

# Q1 report 2006

## Johan Molin, President and CEO

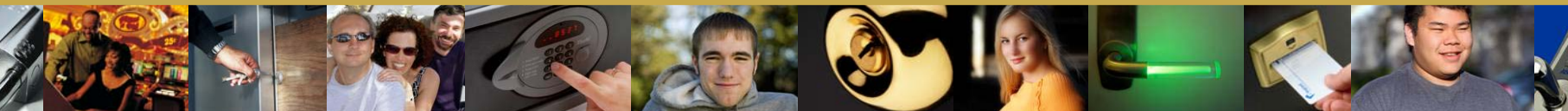


**ASSA ABLOY**

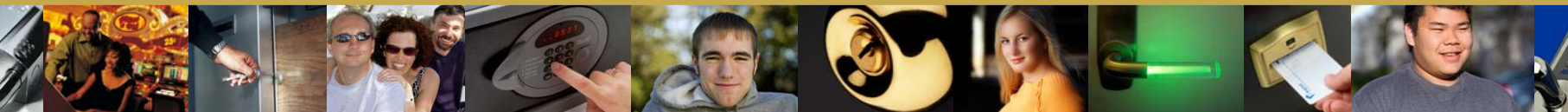
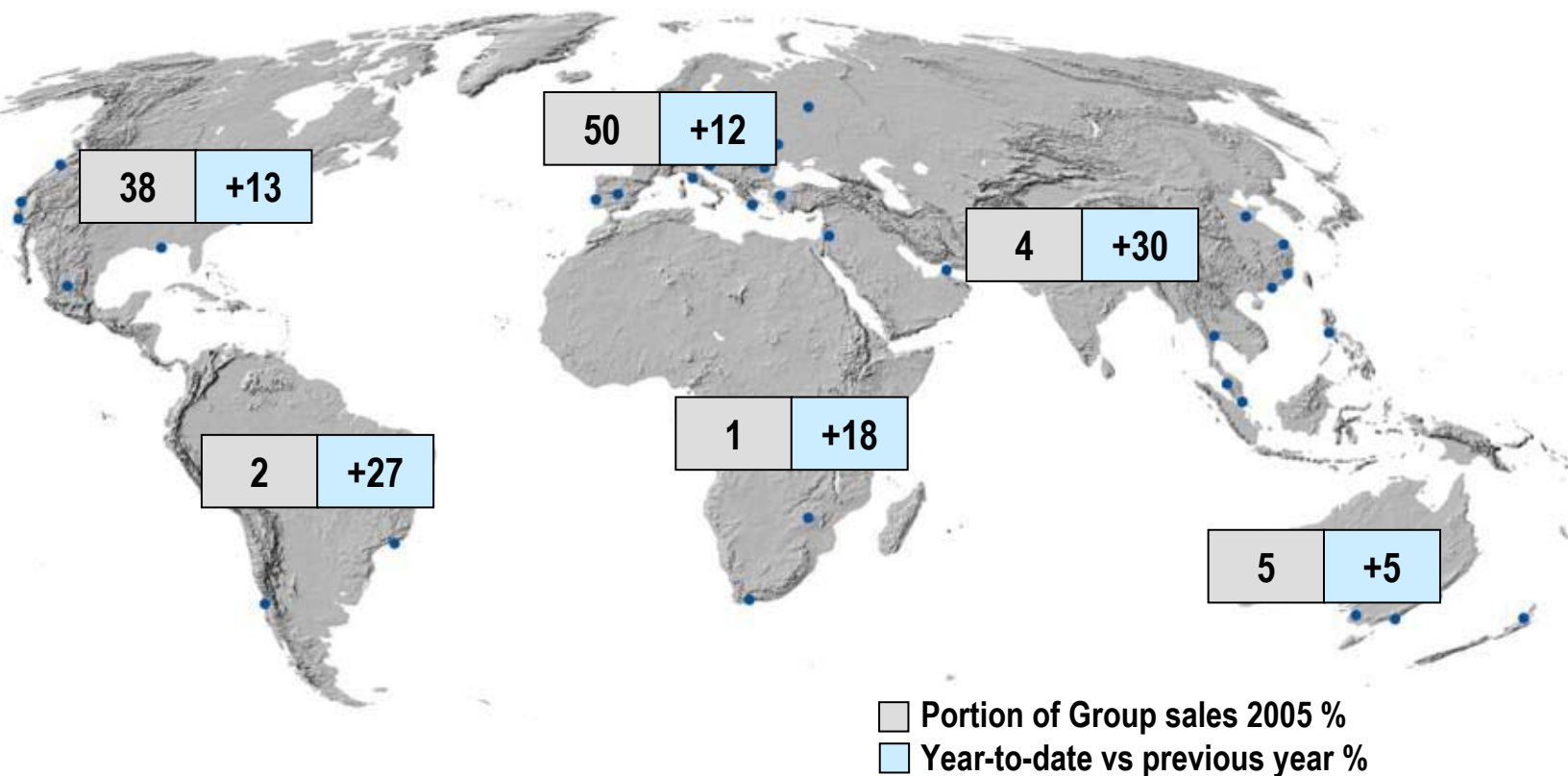
The World's Leading Lock Group

