



# Interim Report January 1<sup>st</sup> – March 31<sup>st</sup>, 2004

## First Quarter 2004

- Order intake increased by 2 per cent to 1 950 MSEK (1 907). Using fixed exchange rates and a comparable structure, the increase was 10 per cent.
- Net sales decreased by –5 per cent to 1 760 MSEK (1 847). Using fixed exchange rates and a comparable structure, the organic growth was 3 per cent.
- Earnings before taxes increased by 23 per cent to 86 MSEK (70). Currency movements have influenced the result adversely by -7 MSEK.
- Earnings after taxes increased by 27 per cent to 57 MSEK (45). Currency movements have influenced the result adversely by -5 MSEK.
- Earnings per share after taxes increased by 27 per cent to 3.08 SEK (2.43). Currency movements have influenced the result adversely by 0.27 SEK.
- The acquisition of Thona Group approved by competition authorities – consolidated as of April 30<sup>th</sup> 2004.

(MSEK)	First Quarter			
	2004	2003	Change	
			Recorded	Adjusted.
Order Intake	1 950	1 907	2 %	10 %
Net sales	1 760	1 847	- 5 %	3 %
EBITA	120	115	4 %	13 %
Margin %	6.8	6.2	0.6	0.6
EBIT 1	102	95	7 %	16 %
Earnings before taxes	86	70	23 %	33 %
Earnings after taxes	57	45	27 %	38 %
Earnings per share, SEK	3.08	2.43	27 %	38 %
Cash flow per share, SEK	3.89	3.19	22 %	

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*Hexagon is a multinational technology group with the ambition to become number 1 or number 2 in its strategic businesses. 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

The divestiture of the subsidiaries Nordic Brass and Metodsvets i Kungälv AB (formerly Roto-Sieve) have affected the order intake and net invoiced sales negatively by 113 MSEK and 104 MSEK respectively during the period. The average exchange rate for the US Dollar against the SEK during the period was 7.35 SEK. During the same period 2003 the average rate was 8.55 SEK. This is a decrease by –14 per cent, which affects all relevant comparisons negatively. During the period 979 MSEK have been recorded under fixed financial assets. This amount represents the financing of the acquisition of the Thona Group. The funds were placed in an interest-bearing escrow account until the day of closing, i.e., April 30<sup>th</sup>, 2004.

## First Quarter 2004 – Earnings, Net Sales and Order Intake

The European demand level was unchanged in comparison to the same period last year. A comparison to the demand situation in Europe during the second half-year 2003 implies an increase in demand. In North America, the demand for Hexagon's products continued to increase. The strong growth in Asia continued during the quarter. In general, a stabilisation of, and growth in, the global demand for the Group's products seems to be underway. The restructuring programme within Hexagon Engineering is beginning to show results. EBITA for the business area rose by 100 per cent compared to the seasonally strong fourth quarter of last year.

(MSEK)	2004	2003				
	Q 1	Q 1	Q 2	Q 3	Q 4	2003
Order Intake	1 950	1 907	1 759	1 630	1 830	7 126
Net sales	1 760	1 847	1 825	1 605	1 826	7 103
EBITA *	120	115	126	87	152	480
Margin %	6.8	6.2	6.9	5.4	8.3	6.8
EBIT 1**	102	95	107	68	136	406
Margin %	5.8	5.1	5.9	4.2	7.4	5.7
EBIT 2***	102	95	107	68	136	406
PBT****	86	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.

Order intake increased by 2 per cent to 1 950 MSEK during the first quarter. Using fixed exchange rates and a comparable structure, the increase amounted to 10 per cent. Net sales decreased by 5 per cent to 1 760 MSEK (1 847). Using fixed exchange rates and a comparable structure, net sales rose by 3 per cent. The slow increase in net sales compared to order intake is mainly due to that Hexagon Automation has received large orders with long delivery times.

