Q3 Report 2006
Johan Molin President & CEO

ASSA ABLOY

The World's Leading Lock Group

Financial Highlights Q3

- **Continued high growth pace**
  - High stable demand in Europe and North America
  - Fargo developing very well

- **Sales** **SEK 7 736 M** **+10%**

  +8% organic, +5% acquired growth, -3% currency

- **EBIT*** **SEK 1 235 M** **+12%**
- **EPS*** **SEK 2.02** **+ 7%**

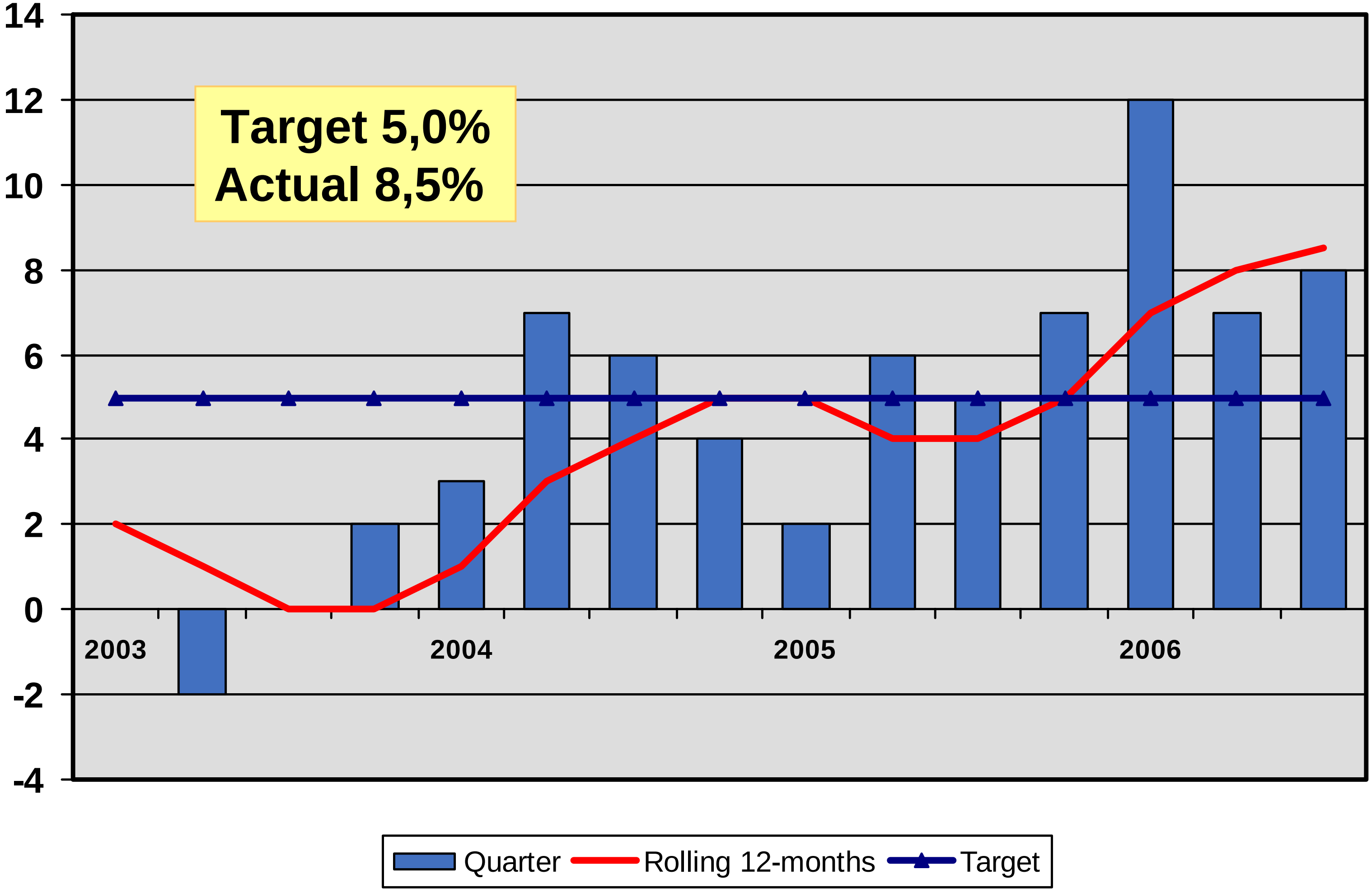
***Excluding restructuring cost of SEK 437 M**