# Financial highlights Q1

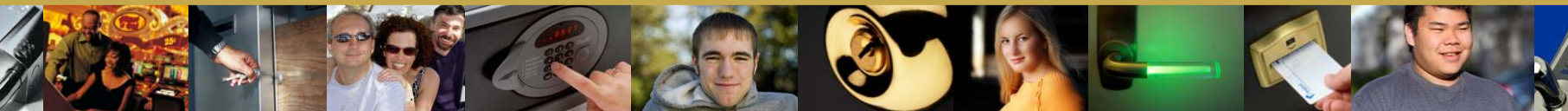
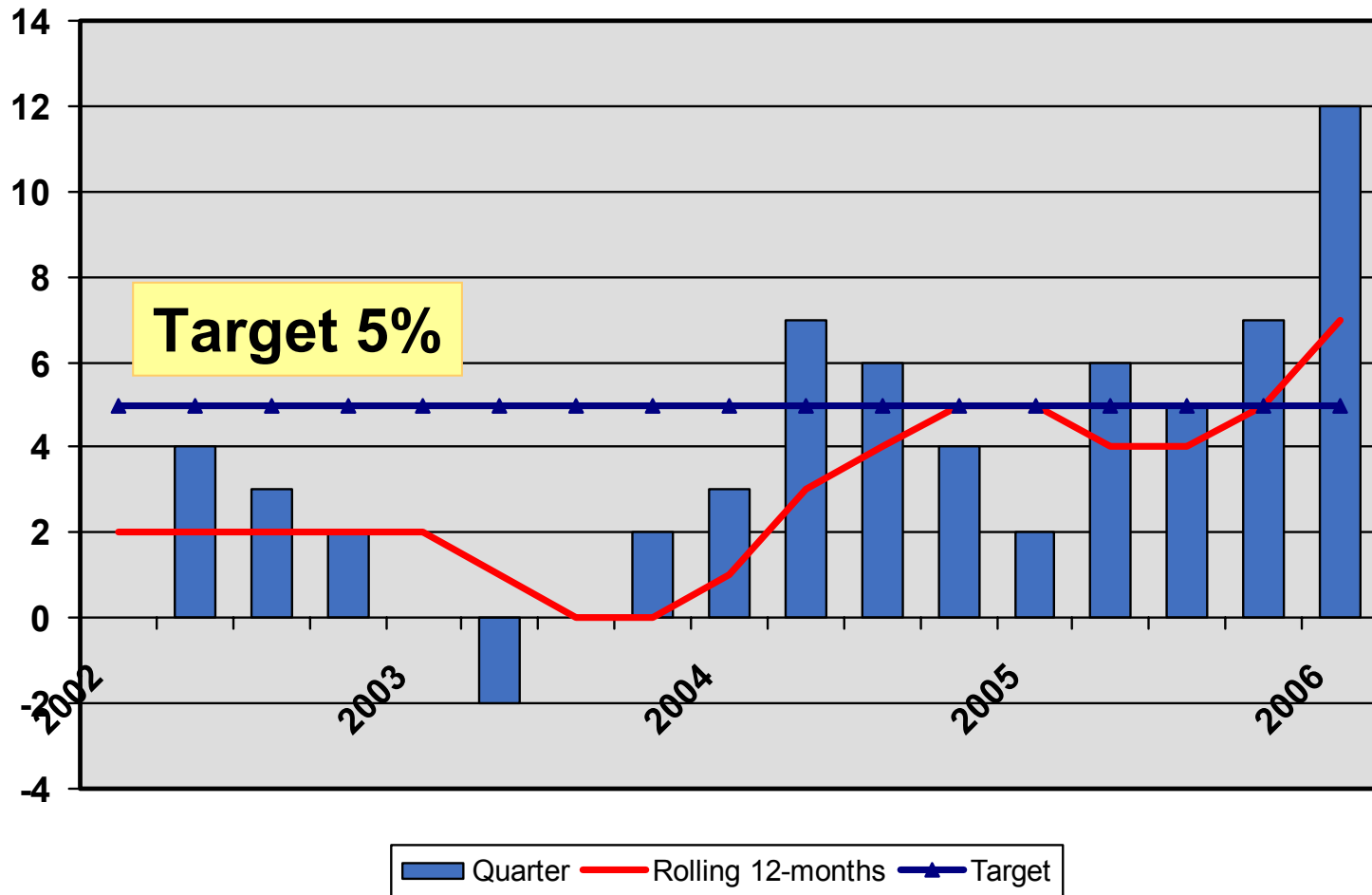
▪ <b>Sales</b>	<b>SEK 7 653 M</b>	<b>+22%</b>
+12% organic growth		
+4% from extra working days		
▪ <b>Operating income</b>	<b>SEK 1 110 M</b>	<b>+25%</b>
Restructuring costs SEK 40 M		
▪ <b>Operating cash flow</b>	<b>SEK 587 M</b>	<b>+7%</b>
▪ <b>EPS</b>	<b>SEK 1.88</b>	<b>+26%</b>



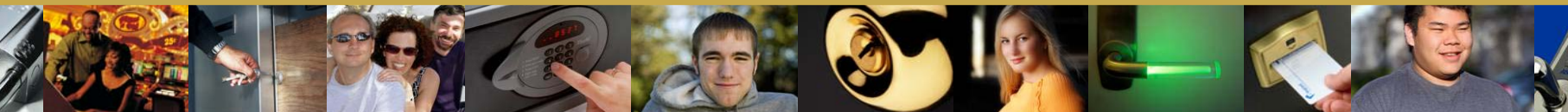
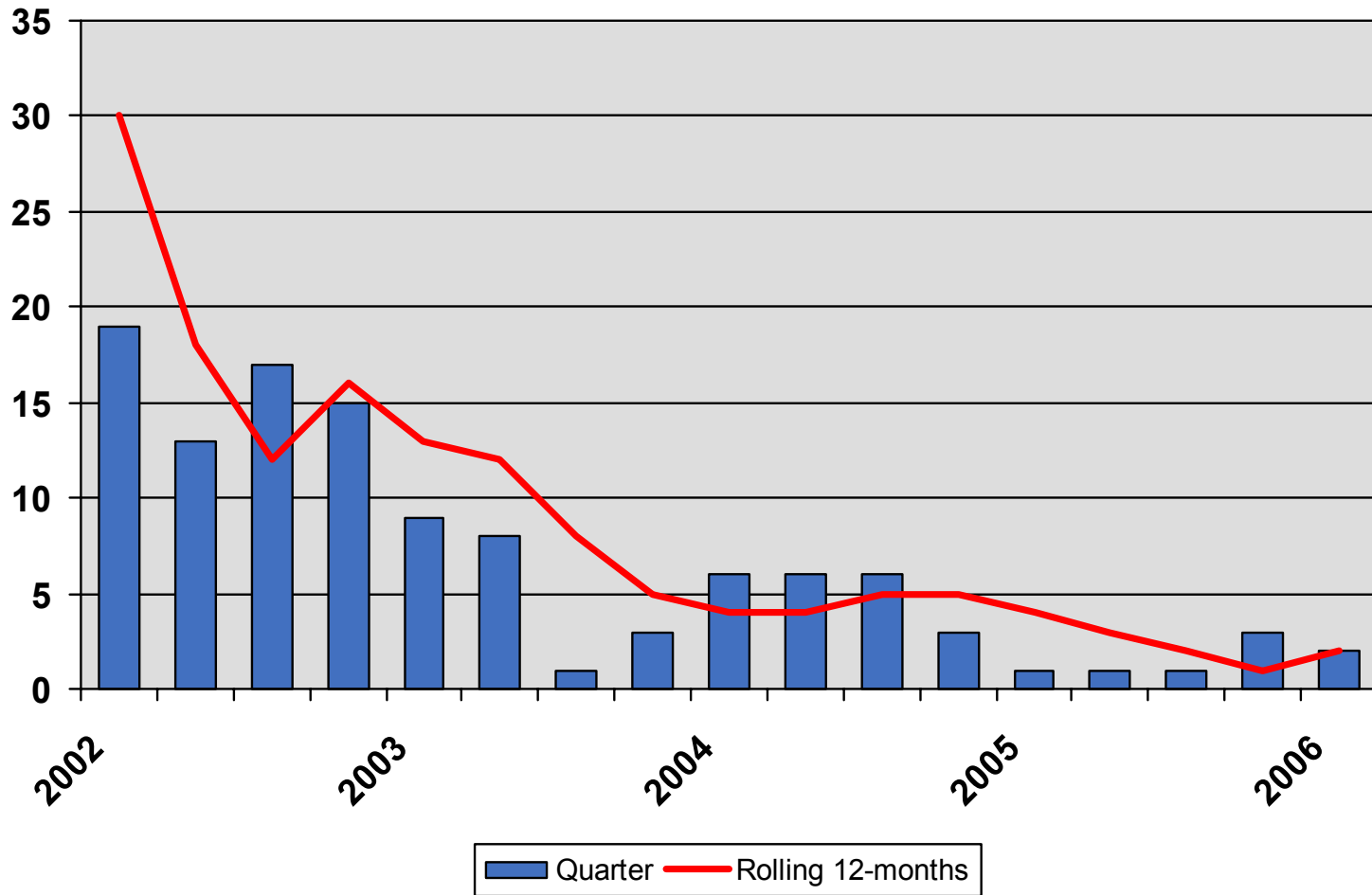
# Sales distribution in local currencies