Operating earnings excluding amortisation of goodwill (EBITA) increased by 4 per cent to 120 MSEK (115), which correspond to a margin of 7 per cent (6). Operating earnings were adversely affected by 10 MSEK, due to exchange rate fluctuations.

Operating earnings (EBIT 1) amounted to 102 MSEK (95). These earnings were adversely affected by 8 MSEK, due to exchange rate fluctuations.



Earnings before taxes increased by 23 per cent to 86 MSEK (70). These earnings were adversely affected by 7 MSEK, due to exchange rate fluctuations.

Earnings after taxes increased by 27 per cent to 57 MSEK (45), which corresponds to earnings per share of 3.08 SEK (2.43). Earnings were adversely affected by 5 MSEK, due to exchange rate fluctuations.

### **Profitability**

The Group's capital employed, defined as total assets less non-interest bearing liabilities, amounted to 4 347 MSEK (4 533). Return on average capital employed excluding goodwill was 11.8 per cent (10.4). Return on average capital employed was 10.1 per cent (8.7). The capital turnover rate was 1.6 times (1.6).

Return on average shareholder's equity excluding goodwill amounted to 13.2 per cent (11.7). Return on average shareholders' equity was 10.0 per cent (8.1).

### **Group Financial Position**

Shareholders' equity amounted to 2 313 MSEK (2 242). The equity ratio was 33 per cent (36). The Group's total assets amounted to 7 097 MSEK (6 283).

Cash, including non-utilised credit limits, amounted to 1 032 MSEK (1 127). The Group's net debt amounted to 1 860 MSEK (2 087) and the net indebtedness amounted to 0.80 times (0.93). Interest coverage ratio was 4.7 times (3.5).

### **Cash Flow**

Cash flow from operations, before changes in working capital, increased to 152 MSEK (138), which corresponds to 8.22 SEK per share (7.46). Cash flow from operations amounted to 72 MSEK (59), which corresponds to 3.89 SEK per share (3.19). The operating cash flow amounted to 17 MSEK (7).

### **Investments and Depreciations**

The Group's net investments, excluding acquisitions, amounted to 55 MSEK (52). Depreciation for the period was 74 MSEK (78), of which 18 MSEK (20) was amortisation of goodwill.

### **Divestitures and Acquisitions**

#### Divestitures

Effective January 2<sup>nd</sup>, 2004, Metodsvets in Kungälv AB (previously Roto-Sieve AB) was divested to certain 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 3<sup>rd</sup>, 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 during 2003. This divestiture will result in a capital loss for the second quarter of approximately 5 MSEK.

#### Acquisitions

Effective February 27<sup>th</sup>, 2004, the metrology operations were acquired from the South Korean company Korea ErFa Systems Eng. Co. Hexagon will run 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 1<sup>st</sup>, 2004, the metrology operations were acquired from the American company Sheffield Automation LLC. Hexagon will run the operations in a new company – Sheffield Measurement Inc. At takeover, the company’s turnover was approximately 125 MSEK on a yearly basis.

On 22<sup>nd</sup> March 2004 Hexagon informed about the agreement to acquire the Belgium based polymer compounder Thona Group, with production facilities in Belgium, The Czech Republic, USA and Canada. 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. The acquisition has been approved by the competition authorities and is consolidated as of April 30<sup>th</sup>, 2004. Through this acquisition Hexagon Polymers will become the world-leading supplier of polymer products.

### Group Tax Rate

The Group’s income taxes amounted to 26 MSEK (22), which corresponds to a tax rate of 30 per cent (31). The tax cost is affected by amortisation of goodwill, which is not tax deductible, as well as the fact that a considerable part of the Group’s earnings are generated in foreign subsidiaries located in countries where the tax rates differ from those in Sweden.

### Workforce

The average number of employees in the Group was 5 502 (5 344). The number of employees was 5 690 (5 572) at the end of the period, which is an increase from the beginning of the year by 154 employees. This increase is mainly due to the acquisitions made during the quarter.

