



Leading the trend towards higher security

The ASSA ABLOY Group is the world's leading manufacturer and supplier of locks and associated products, dedicated to satisfying end-user needs for security, safety and convenience.

Roadshow Q1 2001

Introduction to ASSA ABLOY

- The world's no 1 locks manufacturer with sales over SEK 23 billion
- Global market share around 10%
- Compounded average growth rate 1994-2000
 - Sales 26%
 - EPS 53%
- Management ownership and benchmarking process ensure strong focus on EPS growth

The locks market characteristics

- Local market leaders - large installed base
 - Local differences and standards
- Stable organic growth - 2-3% over GDP
 - Trend towards higher security
 - Retrofit more than half the sales (counter cyclical)
- Electromechanics growing in importance - adds intelligence
 - Security, safety and convenience - driving factors
 - Electronic identification - a fast growing segment
- Opportunities in emerging markets
 - Economic growth increases security needs
 - High new construction activity
- Consolidating industry - significant scope for acquisitions

ASSA ABLOY's strategy

- General
 - Focus on the lock business
 - Lead the trend towards higher security
 - Focus on EPS - employees shareholders
- Mature markets
 - Multidomestic/acquisitions/local brands
 - Benchmarking/cross learning
 - Synergies/cross selling
- Emerging markets
 - Joint efforts/organic growth/low cost units
- Electromechanics
 - Economies of scale in R&D and production
 - Global technology in local standards

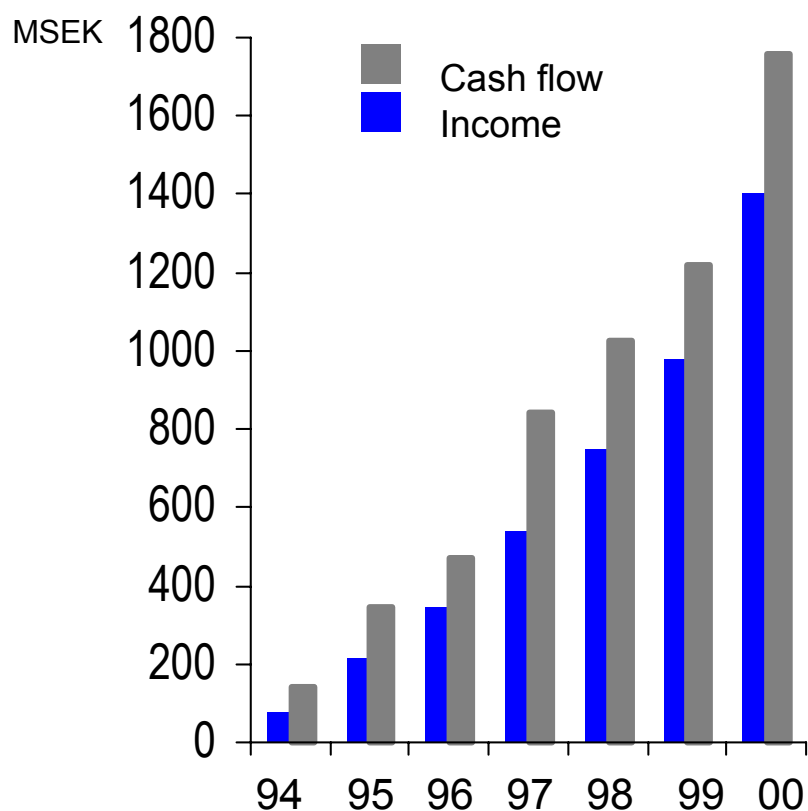


The development of the ASSA ABLOY Group 1994 -2001 (SEK M)

