

Q2 Report 2007

Johan Molin President & CEO

Financial Highlights Q2

- **Q2 - Solid improvement**
 - Organic and acquired growth 12%
 - Continued efficiency gains
 - Earnings improvements in all divisions
 - Market leadership in China

- **Sales** **8,329 MSEK** **+8%**
+7% organic, +5% acquired growth, -3% currency

- **EBIT** **1,325 MSEK** **+15%**

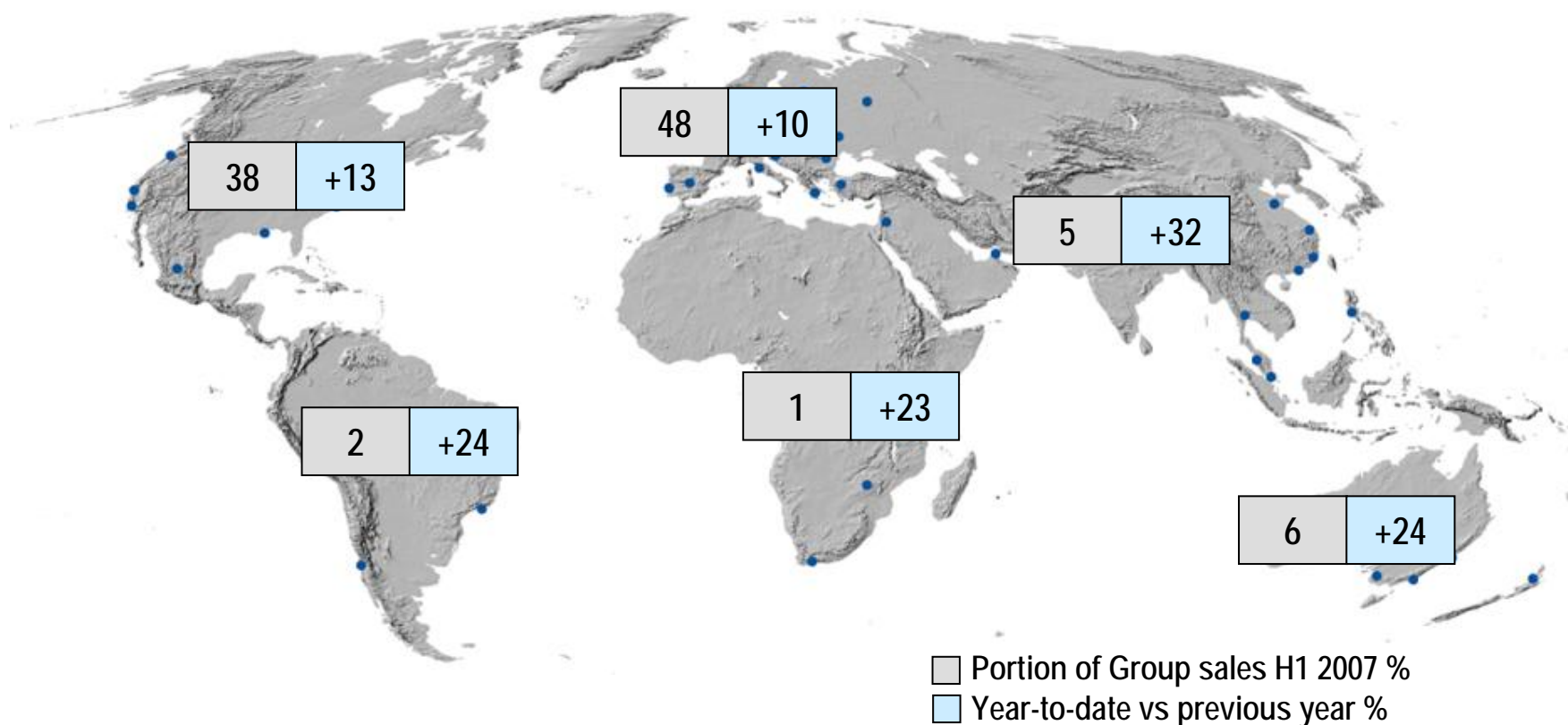
- **Cash flow** **957 MSEK** **+15%**

- **EPS** **2.20 SEK** **+13%**

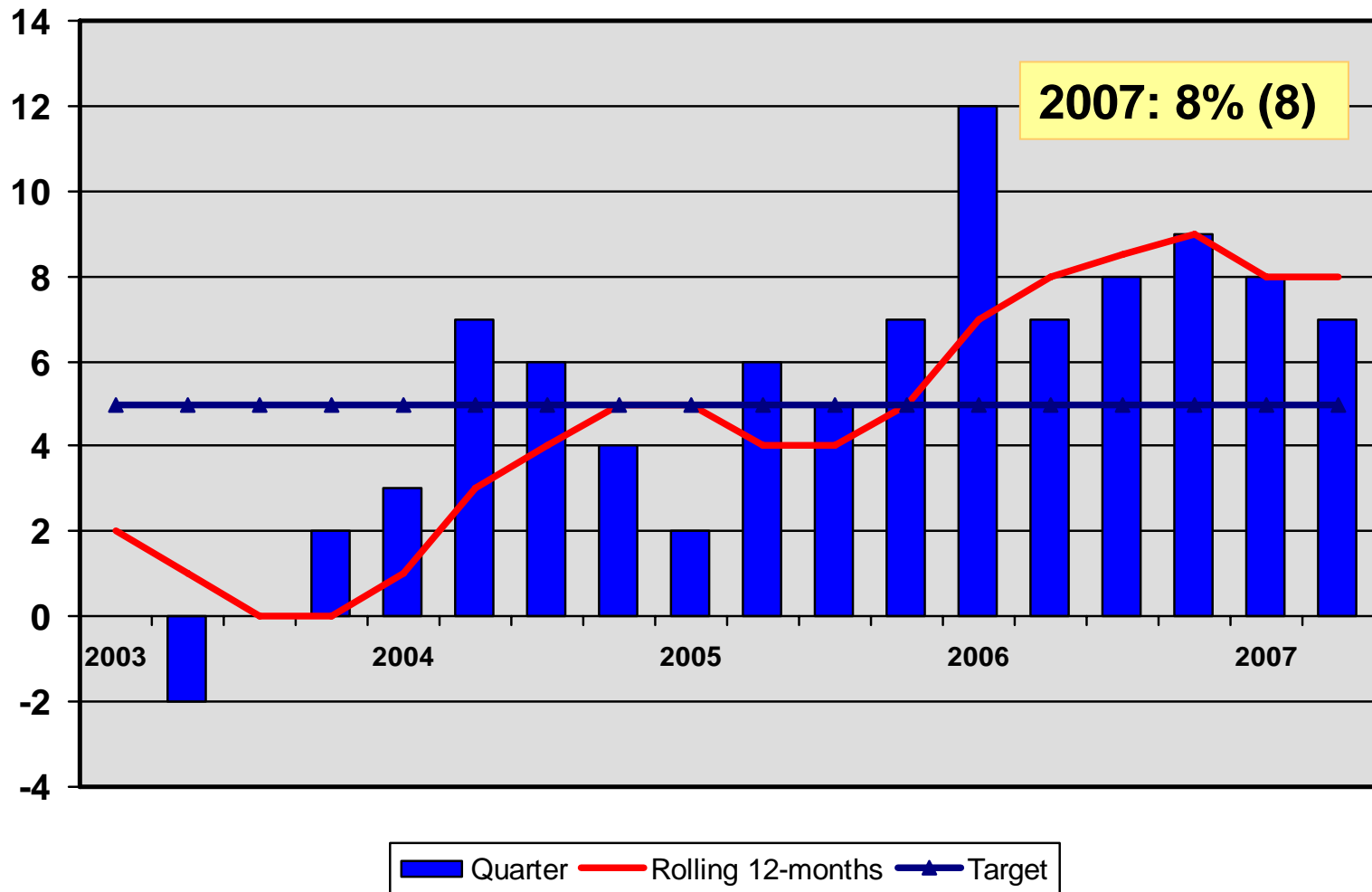
Financial Highlights H1

- **Sales** **16,556 MSEK** **+8%**
+8% organic, +5% acquired growth, -5% currency
- **EBIT** **2,614 MSEK** **+16%**
- **Cash Flow** **1,762 MSEK** **+24%**
- **EPS** **4.36 SEK** **+14%**

