

Year-end report 2005

Johan Molin, President and CEO

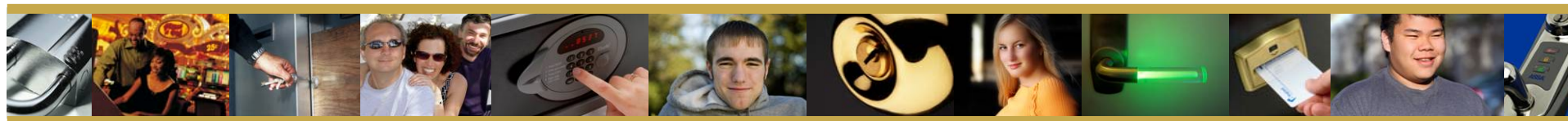


ASSA ABLOY

The World's Leading Lock Group

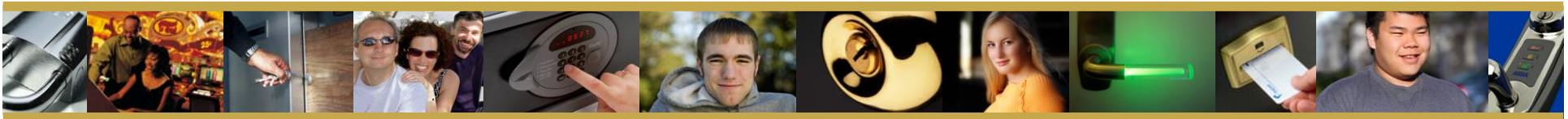
Business Review Q4

- Sales, SEK 7,530 M (6,263) +20%
 - +7% organic
- Operating margin, (EBIT) 14.1% (14.7)
 - SEK 70 M new restructuring costs
 - SEK 32 M costs for change of CEO
- Operating cash flow, SEK 1,150 M (1,090)
 - 125% of Income before tax
- EPS, SEK 1.84 (1.57) +17%



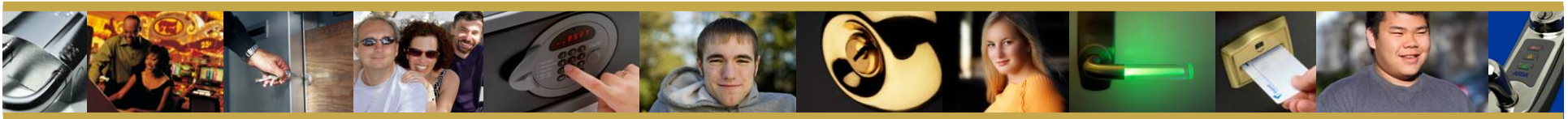
Business Review full year 2005

- Sales, SEK 27,802 M (25,526) +9%
 - +5% organic
- Operating margin, (EBIT) 14.7% (14.4)
- Operating cash flow, SEK 3,702 M (3,439)
 - 104% of Income before tax
- EPS, SEK 6.97 (6.33) +10%



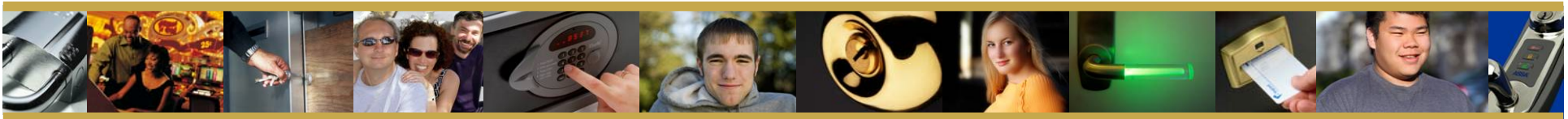
Leverage & Growth program completed

- Redundancies
 - 1,300 people have left
 - Remaining 100 are leaving early Q1
- Savings
 - SEK 450 M on annual basis by year end 2005



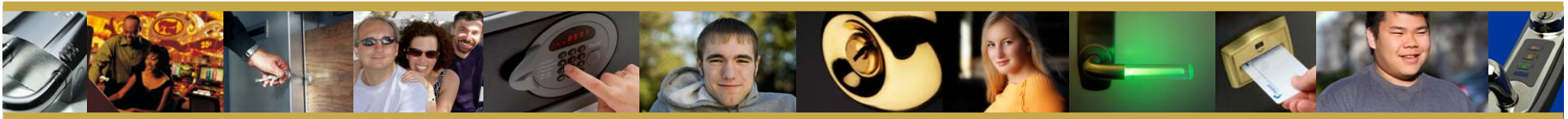
Reflexions

- Fantastic company
- Environment
- Growth segments
- Many brands
- R & D
- Integrated manufacturing
- Limited shared services