Financial Highlights Nine Months

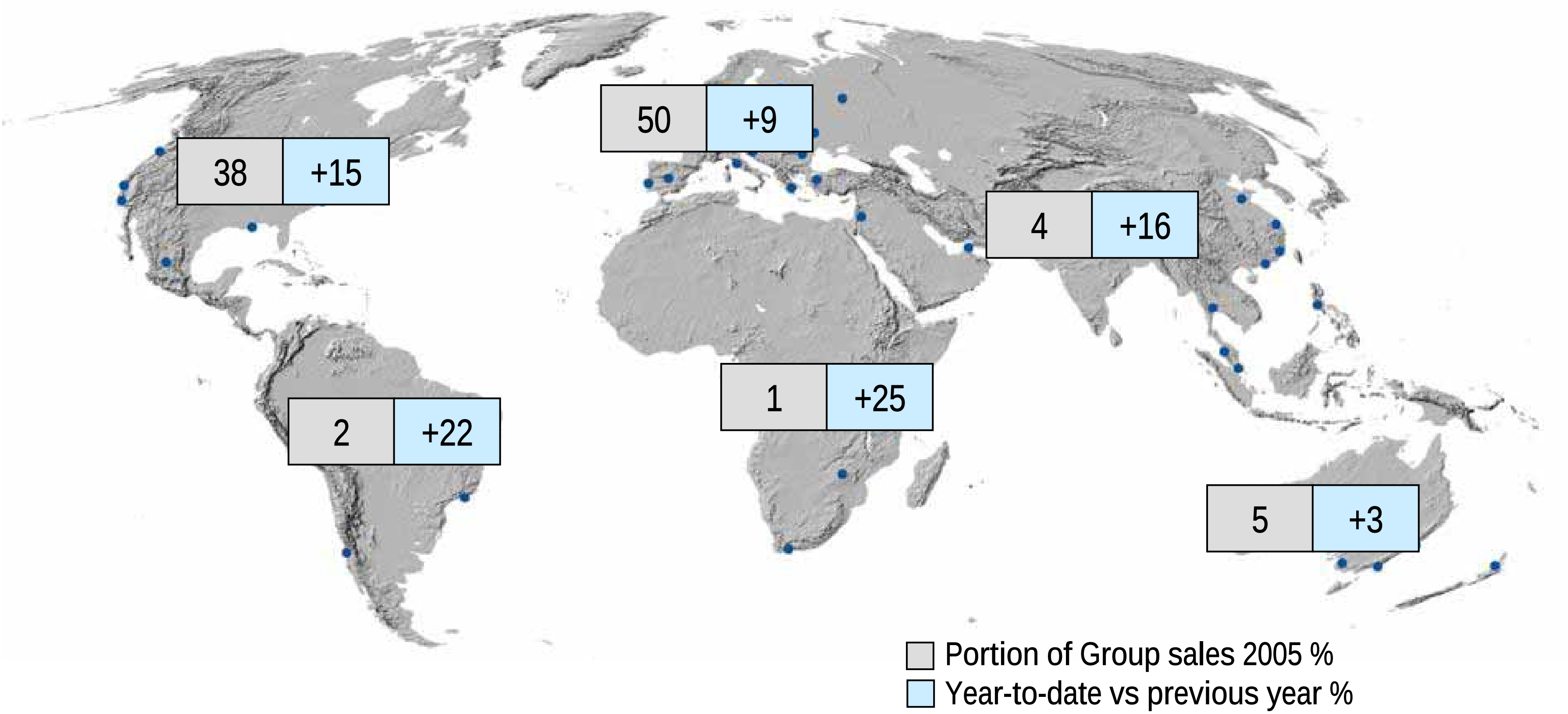
▪ **Sales**	**SEK 23 078 M**	**+14%**
+9% organic, +3% acquired, +2% currency		
▪ **EBIT***	**SEK 3 496 M**	**+16%**
▪ **EPS***	**SEK 5.85**	**+14%**