# Organic growth %



# Acquired growth %

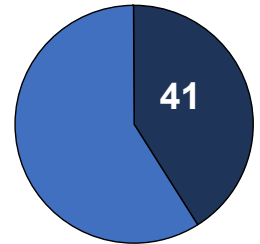




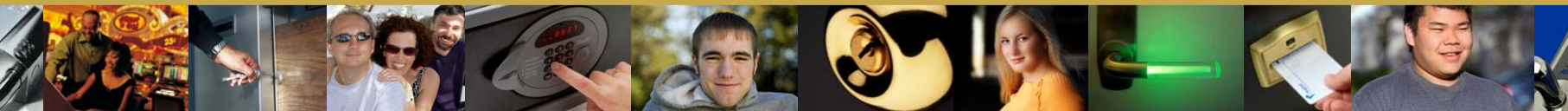
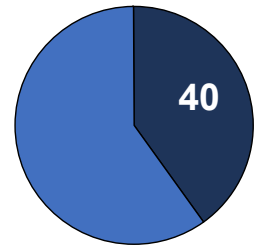
# Division - EMEA

- Continued strong sales especially in Nordic and Eastern Europe
- Sales trend improved in most markets
- Working day impact 6%
- Operating margin (EBIT)
  - + higher volume
  - new restructuring costs and a lost legal case

**SALES**  
share of  
Group total %



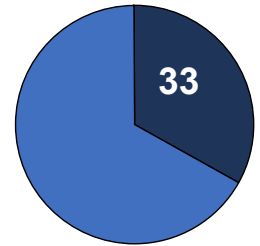
**EBIT**  
share of  
Group total %



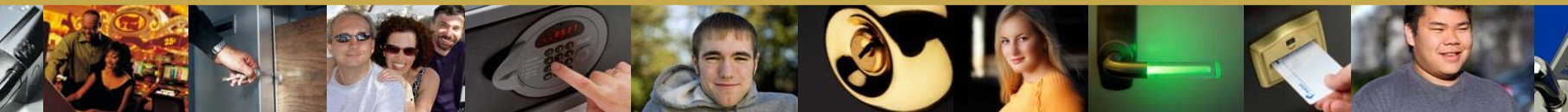
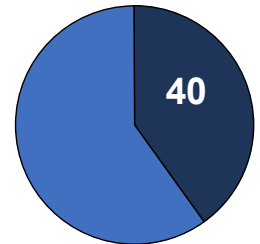
# Division - Americas

- All parts of the business showed strong growth
- Specification activity progress well
- Mexico is back on healthy growth
- Operating margin (EBIT) develops well
- Acquisition of Adams Rite completed

**SALES**  
share of  
Group total %



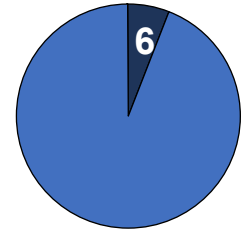
**EBIT**  
share of  
Group total %



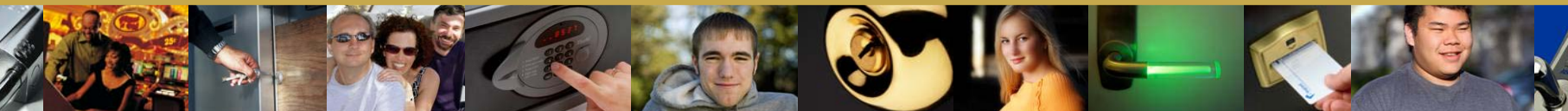
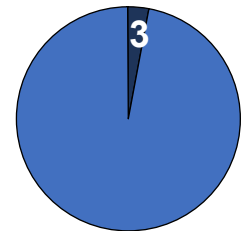
# Division - Asia Pacific

- Continued good growth in ASIA
- Flat demand in AU/NZ residential markets
- Material cost increases pressure the margin
- Price increase implemented

**SALES**  
share of  
Group total %



**EBIT**  
share of  
Group total %

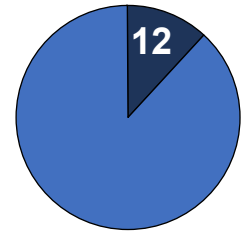




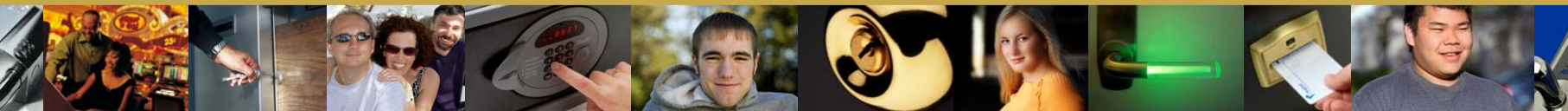
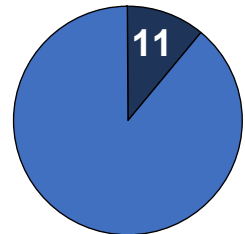
# Division - Global Technologies

- Continued good growth
- Improved Operating margin (EBIT)
- **ASSA ABLOY HID**
  - new products and geographic expansion
- **ASSA ABLOY Identification Technology**
  - strong growth in RFID-sales
- **ASSA ABLOY Hospitality**
  - slower sales growth

**SALES**  
share of  
Group total %



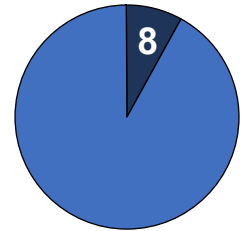
**EBIT**  
share of  
Group total %



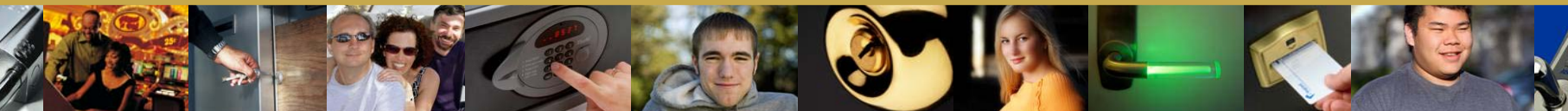
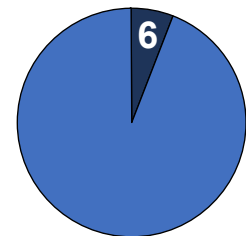
# New Division - Entrance Systems

- Margins from 10% to 14% since 2002
- Develop service, 40% of sales
- Complement with acquisitions
- Strong demand in all major markets
- Operating margin (EBIT) diluted by acquisitions