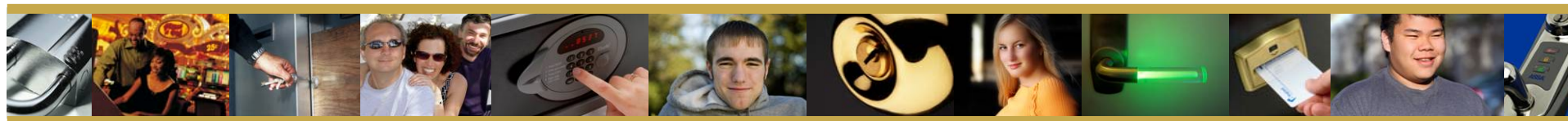
Actions going forward

- Consolidate sales forces under the ASSA ABLOY brand
- Competence centers & Shared technologies
- Focus on assembly
- Consolidate and relocate core production
- Outsource non-core production
- Shared services
- Grow new markets & selective acquisitions



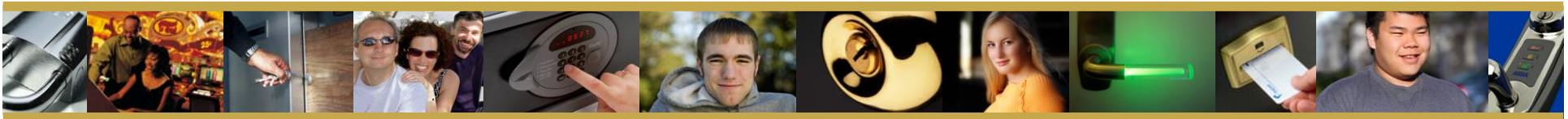
Manufacturing – next steps

- Review of current plans for further restructuring for coming years
- Revised plan by Q1



Outlook

- Organic sales growth is expected to continue at a good rate
- The operating margin (EBIT) and operating cash flow are expected to develop well, excluding effects from additional restructuring



Year-end report 2005

Göran Jansson, Deputy CEO and CFO

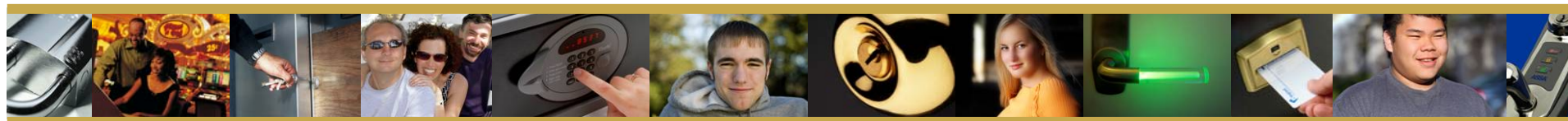


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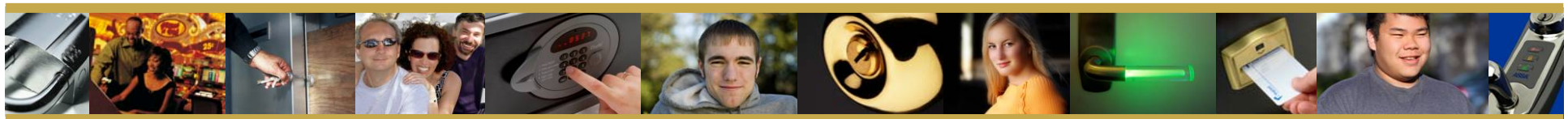
Financial highlights Q4 and FY 2005

SEK M	4th Quarter			Full year		
	2005	2004	Change	2005	2004	Change
Sales	7,530	6,263	+20%	27,802	25,526	+9%
<i>Whereof</i>						
Organic growth			+7%			+5%
Acquisitions			+3%			+1%
FX-differences	642		+10%	643		+3%
EBIT-margin (%)	14.1	14.7		14.7	14.4	
Income before taxes	923	802	+15%	3,556	3,199	+11%
Operating cash flow	1,150	1,090	+6%	3,702	3,439	+8%
EPS (SEK)	1.84	1.57	+17%	6.97	6.33	+10%