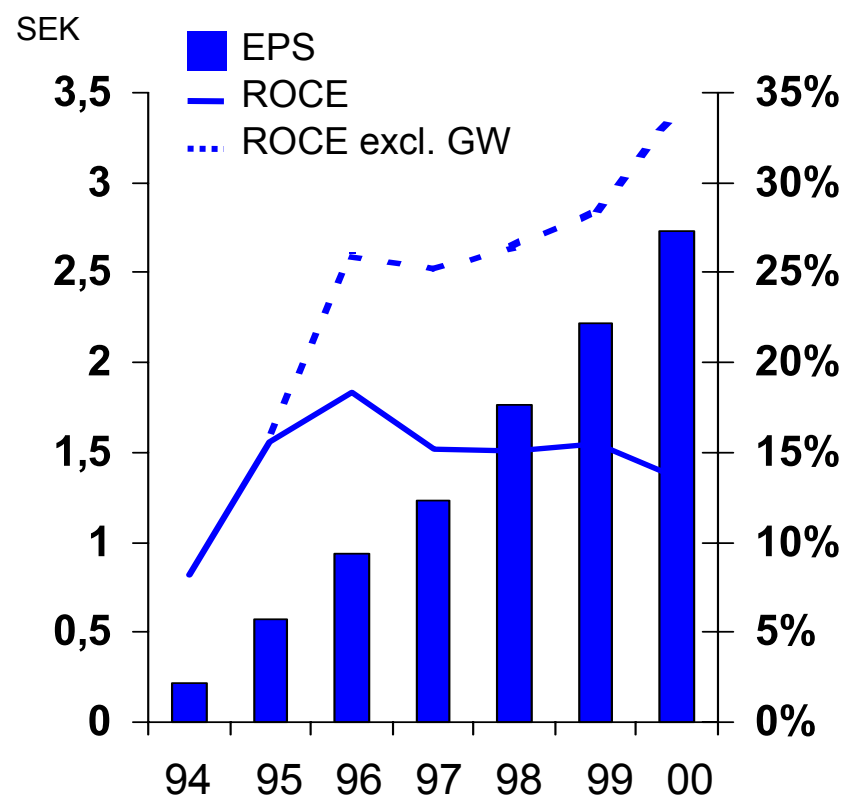
Total sales 1994	3 500
35 acquisitions (94-01)	+17 000
3 divestitures	-1 000
Organic growth	+3 500
Proforma sales 2001	+23 000