Group Sales in Local Currencies H1 2007



Organic Growth %



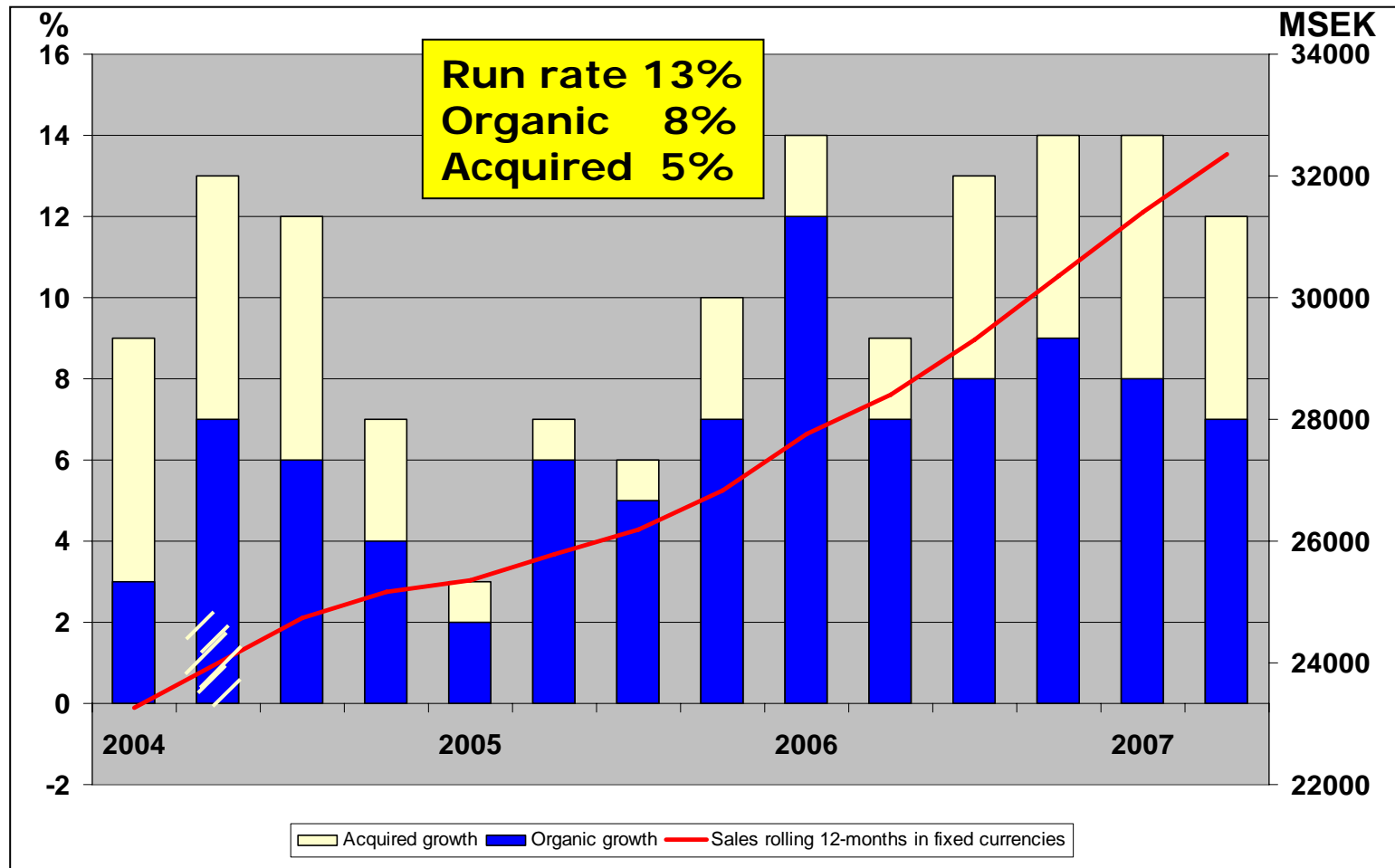
Growth Highlights

- Continued good growth in all regions. (brand & specification)
- New markets & regions adds to growth
- Strong demand of high security, electromechanical & access control
- Investment in product development and increasing share of sales from new products



Sales Growth - Currency Adjusted

- Stable double digit development



Baodean – Important Step for Chinese Market Leadership

- Biggest supplier of high security door locks and cylinders