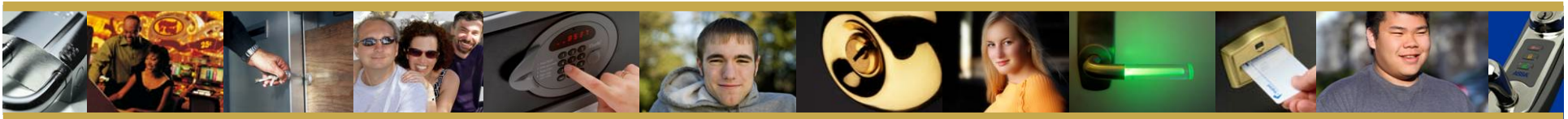
EMEA business review

EUR M	4th Quarter			Full year		
	2005	2004	Change	2005	2004	Change
Sales	330	307	+7%	1,255	1,210	+4%
<i>Organic growth</i>			+6%			+3%
EBIT	48	44	+9%	184	174	+5%
EBIT-margin (%)	14.5	14.5		14.7	14.4	
RoCE (%)	16.9	16.6		16.6	16.3	
Operating cash flow before paid interest	86	69	+25%	205	201	+2%



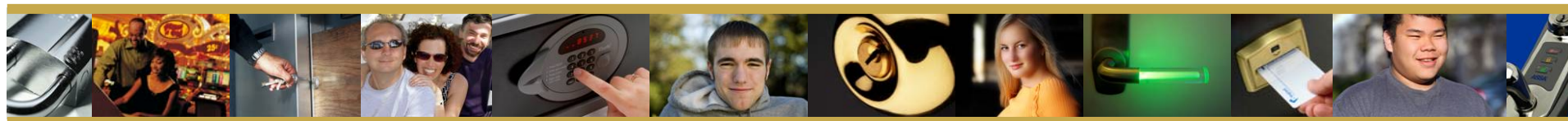
EMEA business review Q4 2005

- Strong sales development in UK and Eastern Europe
- Sales trend improved in France, Germany and Benelux
- New restructuring activities had a negative impact on margins
- Seasonally strong cash flow



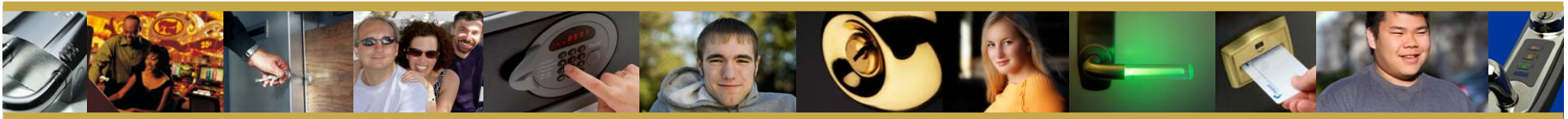
Americas business review

USD M	4th Quarter			Full year		
	2005	2004	Change	2005	2004	Change
Sales	293	275	+5%	1,182	1,129	+5%
<i>Organic growth</i>			+5%			+5%
EBIT	54	50	+8%	217	199	+9%
EBIT-margin (%)	18.3	18.2		18.3	17.6	
RoCE (%)	19.9	18.3		19.6	18.2	
Operating cash flow before paid interest	71	66	+8	236	192	+23%



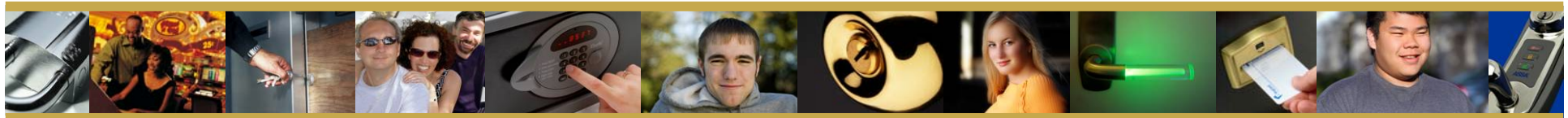
Americas business review Q4 2005

- Door Group and Residential Group continue to show strong growth
- Architectural Hardware reported better growth in the quarter
- Mexico showed early signs of recovery



