

Hexagon Expands into Russia

2013 starts with another takeover by Hexagon, as it has entered into a definitive agreement to acquire all outstanding shares in Russia-based Navgeocom. The company is the largest distributor for Leica Geosystems, a Hexagon brand, in the Russian Federation.

Founded in 1997, Navgeocom has grown into one of the top-tier distributors of surveying and mapping products in Russia. The acquisition marks another step in Hexagon's global distribution strategy, which aims to establish a strong direct presence in all key markets. Strategically, the acquisition of Navgeocom is a great fit for Hexagon and yet another step toward expanding the company's presence in Russia and Central Asia, Hexagon president and CEO Ola Rollén commented. Furthermore, Russia is entering into a phase of significant investment in transport infrastructure.

In addition to Russian highways, it includes significantly increasing the size of Moscow and surrounding its perimeter with a motorway, an expressway and high-speed rail system between Moscow and St. Petersburg, and an international transport passage programme between Europe and West China. Coupled with the acquisition, these projects provide substantial growth opportunities across Hexagon and improve its ability to serve customers in the Russian Federation, Rollén explained.

The transaction is subject to regulatory approval and customary closing conditions. The transaction is expected to close as of end of February 2013 and will contribute to Hexagon's earnings. Excluding intercompany revenue, the company's turnover for 2012 amounted to approximately EUR10 million.

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