**SALES**  
share of  
Group total %

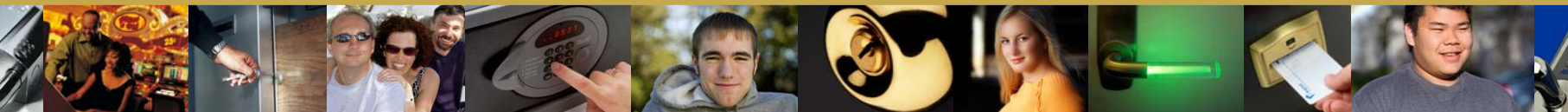


**EBIT**  
share of  
Group total %

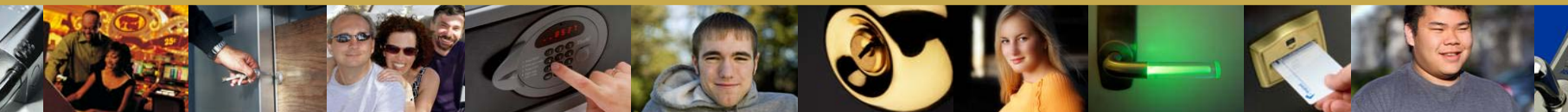
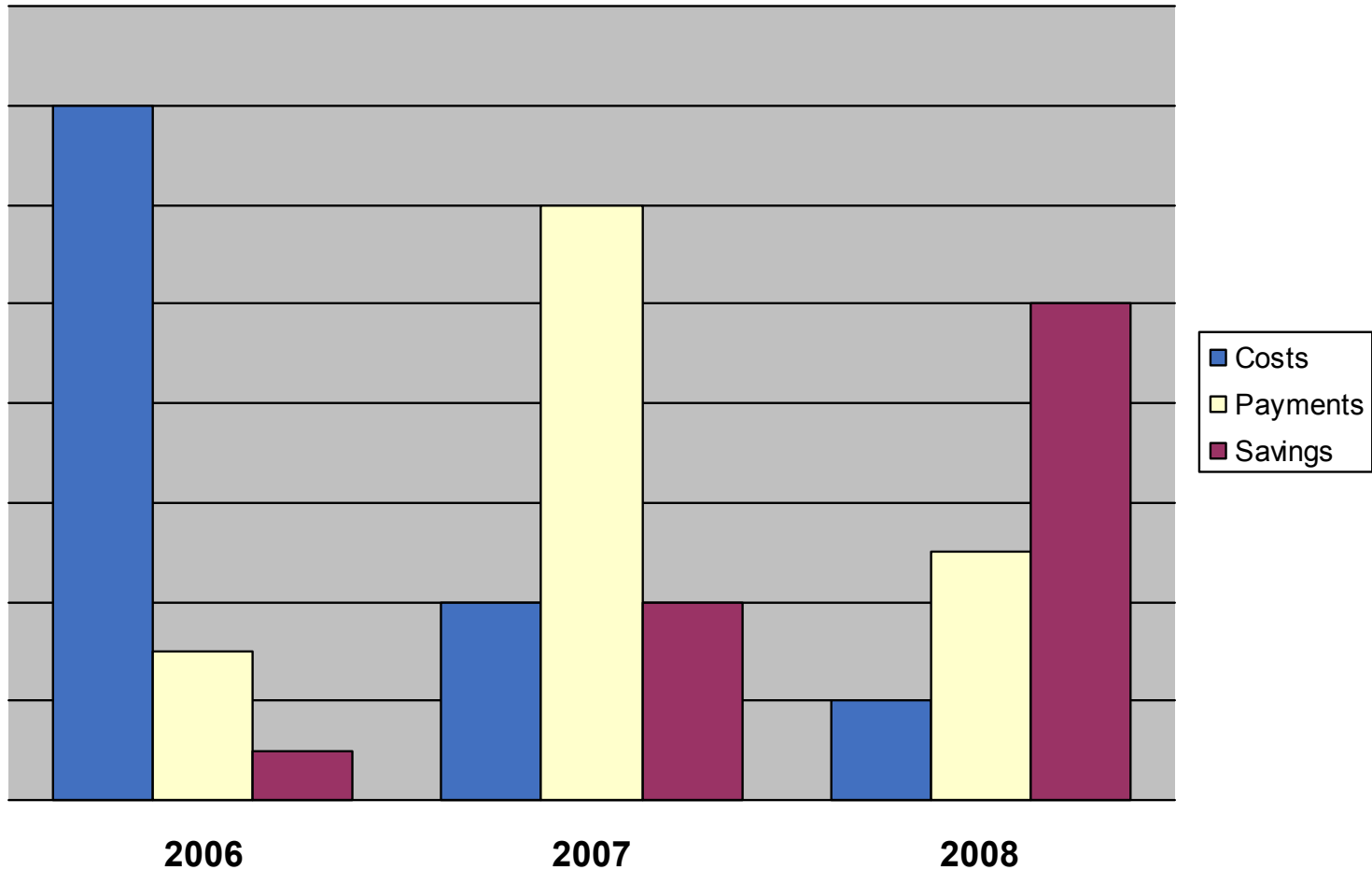


# Manufacturing – revised 3 year plan

- From manufacturing to assembly
- 50 restructuring projects
- Consolidation and Outsourcing
- Majority relate to EMEA
- Estimated restructuring cost SEK 1 250 M
- Savings estimated to SEK 600 M at full effect
- UK car-locks production under review

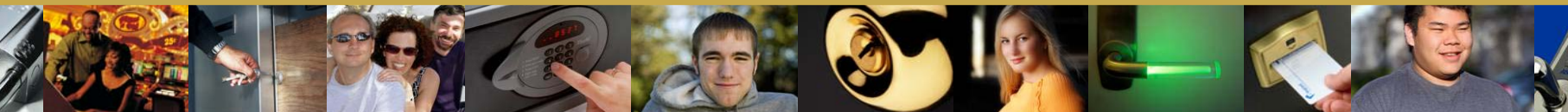


# Manufacturing – profile of revised plan %



# Recent acquisitions

- Baron, Canada (Americas)
  - Sales CAD 30 M and EBIT > 10%
  - Canadian market leader in middle range steel doors
  - Immediately EPS-accretive
- Perth Door Services, Australia (Entrance Systems)
  - Sales AUD 12.6 M and EBIT > 5%
  - Service company with 80 employees
  - Immediately EPS-accretive