***Excluding restructuring cost of SEK 957 M**

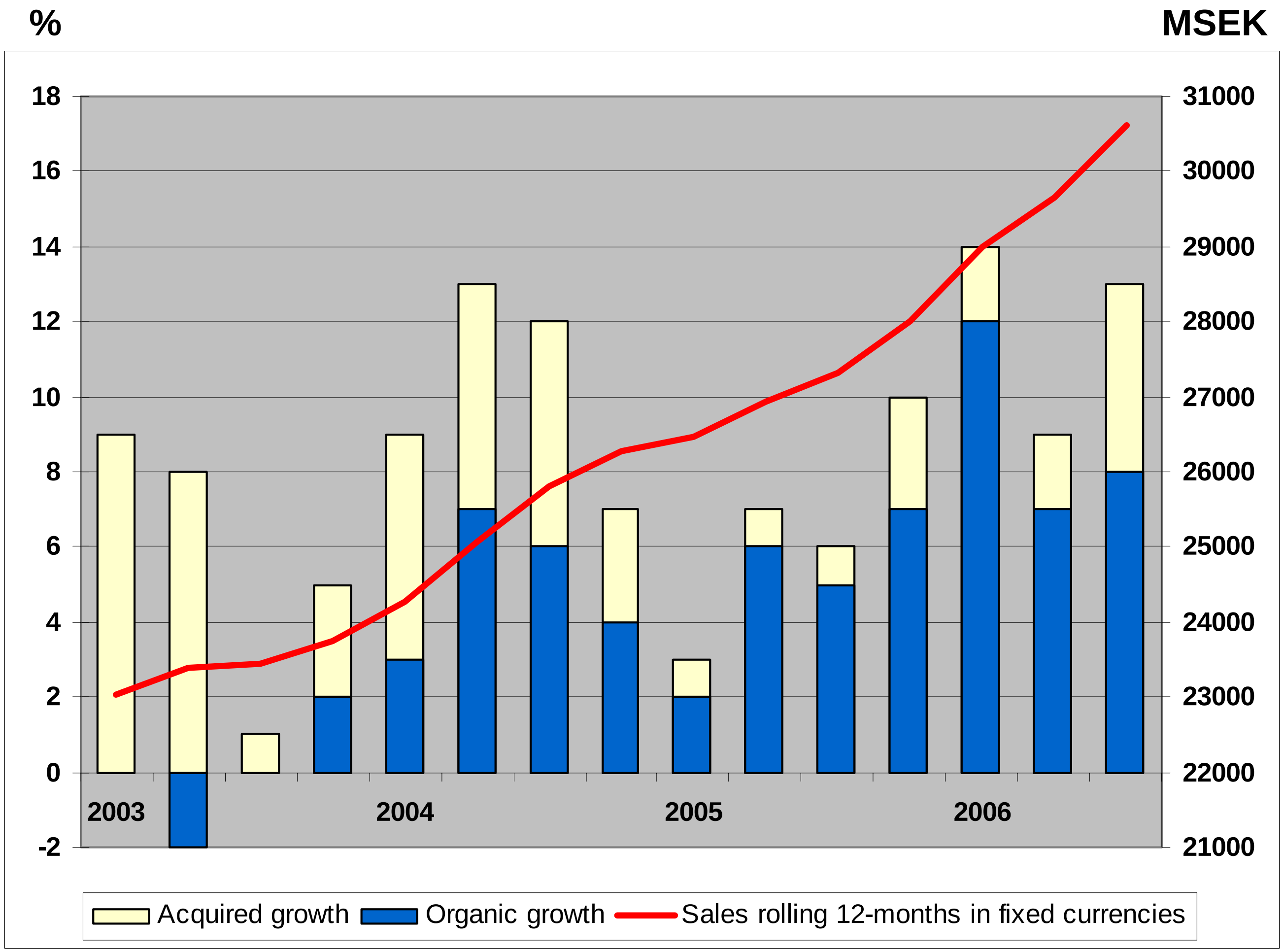
Organic Growth %



Group Sales in Local Currencies
Nine Months 2006



Sales Growth - Currency Adjusted

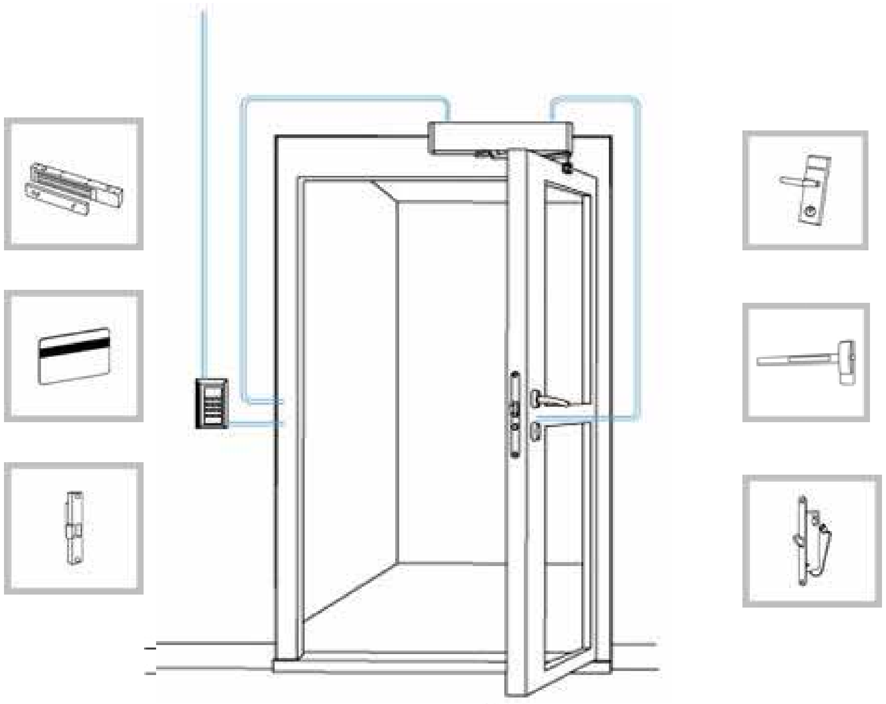


12 months growth
run rate 12,0 %:
organic 8,5 %
acquired 3,5 %

Growth Highlights

- Rapid growth of Intelligent Door Openings
  - El.mech components and electronic cylinders
  - Access control
  - Automatic doors
- ITG important new orders for e-passports
  - Currently more than 10 countries
- Collaboration with Cisco on HiO-technology
  - Brings network intelligence to doors
- Reinforced investments in R&D