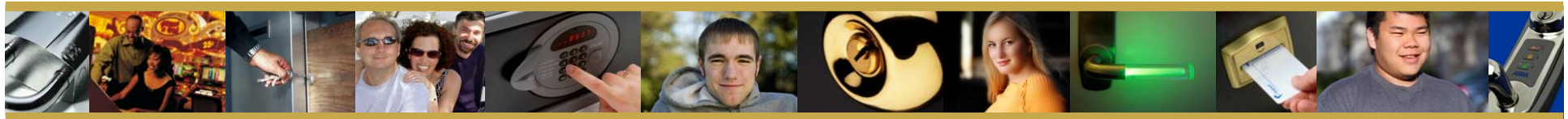
Asia Pacific business review

AUD M	4th Quarter			Full year		
	2005	2004	Change	2005	2004	Change
Sales	105	90	+17%	389	343	+13%
<i>Organic growth</i>			+2%			+2%
EBIT	8	15	-47%	43	52	-17%
EBIT-margin (%)	8.2	17.6		11.1	15.1	
RoCE (%)	9.7	19.8		12.9	16.8	
Operating cash flow before paid interest	6	14	-57%	46	51	-10%



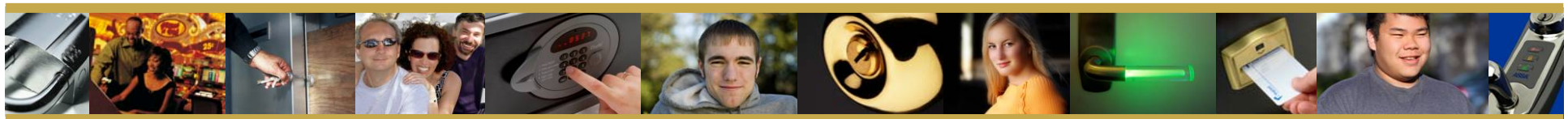
Asia Pacific business review Q4 2005

- Good growth in Asia, strong growth in China
- Weakening sales in Australian residential market offset by continued good non-residential sales
- Restructuring costs from moved production affected margins negatively



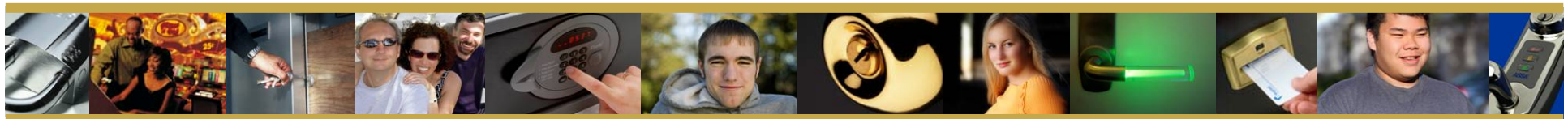
Global Technologies business review

SEK M	4th Quarter			Full year		
	2005	2004	Change	2005	2004	Change
Sales	1,639	1,269	+29%	5,760	4,911	+17%
<i>Organic growth</i>			<i>+13%</i>			<i>+10%</i>
EBIT	234	159	+47%	811	632	+28%
EBIT-margin (%)	14.3	12.5		14.1	12.9	
RoCE (%)	15.4	11.6		14.1	11.8	
Operating cash flow before paid interest	127	163	-22%	648	652	-1%



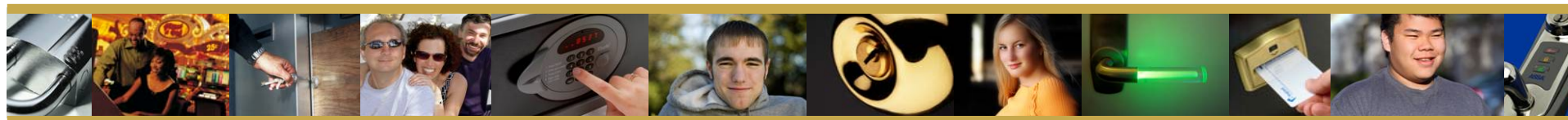
Global Technologies business review Q4 2005

- Identification Technology
 - Continued strong organic growth and margins driven by iClass and other RFID applications
- Entrance Systems (New division from 2006)
 - Market share gains in Europe
 - USA continues to recover
- Hospitality
 - Strong organic growth
 - Higher pace in restructuring activities



Key data

SEK M	31 Dec 2005	31 Dec 2004
Capital employed	26,653	23,461
whereof goodwill	15,716	13,917
Net debt	12,240	12,208
Equity (excl. of minority interests)	14,342	11,226
Equity ratio	42.8%	37.4%
Interest cover ratio	8.2	7.6
Net debt/equity	0.85	1.09
Return on capital employed (RoCE)	15.9%	15.3%
Return on shareholder's equity	18.1%	20.0%



Q&A



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