### Business Areas

Net sales and earnings per business area.

(MSEK)	Net sales		Earnings	
	Q1 2004	Q1 2003	Q1 2004	Q1 2003
Hexagon Automation	538	577	20	22
Hexagon Engineering	361	423	20	20
Hexagon Metrology	613	630	48	47
Hexagon Polymers	254	230	32	27
Share of earnings in associated companies			7	5
Group costs and adjustments	-6	-13	-7	-6
<b>EBITA</b>			<b>120</b>	<b>115</b>
Amortisation of goodwill			-18	-20
<b>EBIT 1</b>			<b>102</b>	<b>95</b>
<b>Per cent of net sales</b>			5.8	5.1
Capital gain			-	-
Non-recurring items			-	-
<b>EBIT 2</b>			<b>102</b>	<b>95</b>
Net financial income			-16	-25
<b>The Group</b>	<b>1 760</b>	<b>1 847</b>	<b>86</b>	<b>70</b>

#### 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 electronic 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 to 637 MSEK (603). Net sales were 538 MSEK (577). Operating earnings (EBITA) amounted to 20 MSEK (22), which corresponds to an operating margin of 4 per cent (4).

The first quarter was characterized by a healthy order intake but weak net sales. This is due to the receipt of large orders with longer delivery times. A stabilisation in demand in the Norwegian market has been noticed. In Sweden and Finland, demand has continued to improve, whilst demand from the Danish industry remained weak.

#### 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 396 MSEK (451). In comparable structures, order intake increased by 14 per cent. Net sales amounted to 361 MSEK (423). In comparable structures, net sales increased by 10 per cent. Operating earnings (EBITA) amounted to 20 MSEK (20), which corresponds to an operating margin of 6 per cent (5).

The action programme, launched during last year, in order to improve the business area's profitability is beginning to show results. At the same time, demand from, mainly, the heavy automotive sector has improved. The loss rate within the segment tools has been significantly reduced. The goal is to relinquish the tool business during 2004. New products, launched within the segment key components, have resulted in a strong volume increase. The restructuring programme within the joint Venture Outokumpu Nordic Brass is running according to plan.

#### Hexagon Metrology

The business area is the world leader within the field of metrology, 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, aviation, aerospace and defence related industries, engineering and electronics, computing and medical industries.

Order intake amounted to 639 MSEK (624). Using fixed exchange rates order intake increases by 10 per cent. Net sales were 613 MSEK (630). Using fixed exchange rates, net sales increased by 5 per cent. Operating earnings (EBITA) amounted to 48 MSEK (47), which corresponds to an operating margin of 8 per cent (7). EBITA was adversely affected by 7 MSEK due to exchange rate movements.

The total market for tactile measurement grew during the quarter. The organic growth for the business area was 5 per cent. China and the USA showed strong growth, whilst the European market had a weaker development. Hexagon has launched several new products during the quarter. These products have been well received by the market, why both order intake, as well as sales has been positively influenced. Sales of coordinate measurement machines (CMM's) continued to increase. Sales of services and software increased strongly. The acquisition of Sheffield and the assets from the Italian company Poli, will expand the base for the software products. We therefore expect a continuously strong expansion of the software operations during the year. Sales of hand tools increased for the first time in three years.



The EMS software programme is now being commercialised with all its modules. During 2004 Hexagon will focus on building distribution channels for the different modules. Financially we estimate that EMS will 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, truck drive applications and semi-finished rubber compounds. The main customers are major international OEM's active within the areas of plate heat exchangers, fork-lifts, materials handling equipment and cable manufacturing.