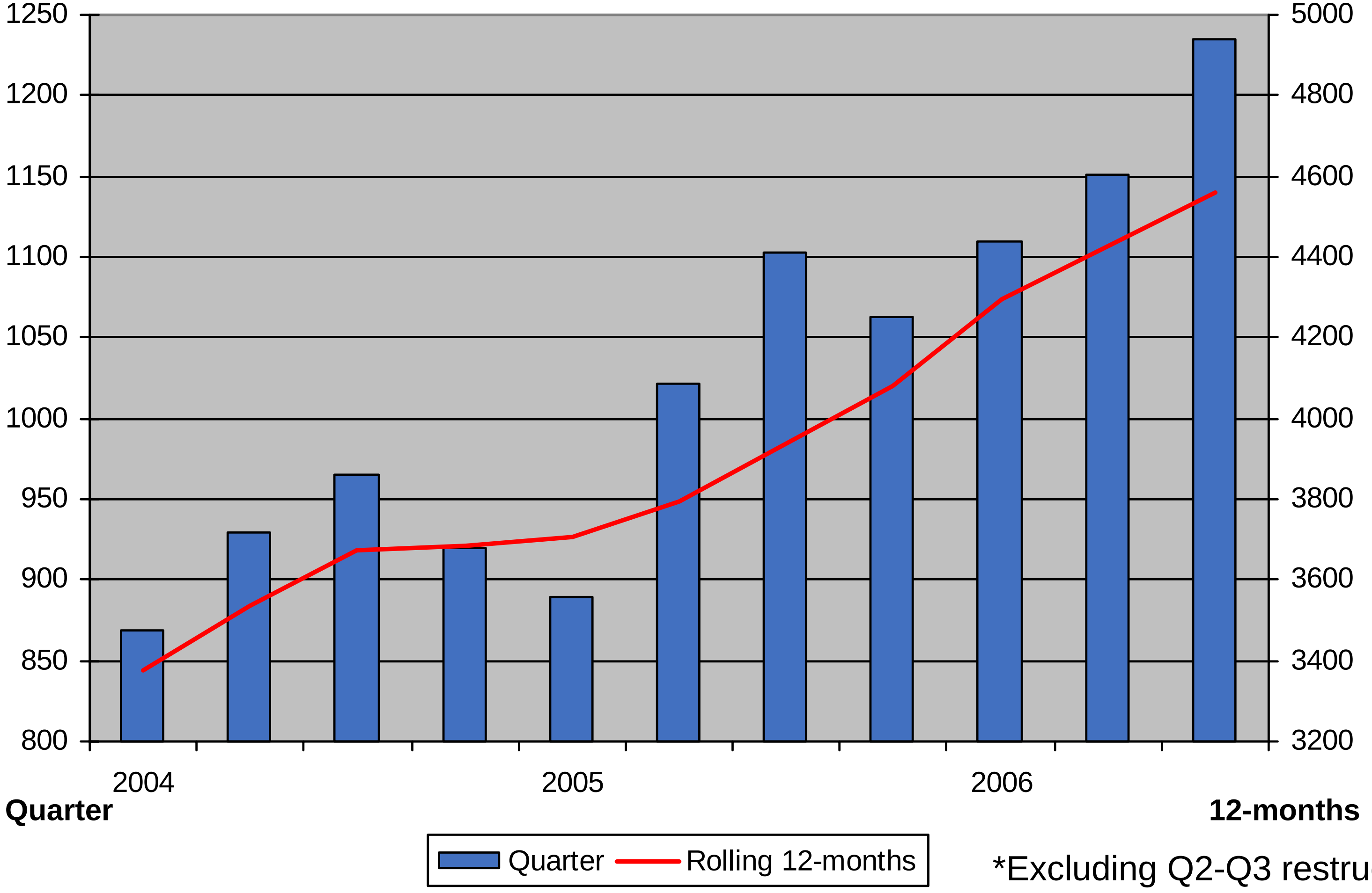
Intelligent Door Openings



Fargo: Secure Card Issuance

- Integration running well
- Market leader in secure card issuance
- Respected brand
- Reputation for innovation
- Completes HID's future distributed card issuance strategy
- Sales synergies with HID

Operating Income* (EBIT) SEK M



*Excluding Q2-Q3 restructuring

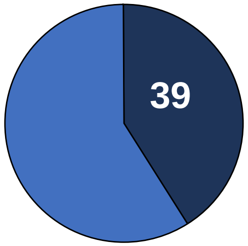
Margin Highlights

- Raw material increases offset through price increases
  - Price increase +3% in Q3
  - Dilution expected to disappear in H1 2007
- Restructuring progressing in line with plan
  - Projects started in Q3 with costs of SEK 437 M (957 YTD)
  - Reduction of 300 employees, accumulated savings 35 MSEK
  - Low cost sourcing increasing
  - Factory extension in CZ for cylinders
  - Total program SEK 1250 + 200 M, savings SEK 600 M

Division - EMEA

- Continued growth across Europe
- Strong sales development in Nordic countries, Germany, Eastern Europe and Africa
- Improved trend in Benelux and Spain

SALES
share of
Group total %



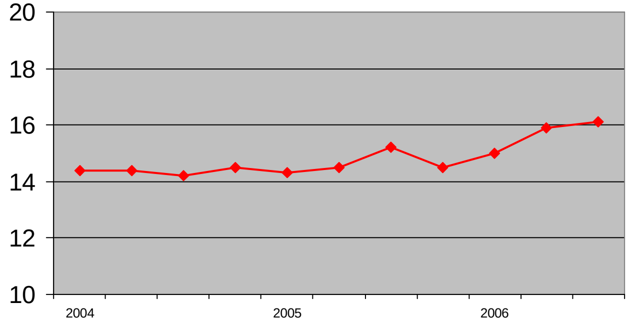
- Operating margin (EBIT)

  + Volume

  + Restructuring savings progressing well

  = Price increase offset cost increase

EBIT %



EMEA Financial Review

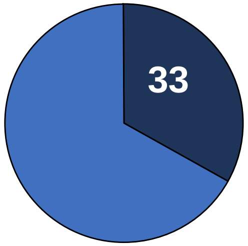
EUR M	Third Quarter 2006	Third Quarter 2005	Third Quarter Change	Nine months 2006	Nine months 2005	Nine months Change
Sales	316	295	+7%	992	925	+7%
Organic growth			*+8%*			*+8%*
Acquired growth			*-1%*			*-1%*
EBIT	51*	45	+13%	155*	136	+14%
EBIT-margin (%)	16.1*	15.2		15.6*	14.7	
RoCE (%)	17.9*	15.6		18.5*	16.1	
Operating cash flow before paid interest	58	59	-2%	134	119	+13%

***Excluding restructuring of EUR 34 M QTD, 79 M YTD**

Division - Americas

- Continued strong sales especially within Electromechanical and Residential Groups
- Improved sales trend in Architectural Hardware Group

SALES
share of
Group total %



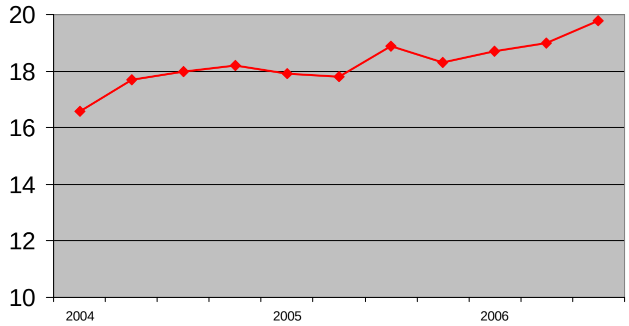
- Operating margin (EBIT)

  + Volume

  - Acquisitions dilutive as expected

  = Price increase offset cost increase

EBIT %



Americas Financial Review

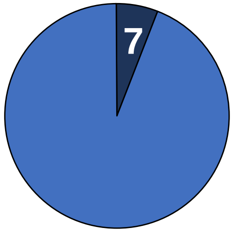
USD M	Third Quarter 2006	Third Quarter 2005	Third Quarter Change	Nine months 2006	Nine months 2005	Nine months Change
Sales	359	308	+17%	1034	889	+16%
Organic growth			*+9%*			*+10%*
Acquired growth			*+7%*			*+5%*
EBIT	71*	58	+22%	198*	163	+21%
EBIT-margin (%)	19.8*	18.9		19.2*	18.3	
RoCE (%)	23.2*	21.6		22.8*	20.0	
Operating cash flow before paid interest	68	80	-15%	164	165	-1%