Important key data

Income before taxes and operating cash flow



Earnings per share and Return on capital employed



Global coverage with strong brands



Leading the trend towards higher security

ASSA ABLOY

Our way of working

Developing our companies step by step



Electromechanics growing in importance



Leading the trend towards higher security





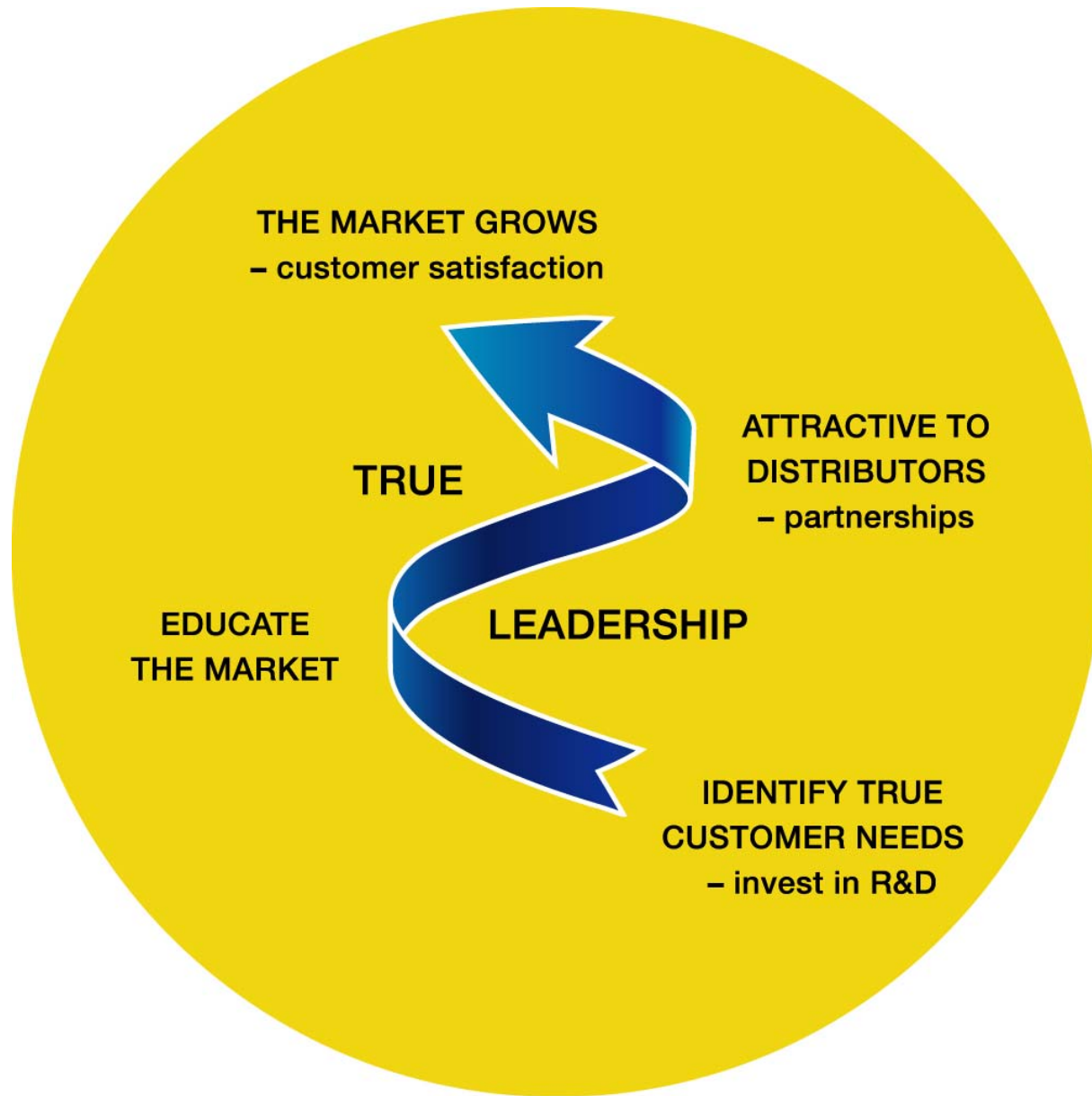
**WILL IT MAKE
THE BOAT GO FASTER?**

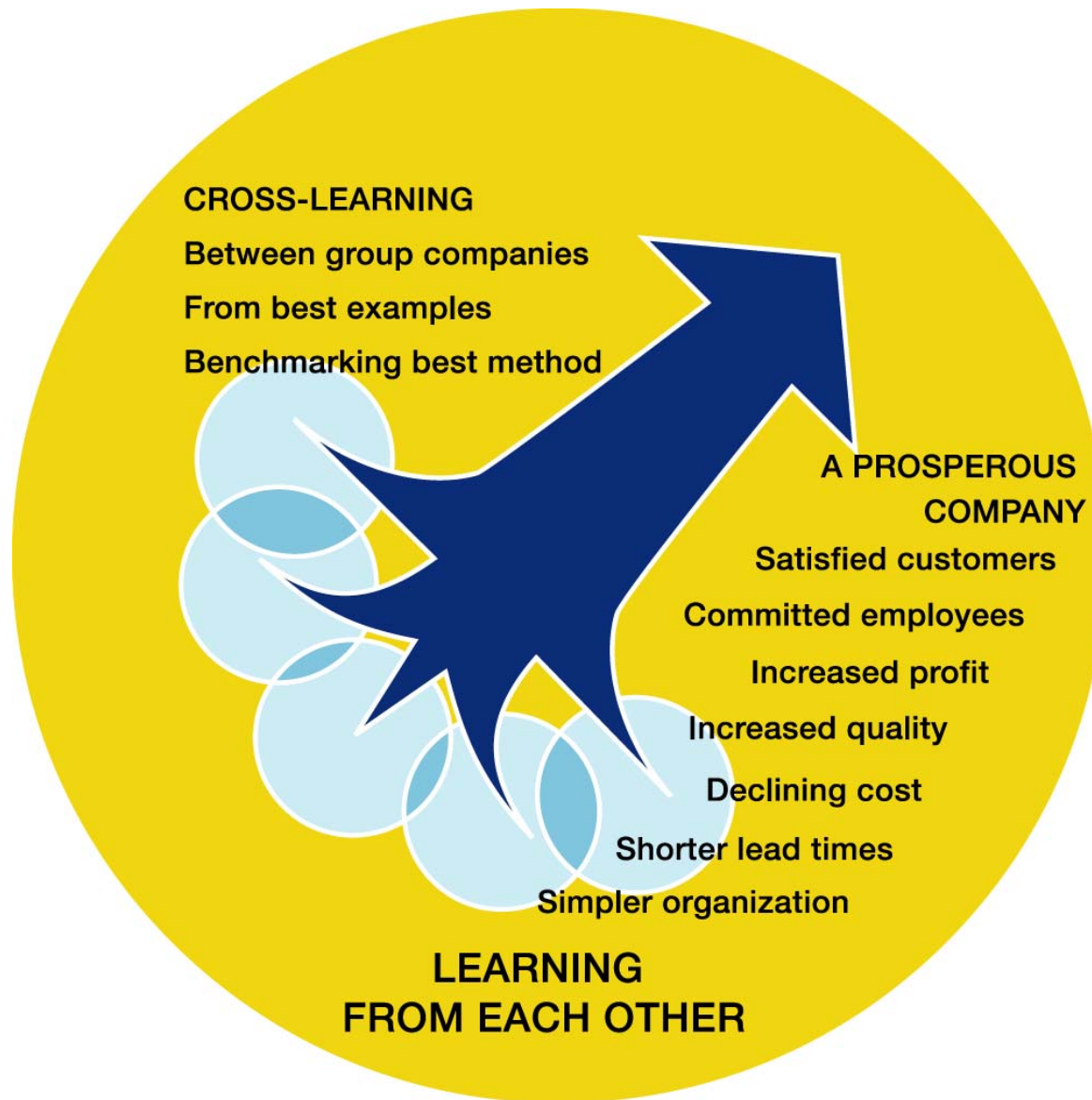
MATERIAL FLOW



INFORMATION FLOW

On time, in less time, all the time



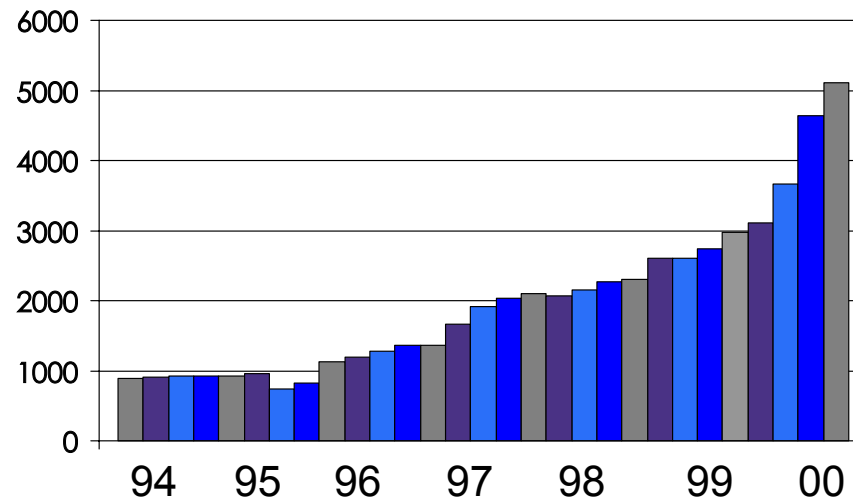


2000 Financial highlights

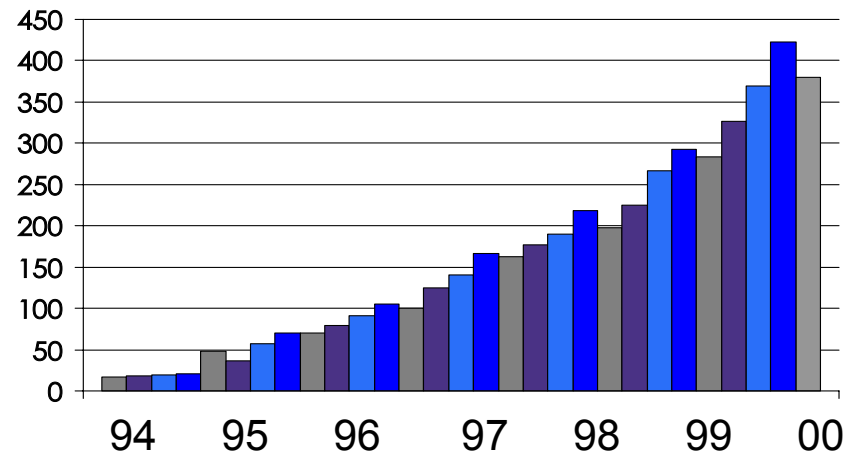
SEK M	Q1 2001	Q1 2000
Sales, + 72%	5,104	2,976
→ <i>Organic growth</i>	4%	6%
→ <i>Acquisitions</i>	60%	22%
→ <i>Exchange rate differences</i>	8%	1%
Income before taxes, + 34%	380	284
Earnings per share, + 23% (SEK)	0.70	0.57
Operating cash flow	293	288
CEPS, + 54% (SEK)	1.79	1.16

Development 1994 - 2001 per Quarter

Sales, SEK M



Income before tax, SEK M



Q1 business review

- **Scandinavia** (2%) - good development in Sweden - window industry soft - Norway weaker affected by move of foundry to Romania and fewer cylinders in hotel locks - integration of Sloth&Co in Denmark proceeds