Order intake increased by 21 per cent to 278 MSEK (229) and net sales increased to 254 MSEK (230). Operating earnings (EBITA) increased to 32 MSEK (27), corresponding to an operating margin of 13 per cent (12)

The demand for Polymer's products increased heavily during the period. The increase is the result of a combination of a stronger underlying demand from Hexagon's customers as well as gained market shares. The organic growth was 10 per cent during the period. Thona Group was acquired during the period. The Group has four production facilities in Belgium, The Czech Republic, USA and Canada. Through this acquisition Hexagon will become the world-leading supplier of polymer compounds. The turnover for the Thona Group was 228 MSEK during the first quarter (213), which is an increase of 7 per cent. At fixed exchange rates the increase corresponds to 17 per cent. Thona is consolidated as of April 30<sup>th</sup>, 2004.

### **Associated Companies**

Associated companies are primarily VBG AB and the joint venture Outokumpu Nordic Brass. Associated companies contribute to Hexagon's operating earnings by 9 MSEK (4). In the operational reporting, Outokumpu Nordic Brass is shown under the business area Hexagon Engineering.

The Board of Directors of Hexagon proposes the 2004 Annual General Meeting to decide on the distribution of all of Hexagon's shares in VBG to the shareholders in Hexagon. If the General Meeting adopts this proposal, VBG's result will be consolidated until May 10, 2004.

### **Restructuring Provisions**

The restructuring provisions were 8 MSEK at the beginning of the period. Coincident with the acquisitions made during the period, further restructuring provisions of 12 MSEK have been made. Out of the total reserve, 1 MSEK (8) has been utilized during the period, of which 1 MSEK (5) is personnel related.

### **Share Data**

Earnings per share after tax increased by 27 per cent to 3.08 SEK (2.43). Equity per share on 31 March 2004 had increased to 125.09 SEK (121.25) and the share price was 227 SEK (133).

### **Parent Company**

The parent company's earnings after financial items amounted to -8 MSEK (-11). The equity ratio of the parent company was 28 per cent (37). The shareholders' equity including the equity portion of untaxed reserves amounted to 1 617 MSEK (1 693). Liquid assets, including unutilised credit limits, amounted to 771 MSEK (786).



## Accounting Principles

This Interim Report is prepared in compliance with the Swedish Financial Accounting Standards Councils Recommendation RR20, Interim Reporting. Effective January 1, 2003, 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 hasn't had any material impact on the pension expense for the quarter. 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 1 July 2003, the programme comprises 648 500 warrants, which gives the right to subscribe for in total 706 217 new series B shares in the Company at a subscription rate of 184:55 SEK until 31 May 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 260 000 have been subscribed. Each warrant entitles the holder the right to subscribe for one new series B share during the period 1<sup>st</sup> October 2003 until 30<sup>th</sup> September 2006, inclusive, at 250 SEK. The subscription rights are transferred at market value.

The dilution effect upon full exercise of these Stock Option Programmes corresponds to approx. 6.1 per cent of the share capital and 4.1 per cent of the votes.

## Outlook

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

## Financial Information

External financial information will be published on the Group's website, [www.hexagon.se](http://www.hexagon.se), as soon as it has become public.

Interim Report Q2:	10 August 2004
Interim Report Q3:	28 October 2004
Year-end Report	February 2005

Nacka Strand, Sweden, May 5<sup>th</sup> 2004.

## HEXAGON AB (Publ)

Ola Rollén  
President and C.E.O.