- Doubling our Chinese footprint in fast growing segment
- Sales to reach SEK 300 Million in 2007 with 1,370 employees
- EPS positive in 2007
- Subject to regular approval



Irevo – Public Offer

- World largest supplier of electronic locks for the residential market
- Sales of 400 MSEK in Korea and China
- First bid didn't reach 90%
- Investigating next steps



Acquisitions Q2

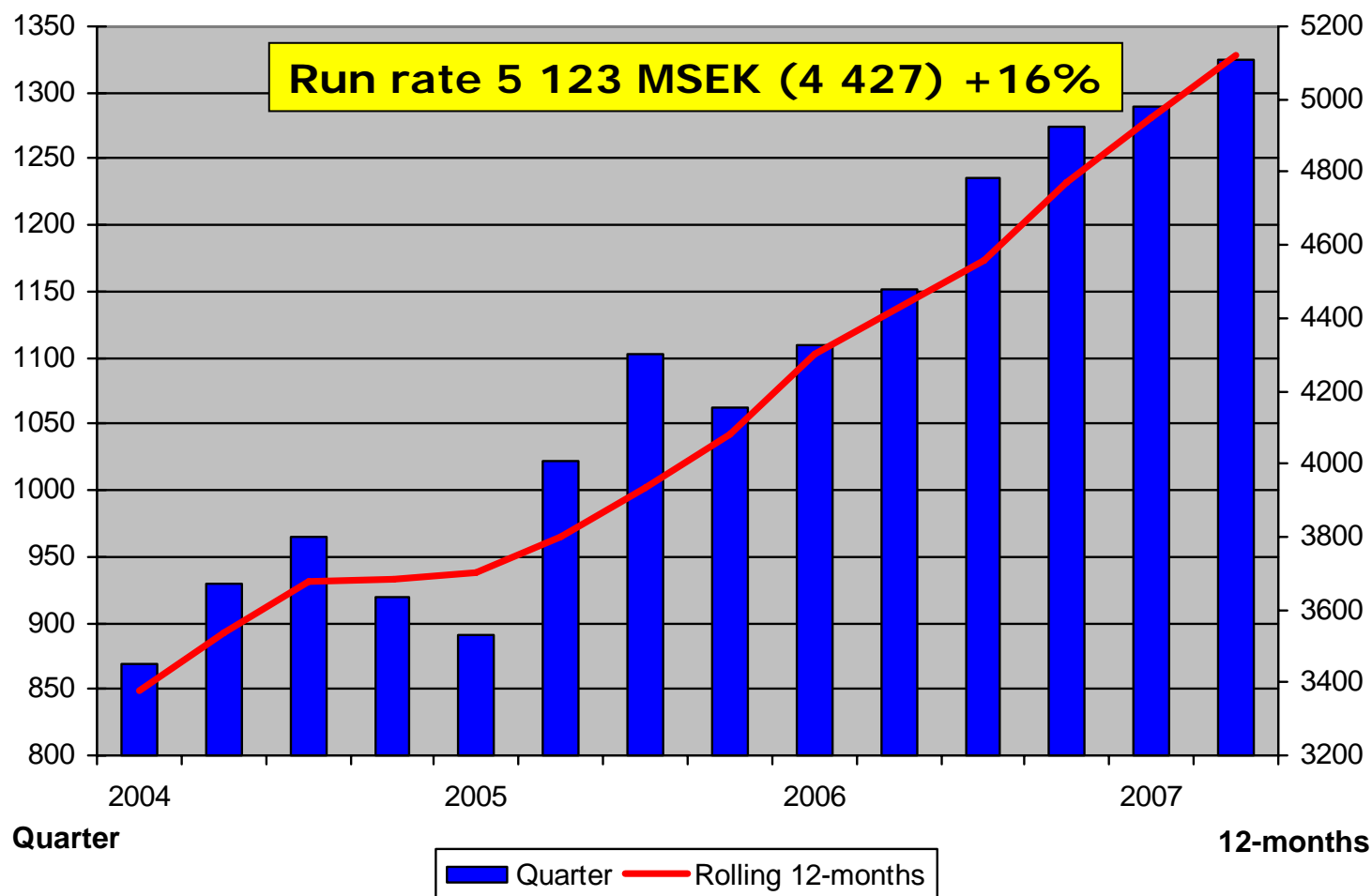
- **Esety** (EMEA)
- **Baodean** (Asia Pacific)
- **Aontec** (Global Tech)
- Annual addition to turnover 500 MSEK (~ 2% growth)