- **Finland** (7%) - continued strong domestic and export growth - capacity being increased - successful door closer project showing high profits and growth
- **Central Europe** (4%) - effeff develops well - soft German market but “neue Bundesländer” seem to be turning up - the integration of Lips is running well - major restructuring program started with good profit potential

Q1 business review, cont'd

- **South Europe** (5%) - strong increase in Spain and Belgium - Yale Italy develops better than expected with increased focus on Italian market - Vachette implements new organization inspired by Sargent and Abloy
- **Great Britain** (8%) - strong increase in old units - Yale organized in profit centers with simpler administration - Yale, Chubb and Union re-establishes their respective positions of strength - new products being introduced
- **North America** (5%) - old units develop well - new Yale organization in place - Norton, Rixson, Yale and CorbinRusswin as separate companies with joint sales force - strong spirit and commitment to change - steady progress in lead times and precision

Q1 business review, cont'd

- **Australia (1%)** - quickly implemented cross-sales in weak market - cylinders, padlocks and panic bars - the successful integration continues
- **New markets (20%)** - Mul-T-Lock increases with strong export - merged Asian organization in place - good development in Eastern Europe - South Africa focuses on higher security and showing good growth
- **Hotel locks (2%)** - Europe, Asia and the marine business develops well - US weaker - Elsafe's strong development continues
- **Identification (HID)** - strong development in Q1 within domestic and export markets - great contribution in Group projects

Organic growth per area

Sales			2001	2000	01/00 %
Scandinavia	SEK M	Assa, Ruko, TrioVing	502	476	2
Finland	EUR M	Abloy	31	29	7
Central Europe	EUR M	IKON, effeff, Lips	37	29	4
South Europe	EUR M	Vachette, JPM, Litto	79	60	5
UK	GBP M	Union, Chubb, Yale, Assa	27	6	8
North America	USD M	Sargent, Curries, Yale, CR	204	116	5
Australia	AUD M	Lockwood	35	34	1
New markets	SEK M	East Europe, Asia, Mul-T-Lock	398	87	20
Hotel locks	NOK M	VingCard, Timelox	245	241	2
Identification	USD M	HID	27	-	-
Total (SEK M)			5,104	2,976	4

Main events Q1 2001

- **Joint Venture with UDP established with sales of USD 350 M**
 - UDP is a leading security door manufacturer with sales of USD 180 M and good profitability
 - UDP products often sold by distributors with Yale's lock products
 - AA pays USD 96 M - gets 80% ownership and management responsibility
 - call option for remaining 20% after two years
 - considerable synergies with Curries and Graham
 - creates marginal Goodwill - EPS accretive from start