*This Interim Report has not been audited by the Company Auditors.*

**Consolidated Income Statement - Summary**

(MSEK)	2004 Q 1	2003 Q 1	Outcome Last 12 months	2003 Full year
Net sales	1 760	1 847	7 016	7 103
Cost of goods sold	-1 322	-1 389	-5 215	-5 282
<b>Gross profit</b>	<b>438</b>	<b>458</b>	<b>1 801</b>	<b>1 821</b>
Sales, expenses, administration costs, etc	-327	-347	-1 341	-1 361
Earnings in associated companies	9	4	25	20
<b>Earnings before amortisation of goodwill</b>	<b>120</b>	<b>115</b>	<b>485</b>	<b>480</b>
Amortisation of goodwill	-18	-20	-72	-74
Non-recurring items	-	-	-	-
Capital gains	-	-	-	-
<b>Operating earnings</b>	<b>102</b>	<b>95</b>	<b>413</b>	<b>406</b>
Financial revenue and expenses	-16	-25	-74	-83
<b>Earnings before tax</b>	<b>86</b>	<b>70</b>	<b>339</b>	<b>323</b>
Tax	-26	-22	-93	-89
Minority interest	-3	-3	-13	-13
<b>Net earnings</b>	<b>57</b>	<b>45</b>	<b>233</b>	<b>221</b>
Earnings per share (EPS) after tax (SEK) *	3.08	2.43	12.60	11.95
EPS adjusted for goodwill *	4.06	3.52	16.49	15.95
Shareholder's equity per share (SEK) *	125.09	121.25	125.09	122.88
Number of shares (thousands) **	18 491	18 491	18 491	18 491
CB number of shares (thousands) ***	18 491	18 491	18 491	18 491
Depreciations are included with	-74	-78	-301	-305

\*) No calculation of the dilution effect in the key numbers has been made as the effect is marginal.

\*\*) Weighted average number of shares adjusted for the rights issue.

\*\*\*) Adjusted for bonus issue element in the rights issue

**Translation Schedule for the different levels of earnings in the report**

(MSEK)	2004 Q 1	2003 Q 1	Last 12 months	2003 Full year
<b>Earnings before amortisation of goodwill (EBITA)</b>	<b>120</b>	<b>115</b>	<b>485</b>	<b>480</b>
Amortisation of goodwill	-18	-20	-72	-74
<b>Earnings before net financial items, tax, capital gains and non-recurring items (EBIT 1)</b>	<b>102</b>	<b>95</b>	<b>413</b>	<b>406</b>
Non-recurring items	-	-	-	-
Capital gains	-	-	-	-
<b>Earnings before financial items and tax (EBIT 2)</b>	<b>102</b>	<b>95</b>	<b>413</b>	<b>406</b>



**Consolidated Balance Sheet - Summary**

<b>(MSEK)</b>	<b>2004-03-31</b>	<b>2003-03-31</b>	<b>2003-12-31</b>
Intangible fixed assets	1 150	1 233	1 072
Tangible fixed assets	1 422	1 541	1 409
Financial fixed assets	1 361	261	385
<b>Total fixed assets</b>	<b>3 933</b>	<b>3 035</b>	<b>2 866</b>
<b>Inventories</b>	<b>1 466</b>	<b>1 459</b>	<b>1 390</b>
Customer receivables	1 358	1 403	1 269
Other receivables	91	104	76
Prepaid expenses and accrued revenue	124	121	106
<b>Total current receivables</b>	<b>1 573</b>	<b>1 628</b>	<b>1 451</b>
Cash and bank balances	125	161	219
<b>Total current assets</b>	<b>3 164</b>	<b>3 248</b>	<b>3 060</b>
<b>Total assets</b>	<b>7 097</b>	<b>6 283</b>	<b>5 926</b>
<b>Shareholders' equity</b>	<b>2 313</b>	<b>2 242</b>	<b>2 272</b>
<b>Minority interest</b>	<b>49</b>	<b>43</b>	<b>47</b>
Pension provisions *)	203	216	204
Tax provisions	101	77	92
Other provisions	138	94	124
<b>Total provisions</b>	<b>442</b>	<b>387</b>	<b>420</b>
Interest bearing liabilities	2 756	1 972	1 731
Other liabilities	2	1	4
<b>Total long-term liabilities</b>	<b>2 758</b>	<b>1 973</b>	<b>1 735</b>
Interest bearing liabilities	73	130	113
Accounts payable	650	661	612
Other liabilities	329	268	283
Accrued expenses and deferred revenues	483	579	444
<b>Total current liabilities</b>	<b>1 535</b>	<b>1 638</b>	<b>1 452</b>
<b>Total equity and liabilities</b>	<b>7 097</b>	<b>6 283</b>	<b>5 926</b>
*) Of which interest bearing pension provisions	135	146	137