Acquisitions H1

- **Pemko** (Americas)
- **Pyropanel & Baodean** (Asia Pacific)
- **LaForce** and **Portronik** (Entrance Systems)
- **Integrated Engineering & Aontec** (Global Tech)
- **Alba & Esety** (EMEA)
- Annual addition to turnover 1 250 MSEK (~4% growth)

Operating Income* (EBIT) MSEK



*Rolling 12-months excludes 2006 restructuring costs of 1 474 MSEK

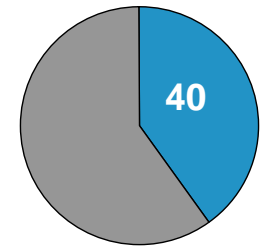
Margin Highlights H1

- Volume growth 5%
- Material cost increases compensated
- Dilution from acquisitions
- Restructuring ahead of plan
 - Total reduction of 800 employees
 - Quarterly savings 60 MSEK (10)
 - Annual savings 600 MSEK from 2009

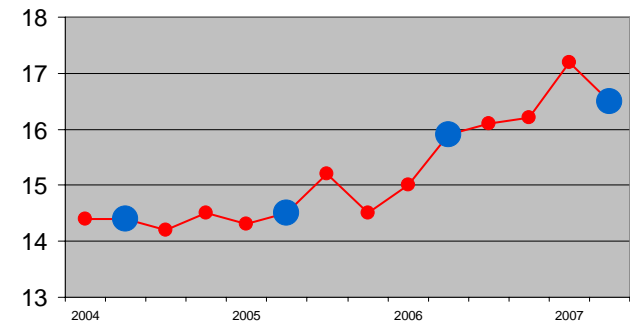
Division - EMEA

- Good general growth
 - Especially strong development in Scandinavia, Spain, Eastern Europe and Africa
 - New products increasingly adds to growth
 - Restructuring progressing well
 - Eastern European manufacturing growing fast
-
- Operating margin (EBIT)
 - + Volume
 - + Restructuring savings
 - = Material cost increase compensated

SALES
share of
Group total %



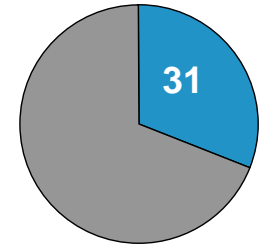
EBIT %



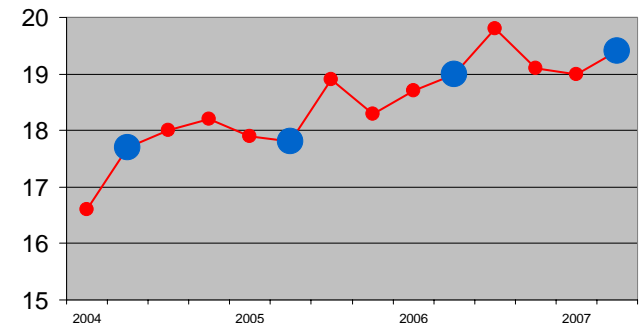
Division - Americas

- Continued good sales within the commercial segment and of electromechanical
- Residential affected by weakening demand
- Acquisition of Pemko shows good development
- Closure of McKinney concluded
- Operating margin (EBIT)
 - + Volume
 - Dilution from acquisitions
 - = Material cost increase compensated

SALES
share of
Group total %



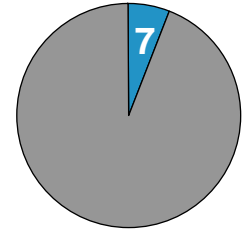
EBIT %



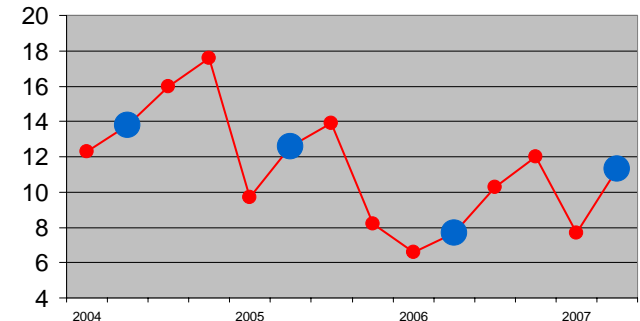
Division - Asia Pacific

- Good growth in Australia but weak in New Zealand
- China develops very well
- Prices increased in Q2, effective from May
- New price increases in Q3 to compensate for new Chinese export tax
- Operating margin (EBIT)
 - + Volume growth
 - + Implemented price increases
 - Dilution from raw material

SALES
share of
Group total %



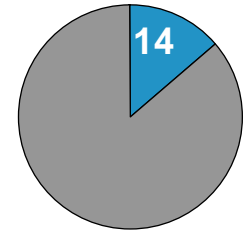
EBIT %



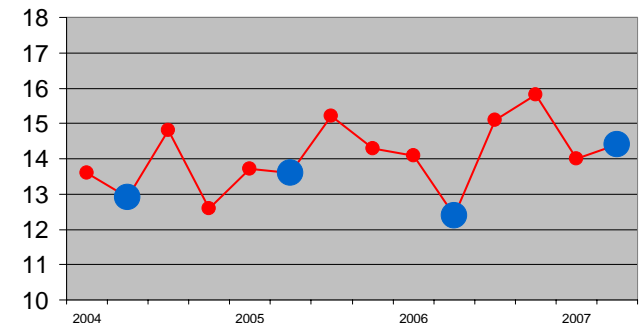
Division - Global Technologies

- Good general development
 - Especially Asia and South America
- HID: Strong demand - new products
 - Crescendo, Edge and VertX
 - Fargo with launch of new HDP
- ITG: New customer focused organisation
 - National ID's and passports
 - Aontec adds 2nd secure site
- AAH: Growth - new RFID locks
- Operating margin (EBIT)
 - + Volume
 - Continued market investments
 - Dilution from acquisitions

