

Q4 Report 2007

Johan Molin, President & CEO

Financial Highlights Q4

- **Q4 - Solid improvement**
 - Strong continued growth in Global Tech and Asia Pacific
 - US commercial in steady progress
 - Earnings improvement in all divisions
 - Strongest ever cash flow

- **Sales** **8,721 MSEK** **+8%**
+6% organic, +5% acquired growth, -2% currency

- **EBIT** **1,440 MSEK** **+13%**

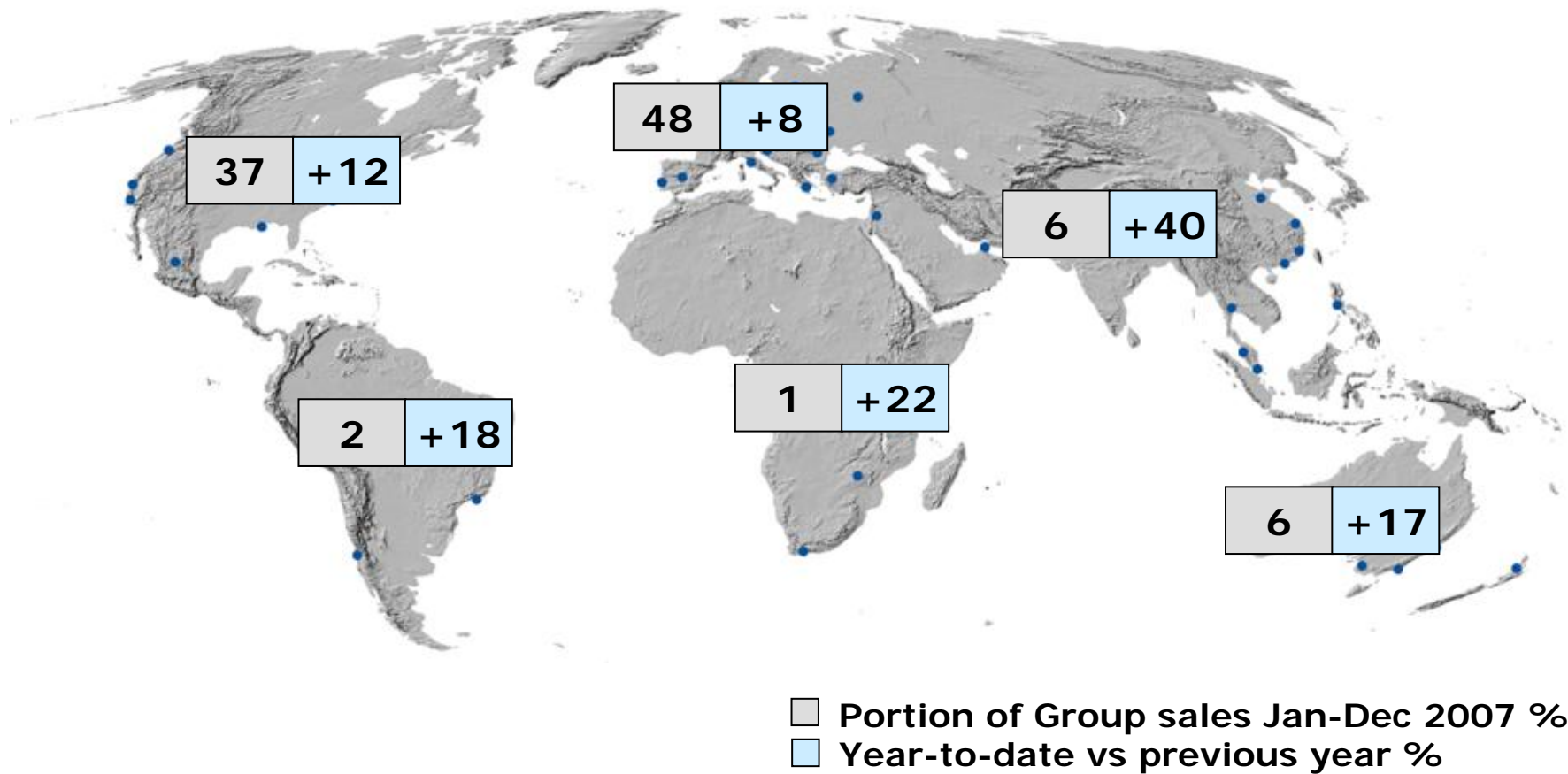