**Change in Group shareholders' equity**

<b>(MSEK)</b>	<b>Q1 2003</b>	<b>Q2 2003</b>	<b>Full year 2003</b>
<b>Amounts at January 1</b>	<b>2 272</b>	<b>2 194</b>	<b>2 194</b>
Dividend	-	-	-85
Option premiums	4	-	-
Translation difference	3	3	-55
Change in accounting principles RR29	-23	-	-
Change in accounting principles in VBG	-	-	-3
Net income	57	45	221
<b>Amounts at March 31</b>	<b>2 313</b>	<b>2 242</b>	<b>2 272</b>

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)	Q1 2004	Q1 2003
Cash flow from operations before change in working capital	152	138
Change in working capital	<u>-80</u>	<u>-79</u>
<b>Net cash flow from operations</b>	<b>72</b>	<b>59</b>
Net investments in fixed assets	<u>-55</u>	<u>-52</u>
<b>Operating cash flow</b>	<b>17</b>	<b>7</b>
Cash flow from other investment activities *)	-1 020	-
Cash flow from financial activities	908	11
Dividend	-	-
<b>Change in net cash position</b>	<b>-95</b>	<b>18</b>

The currency effect in liquid assets was 1 MSEK.

\*) 979 MSEK is the financing of the acquisition of the Thona Group, recorded as financial fixed assets until the day of takeover.

### Key Ratios

	Q1 2004	Q1 2003	Full year 2003
Operating margin (%)	5.8	5.1	5.7
Profit margin (%)	4.9	3.8	4.5
Return on shareholders' equity excluding goodwill (%)	13.2	11.7	13.2
Return on shareholders' equity (%)	10.0	8.1	9.9
Return on capital employed excluding goodwill (%)	11.8	10.4	11.3
Return on capital employed (%)	10.1	8.7	9.7
Solvency ratio (%)	33.3	36.4	39.1
Net indebtedness (times)	0.80	0.93	0.78
Interest coverage ratio (times)	4.7	3.5	4.2
Average number of shares (thousands)	18 491	18 491	18 491
Earnings per share (SEK)	3.08	2.43	11.95
Earnings per share excluding goodwill (SEK)	4.06	3.52	15.95
Cash flow per share (SEK)	3.89	3.19	23.79
Cash flow per share (SEK) before change in working capital	8.22	7.46	28.88
Share price (SEK)	227	133	196

In the calculation of the financial key ratios, the financing of the Thona Group, which is recorded as financial fixed assets until the day of takeover, has been excluded.



### EBITA, Development by Quarter and Business Area

(MSEK)	2004	2003				
	Q 1	Q 1	Q 2	Q 3	Q 4	2003
Automation	20	22	28	26	26	102
Engineering	20	20	16	6	10	52
Metrology	48	47	60	32	98	237
Polymers	32	27	26	24	22	99
Associated companies	7	5	2	5	2	14
Group costs and adjustments	-7	-6	-6	-6	-6	-24
<b>EBITA</b>	<b>120</b>	<b>115</b>	<b>126</b>	<b>87</b>	<b>152</b>	<b>480</b>

### Net sales by market

(MSEK)	Q1 2004		Q1 2003		Full year 2003	
	MSEK	%	MSEK	%	MSEK	%
Sweden	565	32	588	32	2 145	30
Other Europe	862	49	914	49	3 537	50
North America	184	10	191	10	823	12
Asia	124	7	121	7	522	7
Other markets	25	2	33	2	76	1
<b>Group total</b>	<b>1 760</b>	<b>100</b>	<b>1 847</b>	<b>100</b>	<b>7 103</b>	<b>100</b>

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

## Definitions

Return on shareholders' equity:	Net earnings as a percentage of average shareholders' equity.
Return on shareholders' equity excluding goodwill:	Net earnings adjusted for amortization 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:	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:	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.