*****Excluding restructuring of USD 3 M QTD, 11 M YTD

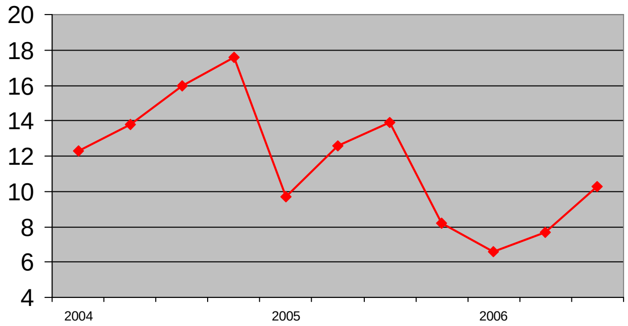
Division - Asia Pacific

- Growth resumed in the Asian region
  – China in good growth
- Weak demand in New Zealand and South Pacific residential
- New Head of Division in place

SALES
share of
Group total %



EBIT %



- Operating margin (EBIT)
  - Raw material increases
  + New price increase in October
  + Restructuring

Asia Pacific Financial Review

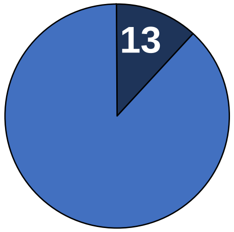
	Third Quarter			Nine months		
AUD M	2006	2005	Change	2006	2005	Change
Sales	111	108	+3%	308	284	+8%
Organic growth			*+3%*			*+4%*
Acquired growth			*+0%*			*+4%*
EBIT	12*	15	-20%	26*	35	-26%
EBIT-margin (%)	10.3*	13.9		8.3*	12.2	
RoCE (%)	12.7*	18.6		9.5*	14.0	
Operating cash flow before paid interest	-2	6		12	40	-70%

*****Excluding restructuring AUD 4 M QTD, 11 M YTD

Division - Global Technologies

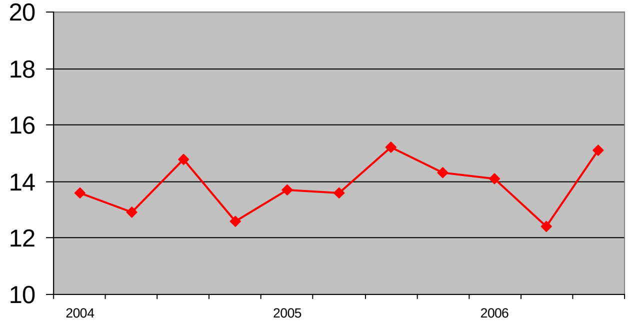
- Strong growth pace in all segments
  - HID market investments in Brazil, China and India

SALES
share of
Group total %



- Operating margin (EBIT)
  + Volume
  + Acquisition of Fargo
  = Consolidation of operations in Norway, Germany and USA

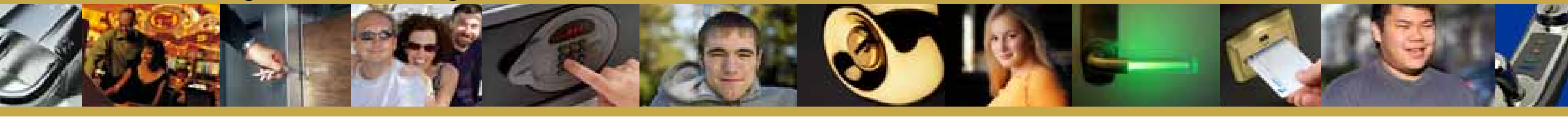
EBIT %



Global Technologies Financial Review

	Third Quarter			Nine months		
SEK M	2006	2005	Change	2006	2005	Change
Sales	1107	844	+31%	2,993	2,449	+22%
Organic growth			*+11%*			*+11%*
Acquired growth			*+23%*			*+8%*
EBIT	168	128	+31%	418	347	+20%
EBIT-margin (%)	15.1	15.2		14.0	14.2	
RoCE (%)	16.1	17.3		13.7	16.5	
Operating cash flow before paid interest	108	126	-14%	231	246	-6%

*Excluding restructuring SEK 79 M

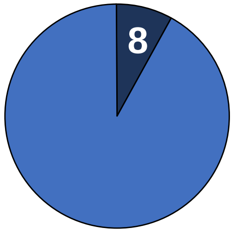


Entrance Systems

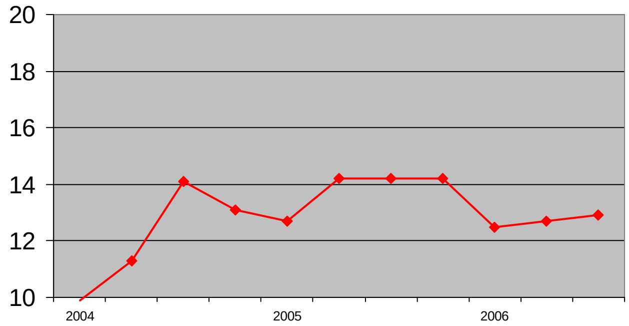
- Solid growth in all major markets
- Gain of market share in several markets

- Operating margin (EBIT)
  - \+ Volume development
  - \- Price increase implemented Q4
  - \- Dilution from acquisitions and mix

SALES
share of
Group total %



EBIT %



Entrance systems Financial Review

SEK M	Third Quarter 2006	Third Quarter 2005	Third Quarter Change	Nine months 2006	Nine months 2005	Nine months Change
Sales	674	591	+14%	1,950	1,672	+17%
Organic growth			*+11%*			*+10%*
Acquired growth			*+5%*			*+4%*
EBIT	87	84	+4%	248	230	+8%
EBIT-margin (%)	12.9	14.2		12.7	13.8	
RoCE (%)	11.3	11.2		10.3	10.7	
Operating cash flow before paid interest	23	44	-48%	224	275	-19%

