adversely affected by 13 MSEK, due to exchange rate movements.

The total market for tactile measurement grew during the period. The organic growth for the business area amounted to 10 per cent. The strongest growth was recorded in Asia. NAFTA recorded continuous good growth. The European market improved substantially during the quarter. Hexagon has during the year launched a number of new products. These have been well received, and as a consequence, order intake, as well as, sales was positively affected. Sales of coordinate measurement machines (CMM) continued to increase. The profitability is beginning to improve within this segment. Sales of services and software increased strongly. The organic growth for the segment was 21 per cent during the quarter. Sales of hand tools and manual measurement machines have also progressed well.

The software system EMS is now commercialised with all its modules. During 2004 Hexagon will put resources into building up distribution channels for the different modules. Financially, we estimate EMS to contribute significantly as from fiscal 2005.

Hexagon Polymers

The Business area operates within three product areas; gaskets for plate heat exchangers, rubber and plastic wheels for fork lift trucks and track drive applications, semi-finished rubber compounds and extrusions. The main customers are major international OEM's, active within the market areas of plate heat exchangers, forklifts, materials handling equipment and cable manufacturing.

Order intake amounted to 712 MSEK (447) and net sales amounted to 673 MSEK (451). The organic growth was 12 per cent. The residual growth is explained by the acquisition of Thona Group, which was consolidated May 1st, 2004. Operating earnings (EBITA) increased to 93 MSEK (53), which corresponds to an operating margin of 14 per cent (12).

During the period, the business area has continued to develop positively within all its operations. A decision to expand the capacity of the Sri Lankan unit has been taken. The new capacity is expected to be commissioned during the first half-year next year. The Thona Group is included in the business area with two months. There is an increase in raw material prices, due to increased world market prices for oil products. This might adversely affect the operating margin in the second half of 2004, unless Polymers succeeds in compensating this cost increase with customer price increases.

Net sales and operating earnings by business area.

(MSEK)	Net sales		Earnings	
	2004	2003	2004	2003
	1 Jan–30 June	1 Jan–30 June	1 Jan–30 June	1 Jan–30 June
Hexagon Automation	1 154	1 143	52	50
Hexagon Engineering	744	827	46	36
Hexagon Metrology	1 326	1 270	117	107
Hexagon Polymers	673	451	93	53
Share of earnings in associated companies			7	7
Group costs and adjustments	-11	-19	-24	-12
EBITA			291	241
Amortisation of goodwill			-42	-39
EBIT 1			249	202
Per cent of net sales			6.4	5.5 %
Capital loss			-5	-
Non-recurring items			-	-
EBIT 2			244	202
Financial net			-37	-45
The Group	3 886	3 672	207	157

Associated companies

Associated companies include primarily VBG AB and the joint venture Outokumpu Nordic Brass. Associated companies contribute to Hexagon's operating earnings according to the equity method with 12 MSEK (6). The earnings in VBG are included until May 10th, which is the date when the shareholding was distributed to Hexagon's shareholders. In the operational reporting, Outokumpu Nordic Brass is reported in the business area Hexagon Engineering.

Restructuring Provisions

The restructuring provisions were 5 MSEK at the beginning of the year. Coincident with the acquisitions made during the period, further restructuring provisions of 72 MSEK have been made. Out of

the total reserve, 4 MSEK (17) has been utilised during the period, out of which 3 MSEK (10) are personnel related.

Share data

Earnings per share after taxes increased to 7.57 SEK (5.62). On June 30th, 2004, the equity per share has increased to 118.44 SEK (118.33), and the share price was 253 SEK (176).

Parent company

The Parent company's earnings after financial items amounted to -12 MSEK (-15). The equity ratio of the parent company was 25 per cent (37). The shareholders' equity, including the equity portion of untaxed reserves, amounted to 1 445 MSEK (1 607). Liquid assets, including unutilised credit limits, amounted to 787 MSEK (604).

Accounting principles

This Interim Report is prepared in compliance with the Swedish Financial Accounting Standards Council's Recommendation RR20, Interim reporting. Effective as of January 1st, 2004, Hexagon applies the Swedish Financial Accounting Standards Council's Recommendation RR29, Employee Benefits, which is based on IAS 19. The adoption of this recommendation has led to a reduction of the Group's equity by 23 MSEK. The application of this recommendation has not had any material impact on the pension expense for the period. In all other respects, the accounting principles and calculation methods remain unchanged compared to those applied in the latest annual report.

Stock options

During 2000 Hexagon introduced a stock option programme. After the cancellation of the warrants possessed by the Group on July 1st, 2003, the programme comprises 648 500 warrants, which gives the right to subscribe for in total 732 805 new series B shares in the Company at a subscription rate of 178:60 SEK until May 31st, 2005, inclusive. The subscription rights have been transferred at market value.

During 2003 Hexagon introduced a stock option programme addressed to key personnel, mainly within Hexagon Metrology. The programme comprises in total 500 000 warrants, of which currently 290 000 have been subscribed. Each warrant entitles the holder the right to subscribe for 1,03 new series B share during the period October 1st, 2003, until September 30th, 2006, inclusive, at 241:90 SEK. The subscription rights are transferred at market value.