Q1 report 2006

Göran Jansson, Deputy CEO and CFO



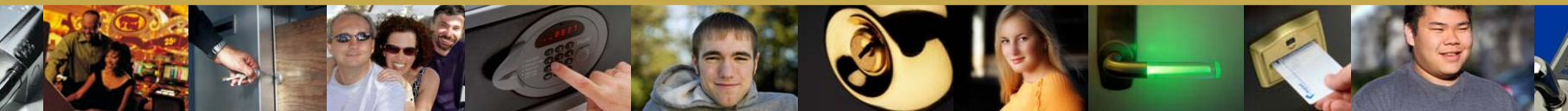
**ASSA ABLOY**

The World's Leading Lock Group



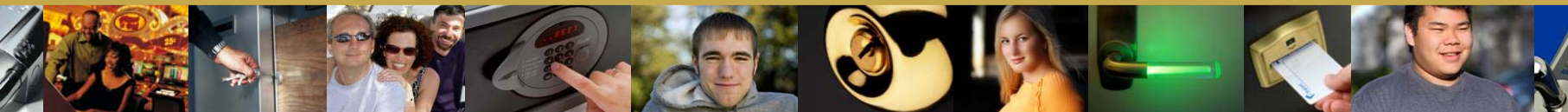
# Financial highlights Q1 and FY 2005

SEK M	1st Quarter			Full year		
	2006	2005	Change	2005	2004	Change
<b>Sales</b>	<b>7,653</b>	<b>6,269</b>	<b>+22%</b>	<b>27,802</b>	<b>25,526</b>	<b>+9%</b>
<i>Whereof</i>						
Organic growth			+12%			+5%
Acquisitions			+2%			+1%
FX-differences	514		+8%	643		+3%
<b>EBIT-margin (%)</b>	<b>14.5</b>	<b>14.2</b>		<b>14.7</b>	<b>14.4</b>	
Income before taxes	965	764	+26%	3,556	3,199	+11%
<b>Operating cash flow</b>	<b>587</b>	<b>549</b>	<b>+7%</b>	<b>3,702</b>	<b>3,439</b>	<b>+8%</b>
<b>EPS (SEK)</b>	<b>1.88</b>	<b>1.49</b>	<b>+26%</b>	<b>6.97</b>	<b>6.33</b>	<b>+10%</b>



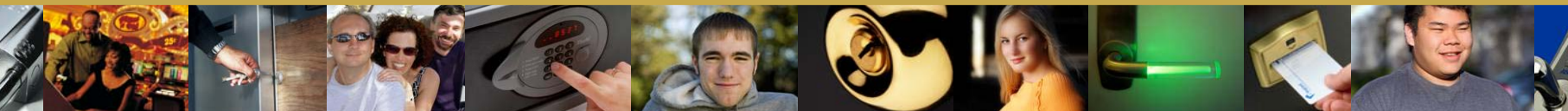
# EMEA financial review

EUR M	1st Quarter			Full year		
	2006	2005	Change	2005	2004	Change
Sales	342	305	+12%	1,255	1,210	+4%
<i>Organic growth</i>			+11%			+3%
EBIT	51	44	+16%	184	174	+5%
EBIT-margin (%)	15.0	14.3		14.7	14.4	
RoCE (%)	18.3	15.8		16.6	16.3	
Operating cash flow before paid interest	32	25	+28%	205	201	+2%



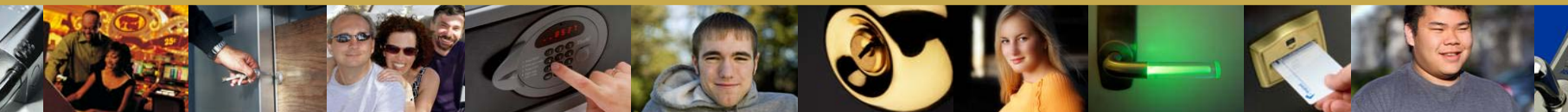
# Americas financial review

USD M	1st Quarter			Full year		
	2006	2005	Change	2005	2004	Change
Sales	322	283	+14%	1,182	1,129	+5%
<i>Organic growth</i>			+13%			+5%
EBIT	60	51	+18%	217	199	+9%
EBIT-margin (%)	18.7	17.9		18.3	17.6	
RoCE (%)	21.1	18.4		19.6	18.2	
Operating cash flow before paid interest	35	32	+9%	236	192	+23%



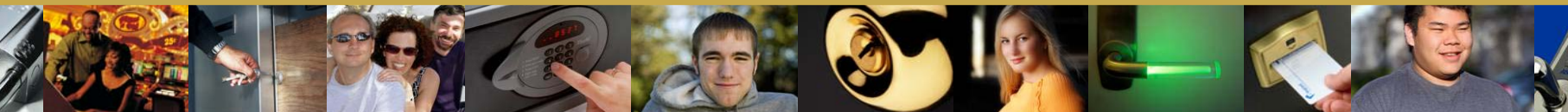
# Asia Pacific financial review

AUD M	1st Quarter			Full year		
	2006	2005	Change	2005	2004	Change
Sales	93	81	+15%	389	343	+13%
Organic growth			+6%			+2%
EBIT	6	8	-25%	43	52	-17%
EBIT-margin (%)	6.6	9.7		11.1	15.1	
RoCE (%)	7.1	9.9		12.9	16.8	
Operating cash flow before paid interest	1	15	-93%	46	51	-10%



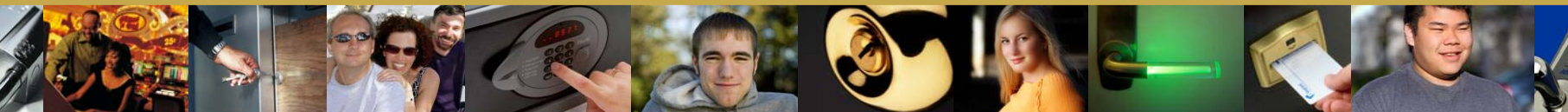
# Global Technologies financial review

SEK M	1st Quarter			Full year		
	2006	2005	Change	2005	2004	Change
Sales	950	773	+23%	3,387	2,923	+16%
Organic growth			+10%			+12%
EBIT	134	106	+26%	476	377	+26%
EBIT-margin (%)	14.1	13.7		14.1	12.9	
RoCE (%)	17.8	16.1		17.3	15.0	
Operating cash flow before paid interest	5	60	-92%	341	398	-14%