*****Excluding restructuring SEK 1 M

Q3 Report 2006
Tomas Eliasson CFO

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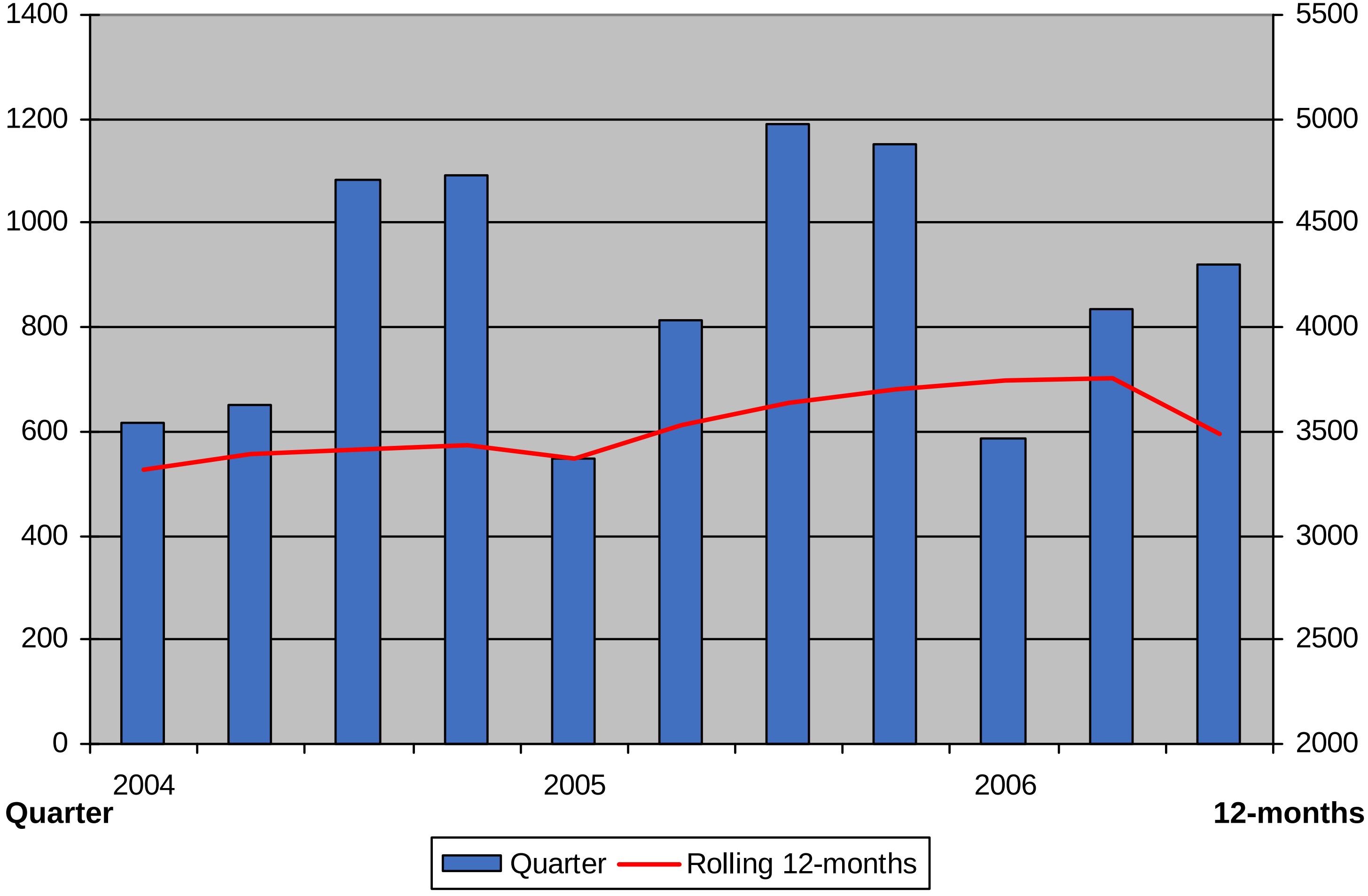
Financial Highlights Q3 and Nine Months 2006