SALES
share of
Group total %



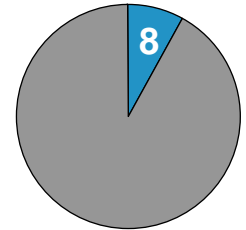
EBIT %



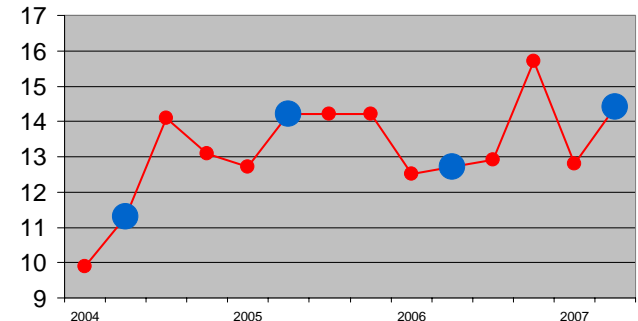
Division - Entrance Systems

- Good growth in Europe and North America
- Extension of service organisation through acquisitions as well as organic
- Integration of La Force and Portronik developing well
- Operating margin (EBIT)
 - + Volume growth
 - + Price increases

SALES
share of
Group total %



EBIT %



Q2 Report 2007

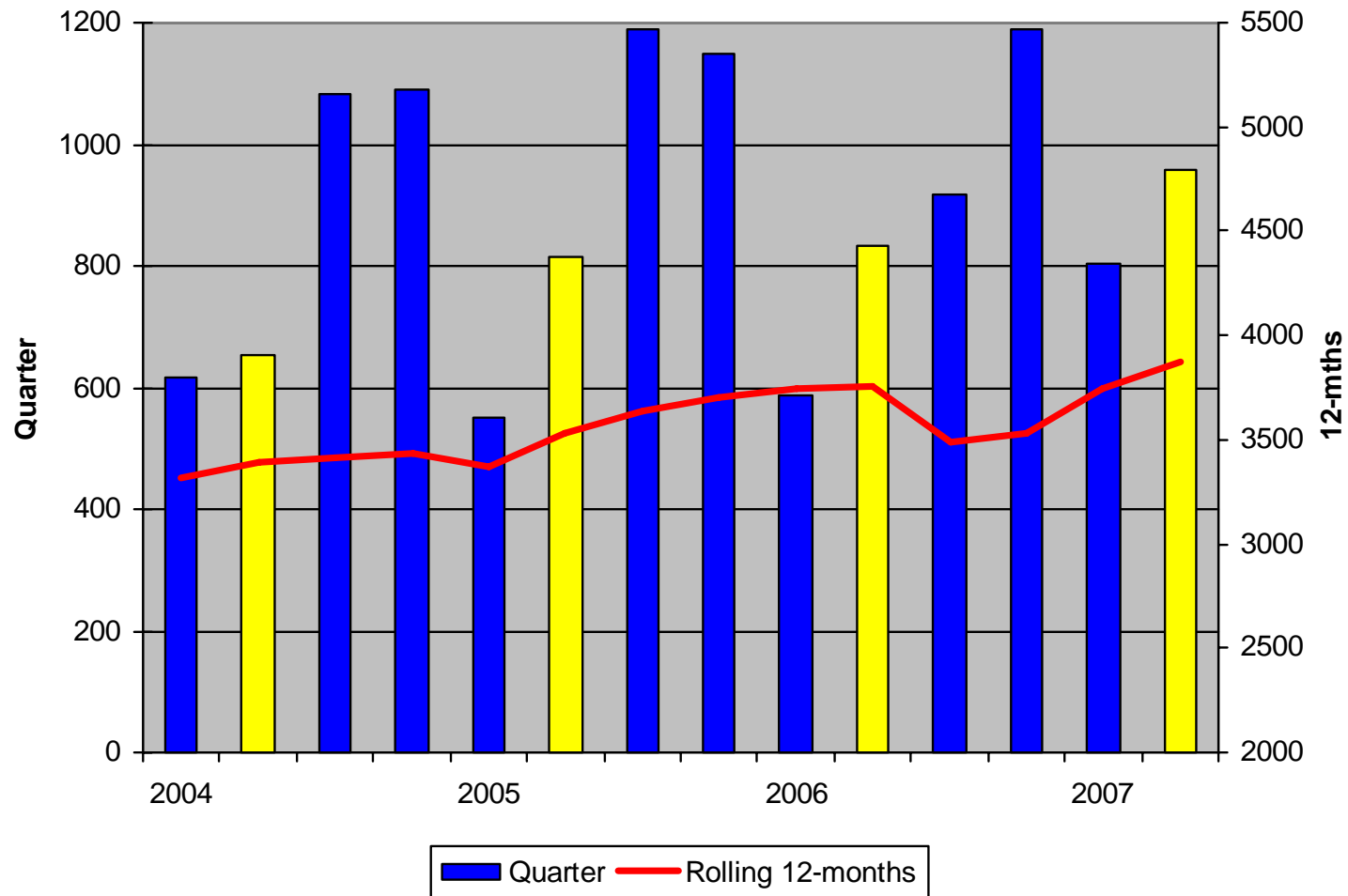
Tomas Eliasson CFO

Financial Highlights Q2 and Half Year 2007

MSEK	2nd Quarter			Half year		
	2007	2006	Change	2007	2006	Change
Sales	8,329	7,689	+8%	16,556	15,342	+8%
<i>Whereof</i>						
Organic growth			+7%			+8%
Acquired growth			+5%			+5%
FX-differences	-234		-3%	-695		-5%
Operating income (EBIT)	1,325	1,151*	+15%	2,614	2,261*	+16%
EBIT-margin (%)	15.9	15.0*		15.8	14.7*	
Operating cash flow	957	833	+15%	1,762	1,420	+24%
EPS (SEK)	2.20	1.95*	+13%	4.36	3.83*	+14%