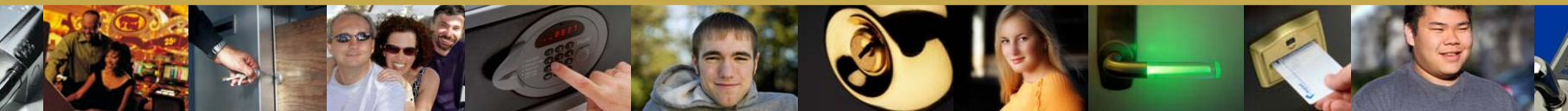
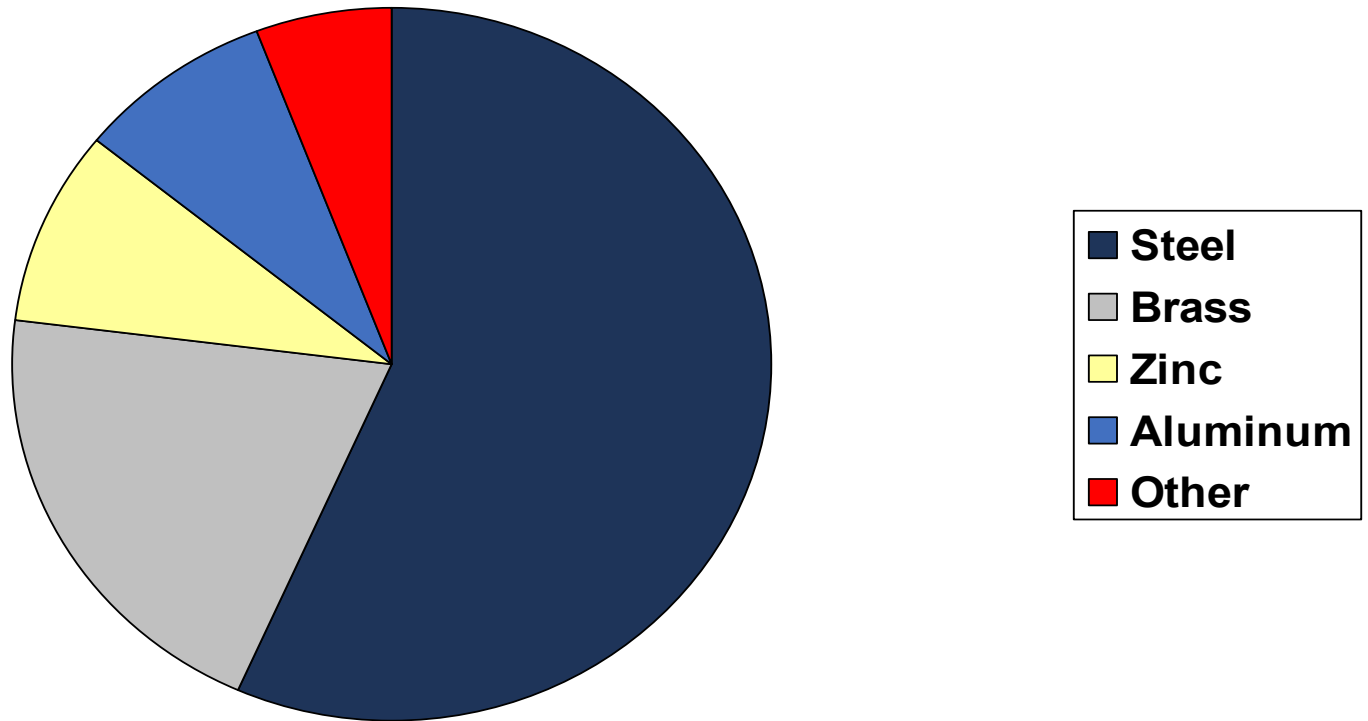
# Entrance systems financial review

SEK M	1st Quarter			Full year		
	2006	2005	Change	2005	2004	Change
Sales	617	495	+25%	2,373	1,989	+19%
Organic growth			+12%			+8%
EBIT	77	63	+22%	335	260	+29%
EBIT-margin (%)	12.5	12.7		14.1	13.1	
RoCE (%)	9.8	9.0		11.1	9.2	
Operating cash flow before paid interest	123	130	-5%	307	254	+21%

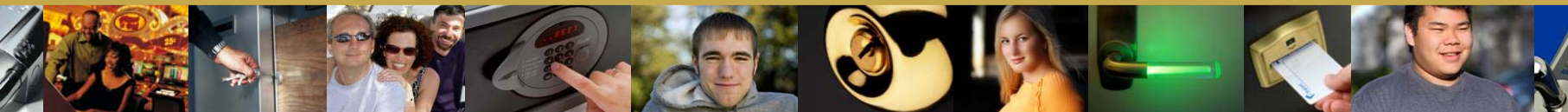
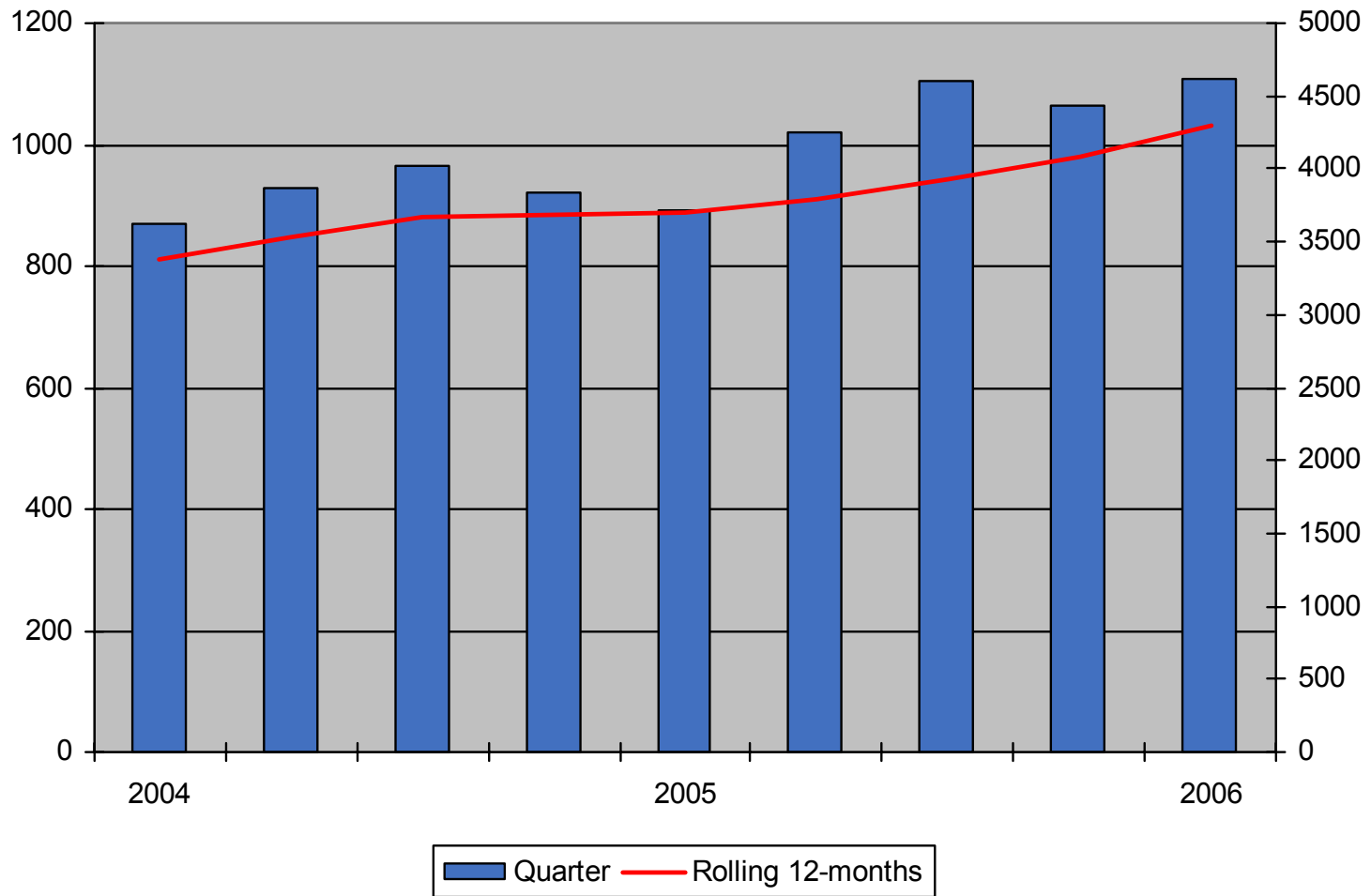