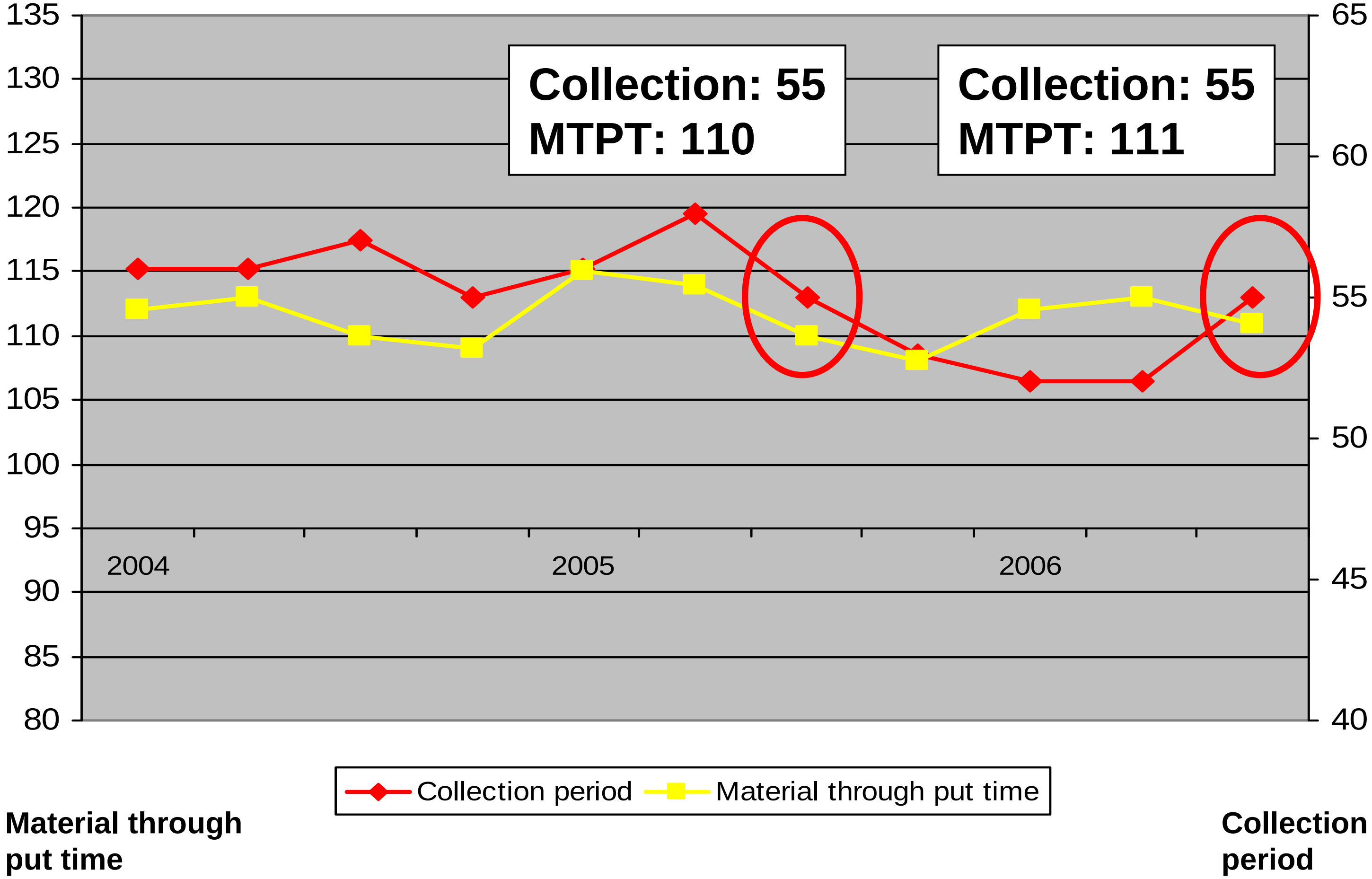
	Third Quarter			Nine months		
SEK M	2006	2005	Change	2006	2005	Change
Sales	7,736	7,019	+10%	23,078	20,272	+14%
Whereof						
Organic growth			+8%			+9%
Acquired growth			+5%			+3%
FX-differences	-176		-3%	384		+2%
Operating income (EBIT)	1,235 *	1,103		3,496*	3,015	
EBIT-margin (%)	16.0 *	15.7		15.2*	14.9	
Operating cash flow	919	1,190		2,339	2,552	
EPS (SEK)	2.02 *	1.89	+7%	5.85*	5.13	+14%

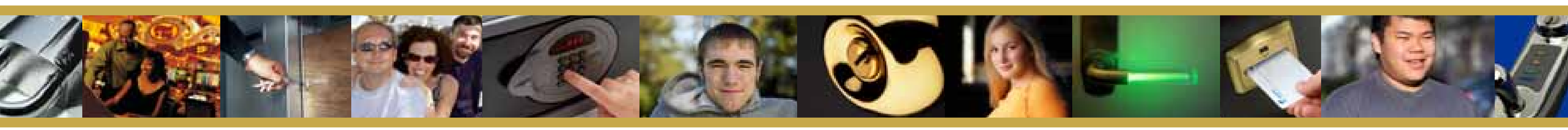
*Excluding restructuring costs SEK 437 M QTD, 957 YTD