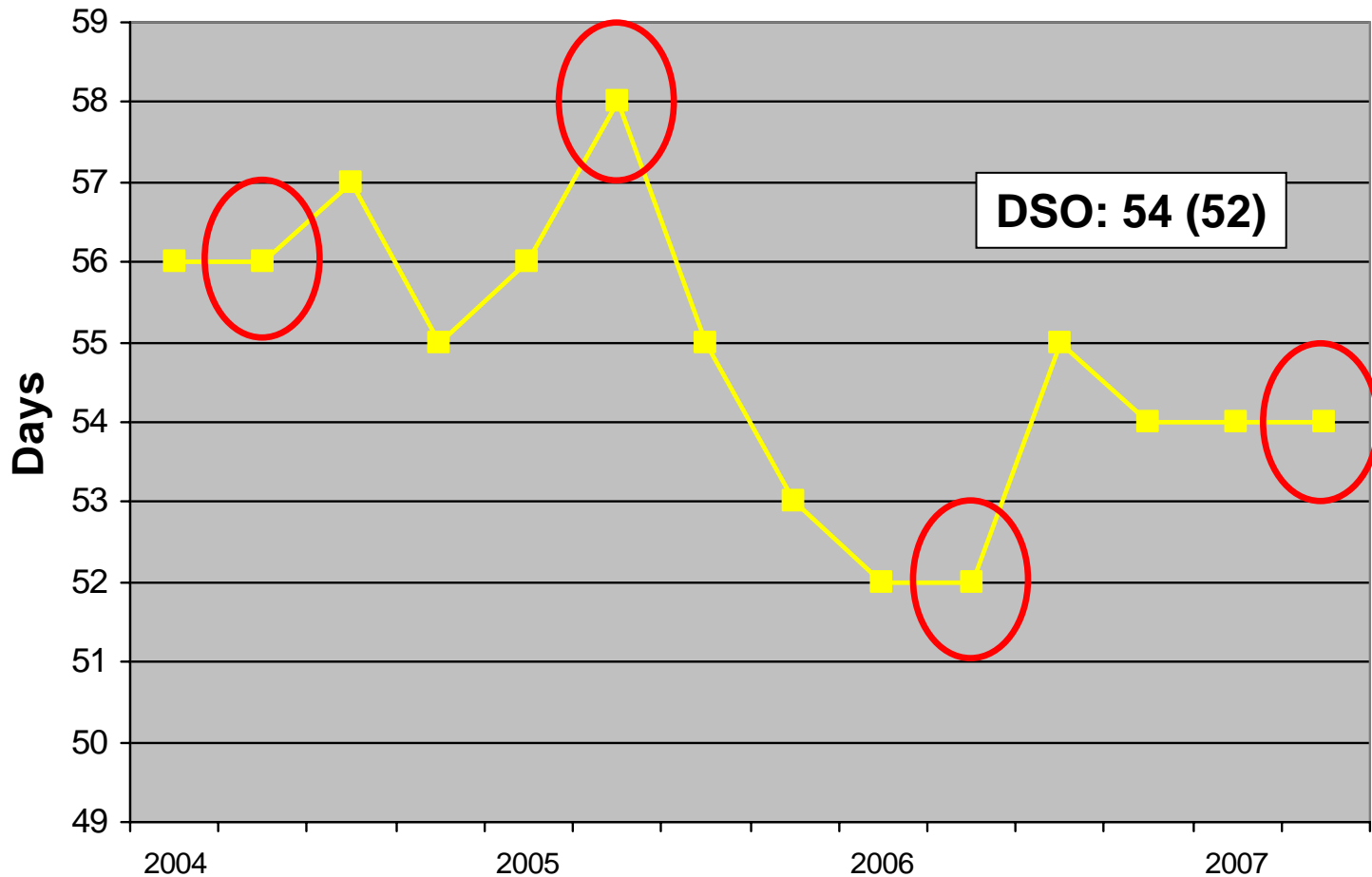
*Excluding restructuring costs of 520 SEK M