Main events Q1 2001 cont'd

- **Acquisition of RIS - sales of SEK 14 M**
 - Abloy's och VingCard's local distributor in the Czech republic
- **Acquisition of Chinese government minority share in Yale-Guli**
 - increases management focus - clear goals and responsibilities
 - enables efficient benchmarking and speeds up cross-sales
- **Acquisition of KESO - sales of CHF 50 M**
 - leading Swiss cylinder manufacturer - unique technology
 - half sales on export - strong international brand
 - AA increases from 35% to 65% - the rest to be acquired 2003
 - EPS accretive from 2002
- **Acquisition of remaining 50% in Lockwood**

The progress with Yale

Flat, clear and simple organizations

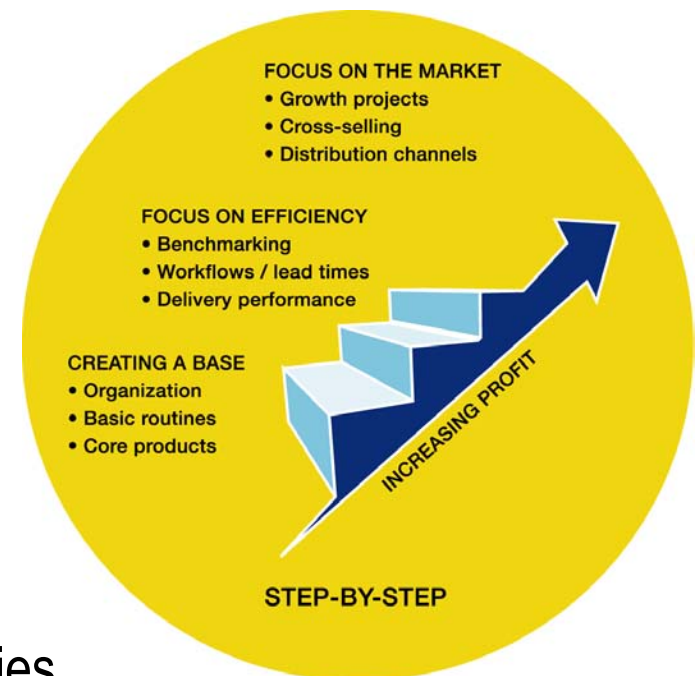
- Sector level deleted - simpler and faster
- New organization in place in US and Asia
- Yale UK and Lips Holland getting organized in profit centers

Order fill rate

- Lips from 20% to 85%
- CorbinRusswin from 40% to 97%

Reductions of inventory

- Yale Canada - best in class among sales companies
- Yale US from 20% to 14% of sales



The progress with Yale

To lead the trend towards higher security

- The role of Yale Residential's in US developed
 - focusing security concerned customers
- Clear roles being established for Yale, Chubb and Union in the UK
- Union introduces multipoint locks from Vachette
- South Africa refocused and growing
- Yale Italy well on its way
- Guli's focus changed from cheap producer to Chinese market leadership



Outlook

We expect a continued good development in volume and profit for years to come

ASSA ABLOY income statement and cash flow

SEK M	Q1 2001	Q1 2000
Sales	5,104	2,976
Operating income before goodwill amortization (EBITA)	744	403
EBITA %	14,6	13,5
Goodwill amortization	-202	-60
Financial items	-162	-65
Income before taxes	380	284
Profit margin (EBT) %	7,4	9.5
Operating cash flow	293	288

ASSA ABLOY key data

SEK M	2001	2000
Capital employed	23,922	19,757
- whereof goodwill	15,223	12,078
Net debt	12,085	8,560
Equity	11,447	10,637
Equity ratio	39.6%	43.1%
Interest cover ratio	3.3	5.5
Net debt/equity	1.06	0.80
Return on capital employed excl. goodwill	36.2%	34.3%
Return on capital employed	9.9%	13.7%
Return on shareholders' equity	8.8%	13.3%

ASSA ABLOY balance sheet

SEK M	31 March 2001	31 Dec. 2000
Intangible fixed assets	15,412	12,259
Tangible and other fixed assets	5,627	5,252
Current assets	8,830	8,496
Total assets	29,869	26,007
Equity	11,447	10,637
Interest bearing debt	13,303	10,330
Other liabilities	5,119	5,040
Total equity and liabilities	29,869	26,007