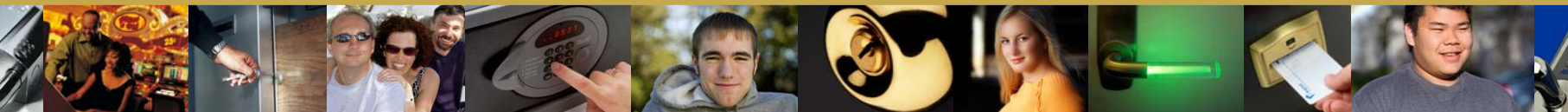
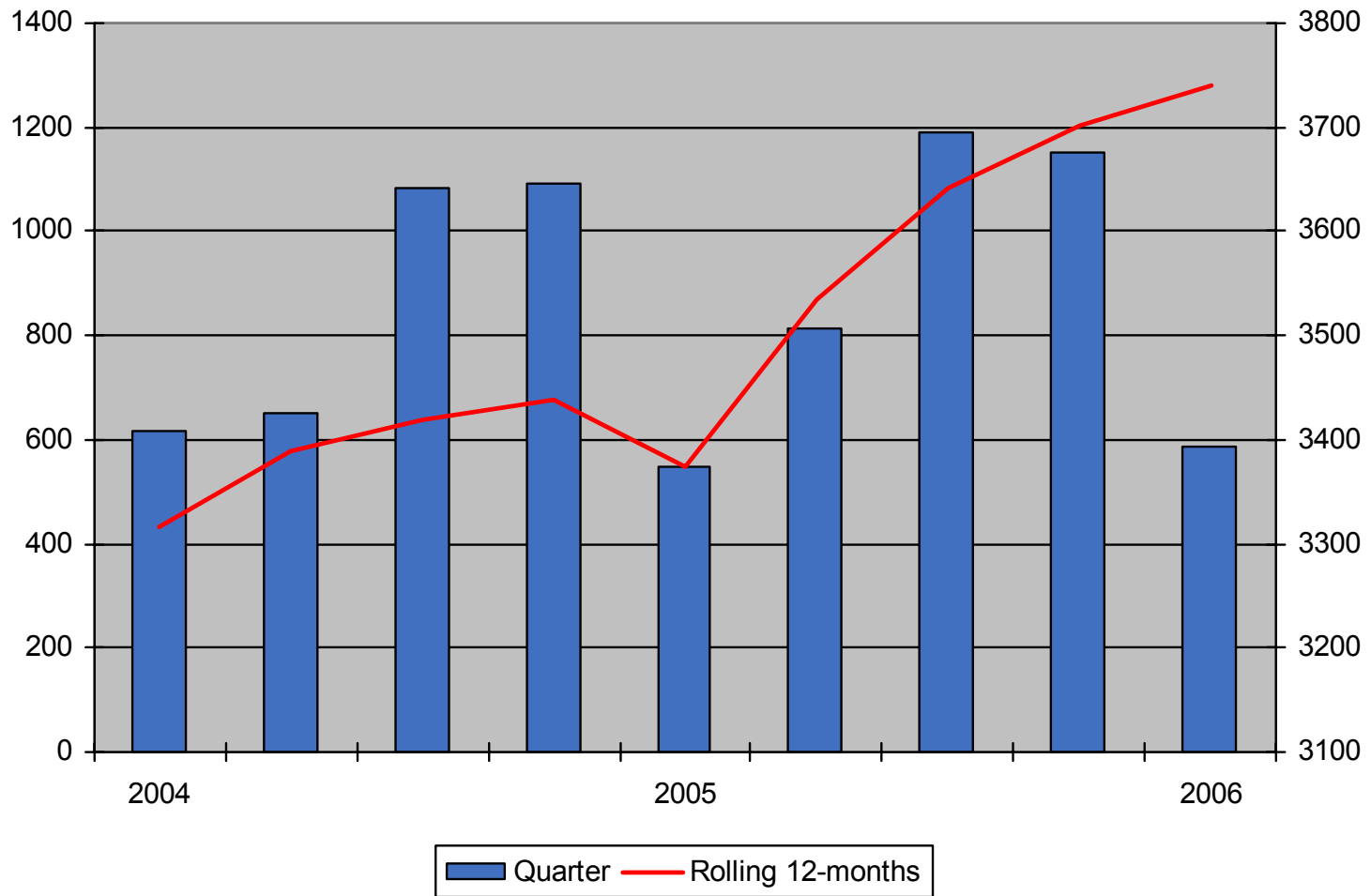
# Exposure to raw materials



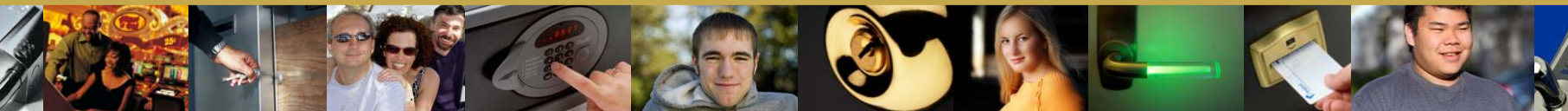
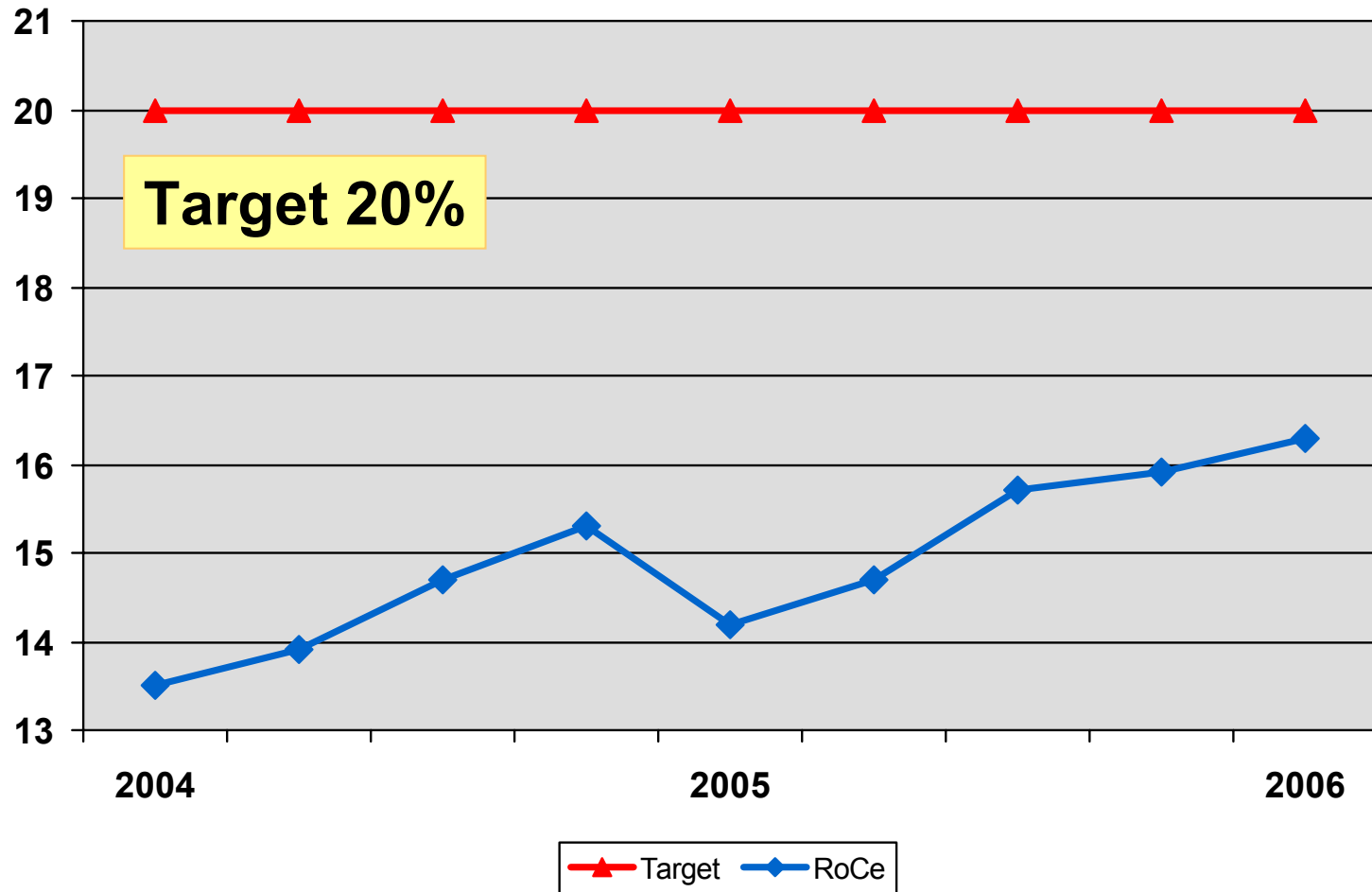
# Operating income (EBIT) SEK M