Operating Cash Flow SEK M

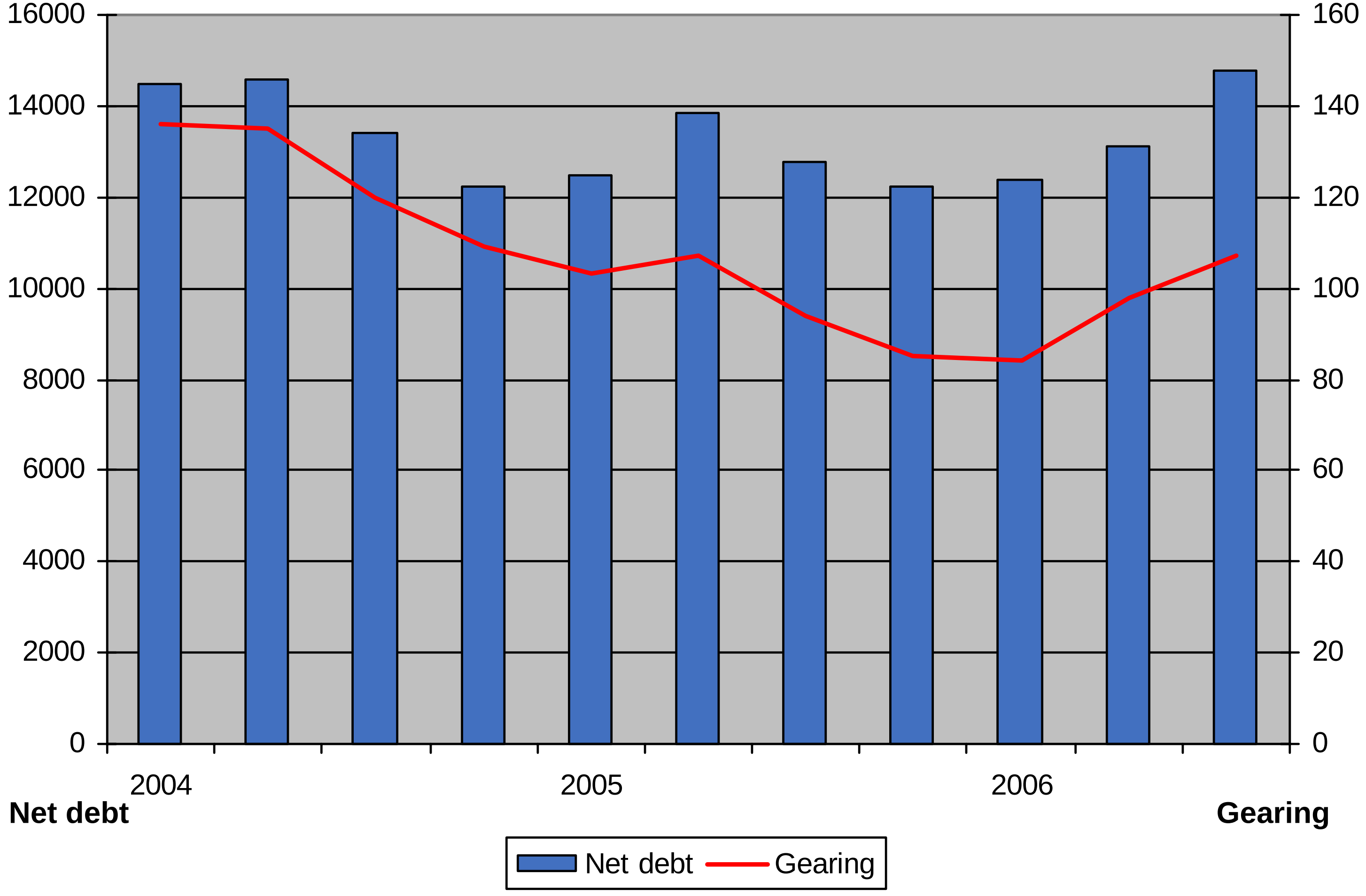


Working Capital, Days

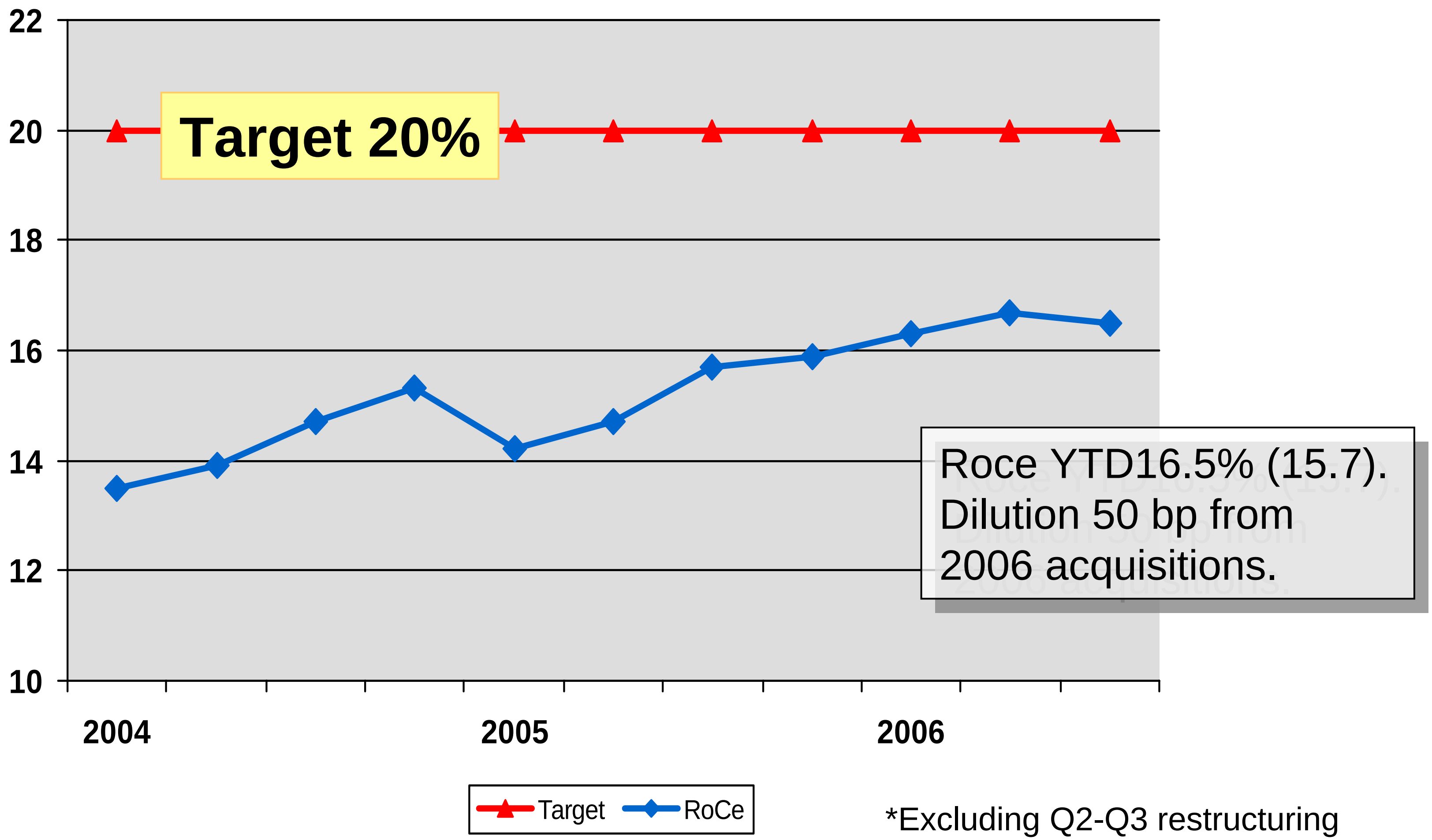




Gearing % And Net Debt SEK M



Return On Capital Employed* %



*Excluding Q2-Q3 restructuring

Conclusion

- Good growth and market momentum
- Acquisitions and new products adds growth
- Strong underlying cash generation
- Restructuring on track

Outlook 2006

- 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

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