Operating Cash Flow MSEK

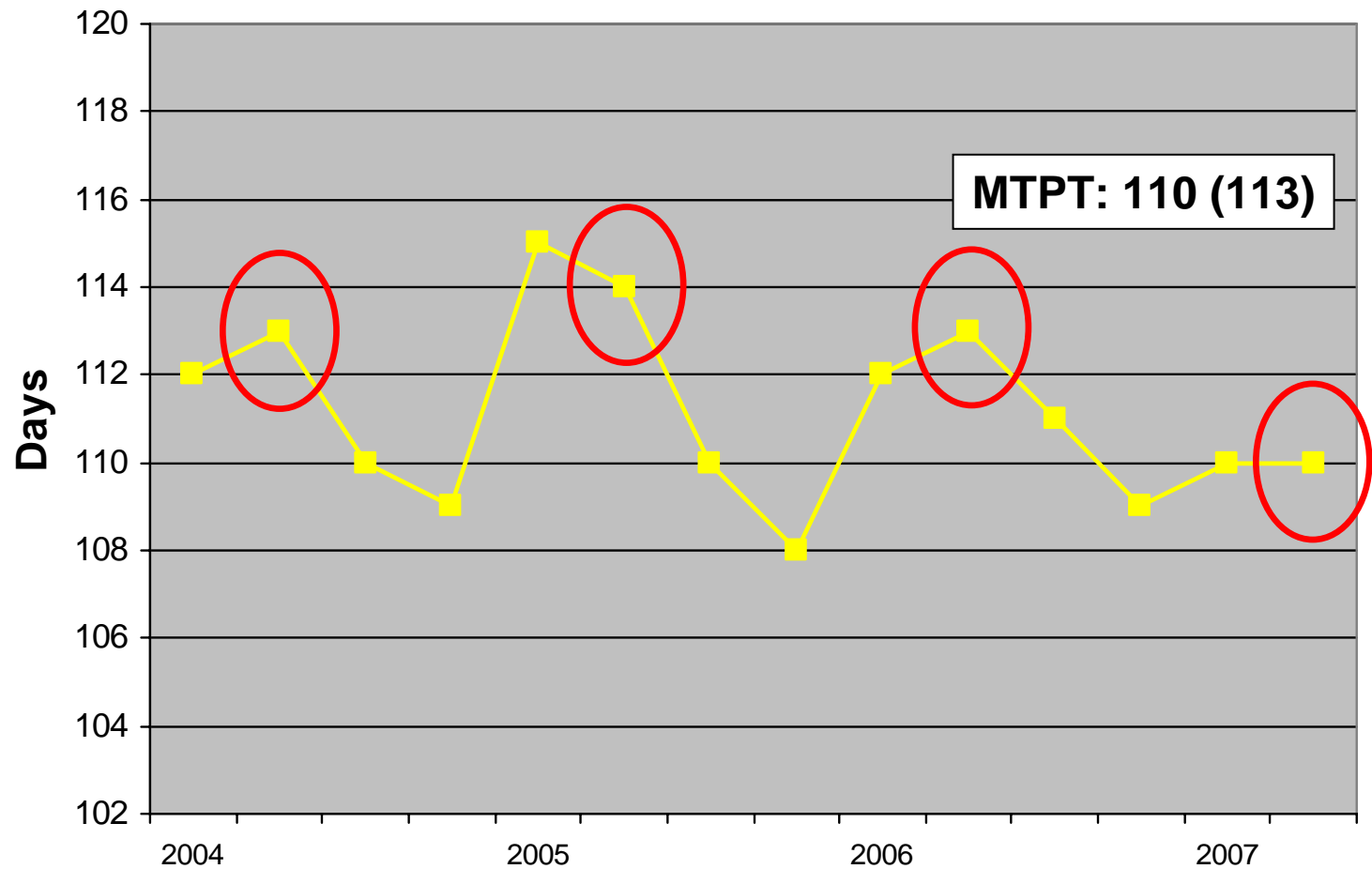


Working Capital

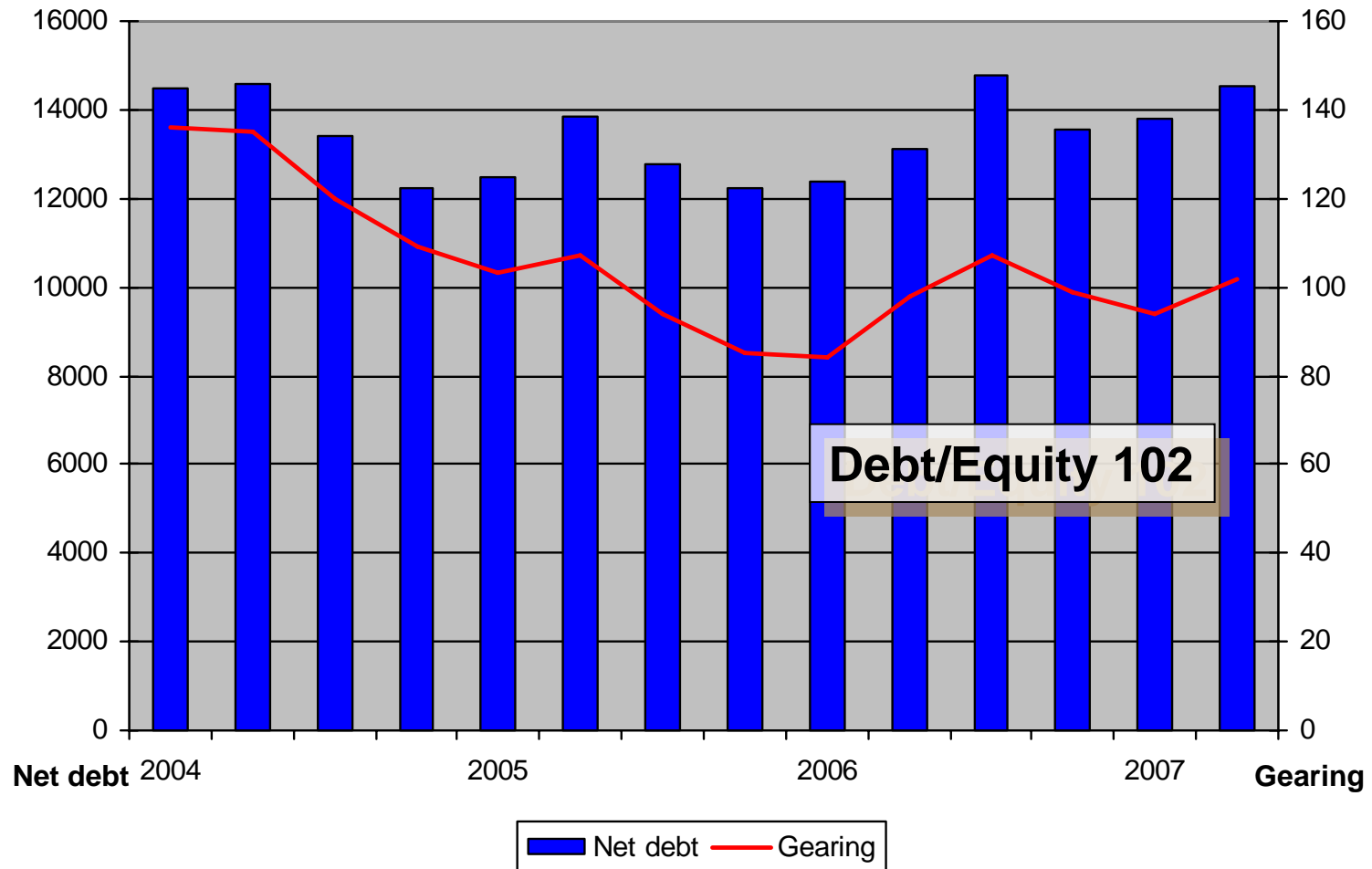
Receivables



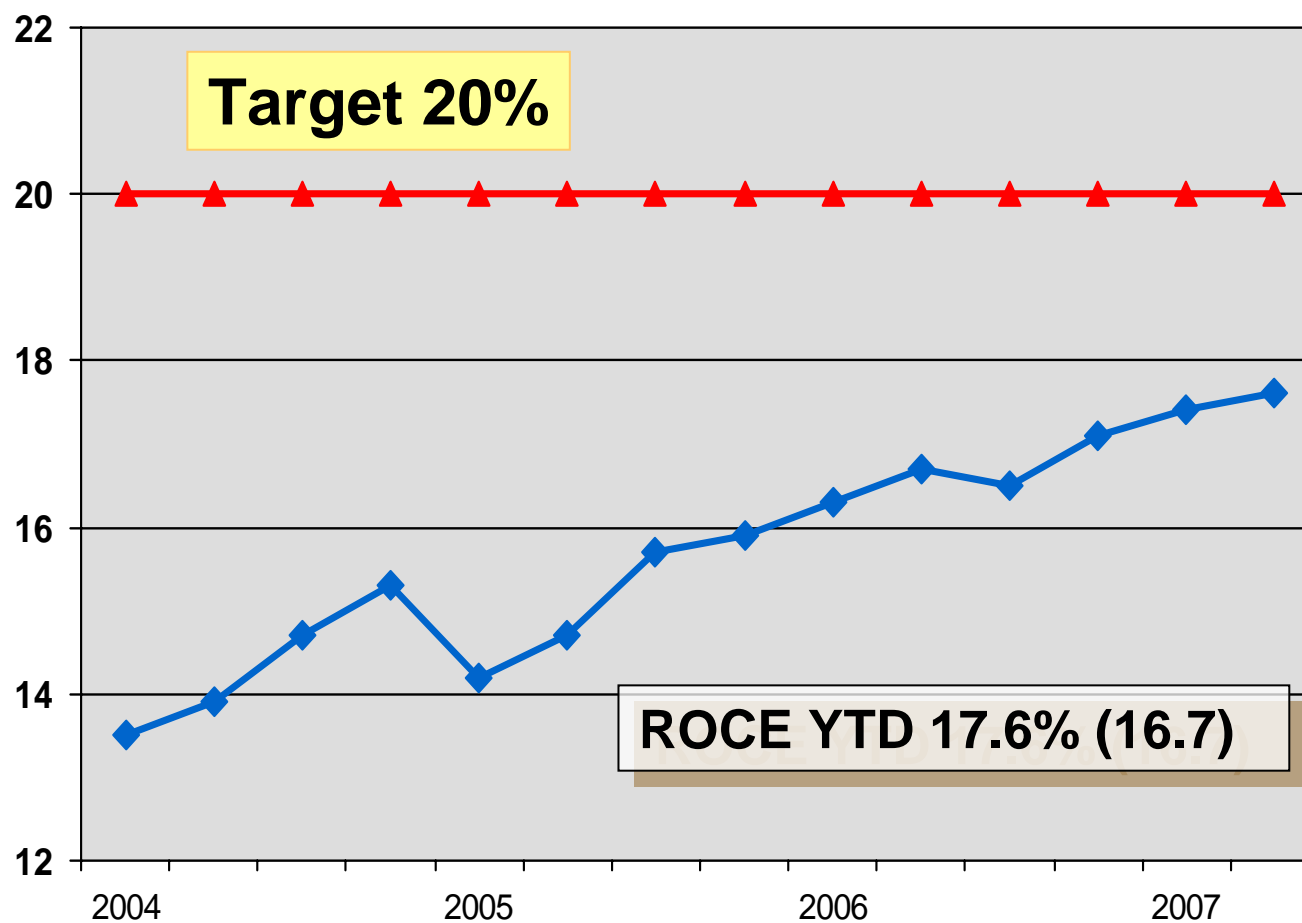
Working Capital Inventories



Gearing % and Net Debt MSEK



Return On Capital Employed* %



*2006 excludes restructuring

Q2 Report 2007

Johan Molin President & CEO

Conclusion

- Strong total growth +12% driven by good demand, market investments and acquisitions
- New products adds to growth
- Restructuring ahead of plan, 40% concluded
- Solid improvement of EBIT in all divisions

Outlook 2007

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

Q&A

Conclusion

- Strong total growth +12%
- Strategic move into China
- Fast growth in new markets
- Record profit
- Solid improvement of EBIT in all divisions