The dilution effect upon full exercise of these stock option programmes corresponds to approximately 6.3 per cent of the share capital and 4.3 per cent of the votes.

Outlook

Hexagon has further strengthened its market position, product portfolio and organisation to enable further growth in net sales and earnings. Our financial target of an increase in earnings per share after taxes by at least 15 per cent p.a. remains.

The Annual General Meeting

At this year's Annual General Meeting, last year's board members were re-elected. Furthermore, Marianne Arosenius was elected as non executive director. The meeting decided in line with the Boards proposal on a dividend of 4.60 SEK per share. The AGM also decided to distribute the 1 404 823 B-shares that Hexagon owned in the O-listed company VBG AB to the shareholders.

Financial information

External financial information will be published on the Group's website, www.hexagon.se, as soon as it has become public.



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|----------------------------------|-----------------|
| - Interim report - third quarter | 28 October 2004 |
| - Year-end report, 2004 | February, 2005 |

Nacka Strand, 10th of August, 2004

HEXAGON AB (publ)

Ola Rollén
President & C.E.O.

The Company's auditors have not audited this half-year report.

Consolidated Income Statement – Summary

(MSEK)	2004 Q2	2003 Q2	2004 1/1-30/6	2003 1/1-30/6	Outcome last 12 months	2003 Full year
Net sales	2 126	1 825	3 886	3 672	7 317	7 103
Cost of goods sold	-1 567	-1 361	-2 889	-2 750	-5 421	-5 282
Gross Profit	559	464	997	922	1 896	1 821
Sales expenses, administration costs etc	-391	-340	-718	-687	-1 392	-1361
Earnings from shares in associated comp	3	2	12	6	26	20
Earnings before amortisation of goodwill	171	126	291	241	530	480
Amortisation of goodwill	-24	-19	-42	-39	-77	-74
Non-recurring items	-	-	-	-	-	-
Capital loss	-5	-	-5	-	-5	-
Operating earnings	142	107	244	202	448	406
Financial revenue and expenses	-21	-20	-37	-45	-75	-83
Earnings before tax	121	87	207	157	373	323
Tax	-36	-26	-62	-48	-103	-89
Minority interest	-2	-2	-5	-5	-13	-13
Net earnings	83	59	140	104	257	221
Earnings per share (EPS) after tax (SEK)	4.49	3.19	7.57	5.62	13.90	11.95
EPS adjusted for amortisation on goodwill (SEK)	5.79	4.22	9.84	7.73	18.06	15.95
Shareholder's equity per share (SEK)*)	118.44	118.33	118.44	118.33	118.44	122,88
CB number of shares (thousands)	18 491	18 491	18 491	18 491	18 491	18 491
Depreciations are included with (MSEK)	-88	-77	-162	-155	-312	-305

*) A calculation of the dilution effect in the key numbers has not been made as the effect is estimated to be marginal.

Translation schedule for the different levels of earnings in the report

(MSEK)	2004 1/1 - 30/6	2003 1/1 - 30/6	Outcome last 12 months	2003 Full year
Earnings before amortisation of goodwill (EBITA)	291	241	530	480
Amortisation of goodwill	-42	-39	-77	-74
Earnings before net financial items, tax, capital gains and non-recurring items (EBIT 1)	249	202	453	406
Non-recurring items	-	-	-	-
Capital loss	-5	-	-5	-
Earnings before financial items and tax (EBIT 2)	244	202	448	406

Consolidated Balance Sheet - Summary

(MSEK)	2004-06-30	2003-06-30	2003-12-31
Intangible fixed assets	1 948	1 159	1 072
Tangible fixed assets	1 595	1 495	1 409
Financial fixed assets	278	254	385
Total fixed assets	3 821	2 908	2 866
Inventories	1 524	1 470	1 390
Accounts receivable	1 613	1 386	1 269
Other receivables	136	107	76
Prepaid expenses and accrued income	148	108	106
Total current receivables	1 897	1 601	1 451
Cash and cash equivalents	294	121	219
Total current assets	3 715	3 192	3 060
Total assets	7 536	6 100	5 926
Shareholders' equity	2 190	2 188	2 272
Minority interest	36	44	47
Provision for pensions *)	203	215	204
Provision for taxes	115	71	92
Other provisions	193	90	124
Total provisions	511	376	420
Interest bearing liabilities	2 849	1 952	1 731
Accounts payable	4	3	4
Total long-term liabilities	2 853	1 955	1 735
Interest bearing liabilities	84	134	113
Accounts payable	944	629	612
Other liabilities	381	250	283
Accrued costs and prepaid incomes	537	524	444
Total current liabilities	1 946	1 537	1 452
Total equity and liabilities	7 536	6 100	5 926
*) Of which interest bearing provisions for pensions	135	148	137

Change in Group shareholders' equity

(MSEK)	1/1-30/6 2004	1/1-30/6 2003	Full year 2003
Opening balance on January 1st	2 272	2 194	2 194
Dividend	-208	-85	-85
Premiums for subscription warrants	5	-	-
Translation difference	4	-25	-55
Change in accounting principles RR29	-23	-	-
Change in accounting principles in VBG	-	-	-3
Net earnings	140	104	221
Closing balance on June 30th	2 190	2 188	2 272

At the beginning and end of the period the number of shares was 18 491 477 of which 1 050 000 of Class A and 17 441 77 of class B.