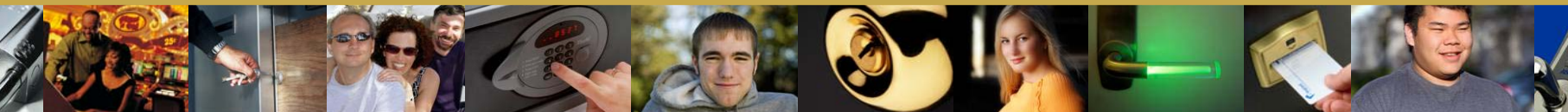
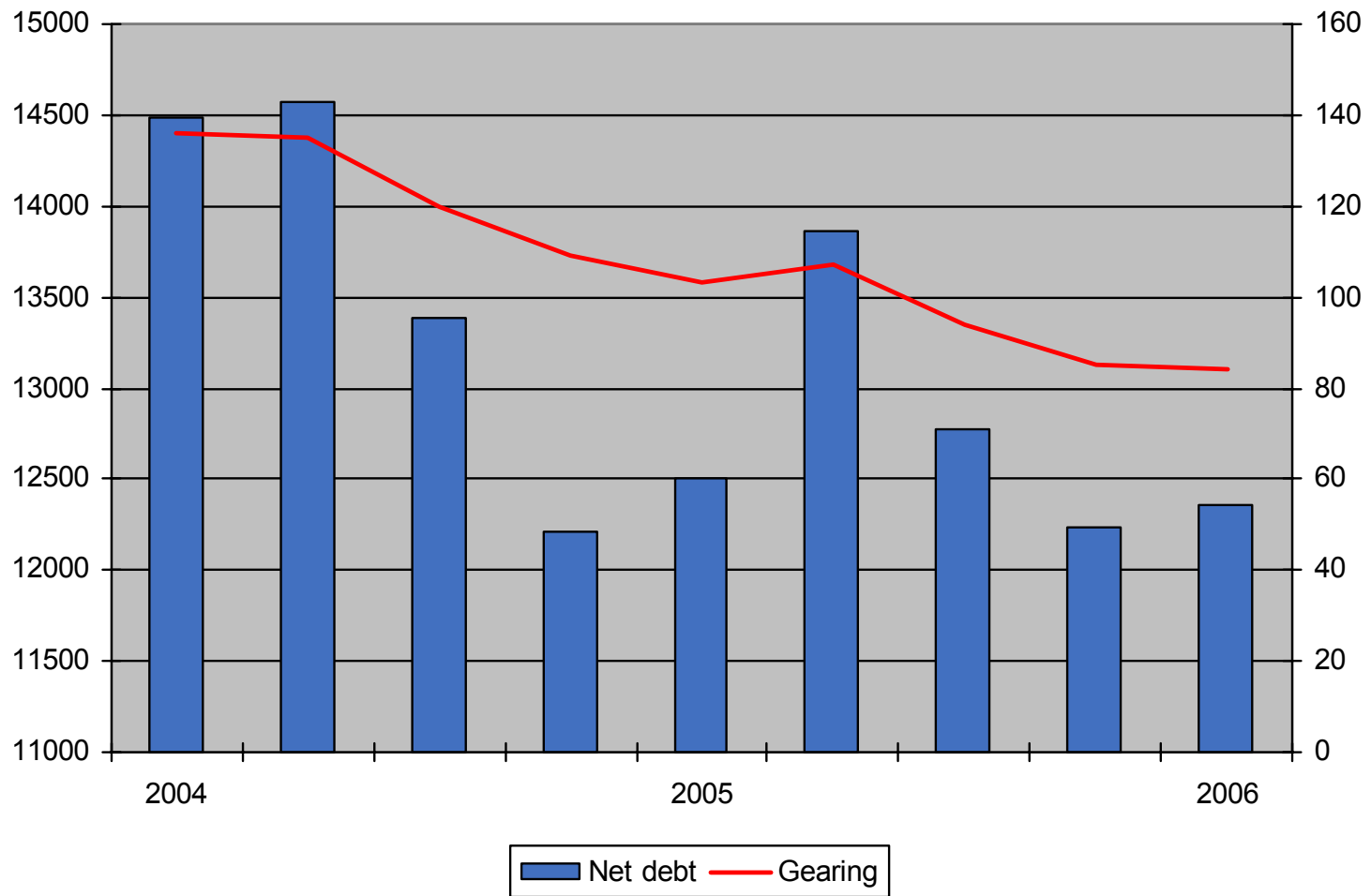
# Operating cash flow SEK M



# Return on Capital Employed %

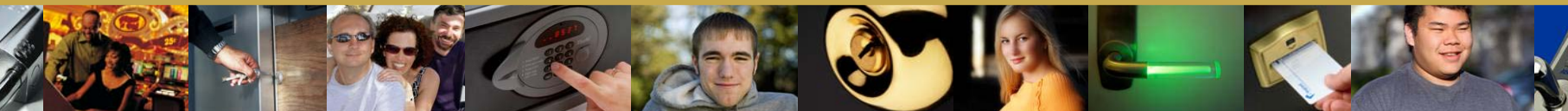


# Net debt SEK M and Gearing %



# 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





# Q&A



**ASSA ABLOY**

The World's Leading Lock Group