Consolidated cash flow analysis

(MSEK)	2004	2003
	1 Jan–30 June	1 Jan–30 June
Cash flow from operations before change in working capital	333	281
Change in working capital	<u>-18</u>	<u>-167</u>
Net cash flow from operations	315	114
Net investments in fixed assets	<u>-137</u>	<u>-102</u>
Operating cash flow	178	12
Cash flow from other investment activities	-617	-7
Cash flow from financing activities	602	56
Dividend	<u>-85</u>	<u>-85</u>
Change in net cash position	78	-24

The currency effect in liquid assets was -3 MSEK

Key ratios

	2004	2003	2002
	1 Jan-30 June	1 Jan-30 June	Full year
Operating margin (%)	6.4	5.5	5.7
Profit margin (%)	5.3	4.3	4.5
Return on shareholders' equity excluding amortisation on goodwill (%)	16.1	12.9	13.2
Return on shareholders' equity (%)	12.4	9.4	9.9
Return on capital employed excl. amortisation on goodwill (%)	13.1	11.1	11.3
Return on capital employed (%)	11.3	9.3	9.7
Solvency ratio (%)	29.5	36.6	39.1
Net indebtedness (multiple)	1.27	0.97	0.78
Interest coverage ratio (multiple)	4.8	4.0	4.2
Average number of shares (thousands)	18 491	18 491	18 491
Earnings per share after tax (SEK)	7.57	5.62	11.95
Earnings per share after tax excl. amortisat. on goodwill (SEK)	9.84	7.73	15.95
Cash flow per share (SEK)	17.03	6.17	23.79
Cash flow per share before change in working capital (SEK)	18.01	15.20	28.88
Share price (SEK)	253	176	196

EBITA, Development per quarter per business area

	2004		2003				
(MSEK)	Q1	Q2	Q1	Q2	Q3	Q4	2003
Automation	20	32	22	28	26	26	102
Engineering	20	26	20	16	6	10	52
Metrology	48	69	47	60	32	98	237
Polymers	32	61	27	26	24	22	99
Associated companies	7	0	5	2	5	2	14
Group costs and adjustments	-7	-17	-6	-6	-6	-6	-24
EBITA	120	171	115	126	87	152	480

Net sales by market

(MSEK)	1 Jan-30 June 2004		1 Jan-30 June 2003		Full year 2003	
	MSEK	%	MSEK	%	MSEK	%
Sweden	1 170	30	1 178	32	2 145	30
Other Europe	1 883	48	1 798	49	3 537	50
North America	490	13	391	11	823	12
Asia	290	8	230	6	522	7
Other markets	53	1	75	2	76	1
Group total	3 886	100	3 672	100	7 103	100

The table above is displaying Net Sales to customers within each, respective, geographical area.

Definitions

Return on shareholders' equity:	Net earnings as a percentage of average shareholders' equity.
Return on shareholders' equity excluding goodwill amortisation:	Net earnings adjusted for amortisation of goodwill and similar fixed assets, as a percentage of average shareholders' equity.
Return on capital employed:	Earnings before taxes plus financial expenses as a percentage of average capital employed.
Return on capital employed excluding goodwill amortisation:	Earnings before taxes plus financial expenses and amortisation of goodwill and similar fixed assets, as a percentage of average capital employed.
Share price:	Last settled transaction at the OM Stockholm Stock Exchange on the last business day for the period.
Investments:	Purchases less sales of tangible and intangible fixed assets, excluding those included in acquisitions and divestitures of subsidiaries.
Operating cash flow:	Cash flow after change in working capital and net investments in fixed assets.
Cash flow per share:	Cash flow from operations after change in working capital, divided by the average number of shares.
Cash flow per share before change in working capital:	Cash flow from operations before change in working capital divided by the average number of shares.
Net indebtedness:	Interest bearing liabilities less liquid assets divided by shareholders' equity.
Earnings per share:	Net earnings divided by the average number of shares.
Earnings per share excluding goodwill amortisation:	Net earnings excluding amortisation of goodwill and similar fixed assets divided by the average number of shares.
Operating earnings (EBITA):	Operating earnings excluding capital gains, items effecting comparability and amortisation of goodwill and similar fixed assets.
Operating margin:	Operating earnings adjusted for non-recurring items as a percentage of the period's net sales.
Interest coverage ratio:	Earnings before taxes plus interest expenses divided by interest expenses.
Equity ratio:	Shareholders' equity including minority interest as percentage of total assets.
Capital employed:	Total assets less non-interest bearing liabilities.
Shareholders' equity per share:	Shareholders' equity divided by the number of shares at the end of the period.
Profit margin:	Earnings before taxes as a percentage of net sales for the period.