- **Cash flow** **1,740 MSEK** **+46%**

- **EPS** **2.30 SEK** **+7%**

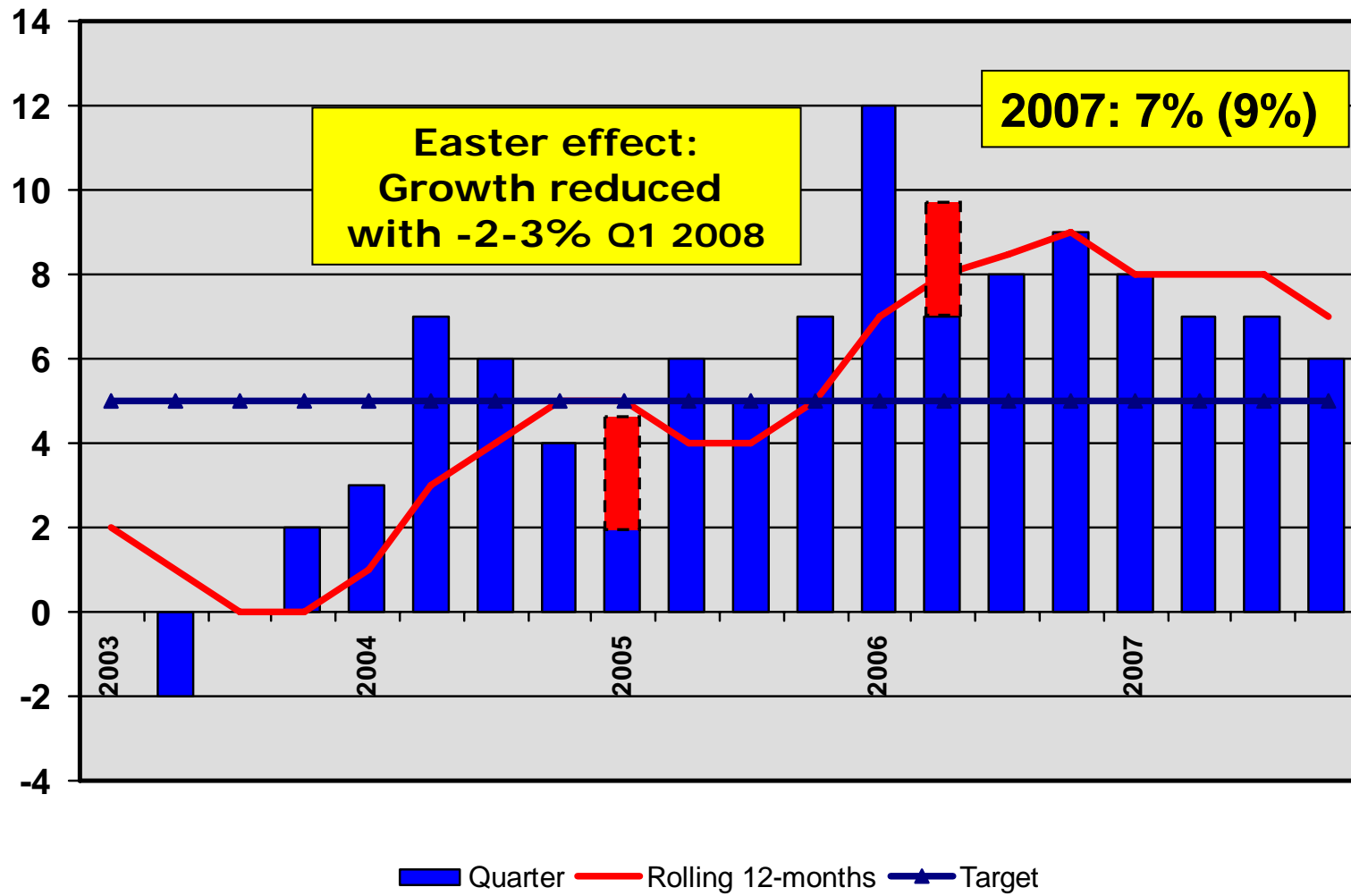
Financial Highlights Full Year 2007

- Another record year with all divisions improving
- **Sales** **33,550 MSEK** **+8%**
+7% organic, +5% acquired growth, -4% currency
- **EBIT** **5,458 MSEK** **+14%**
- **Cash Flow** **4,808 MSEK** **+36%**
- **EPS** **9.02 SEK** **+13%**

Group Sales in Local Currencies Jan-Dec 2007



Organic Growth, %



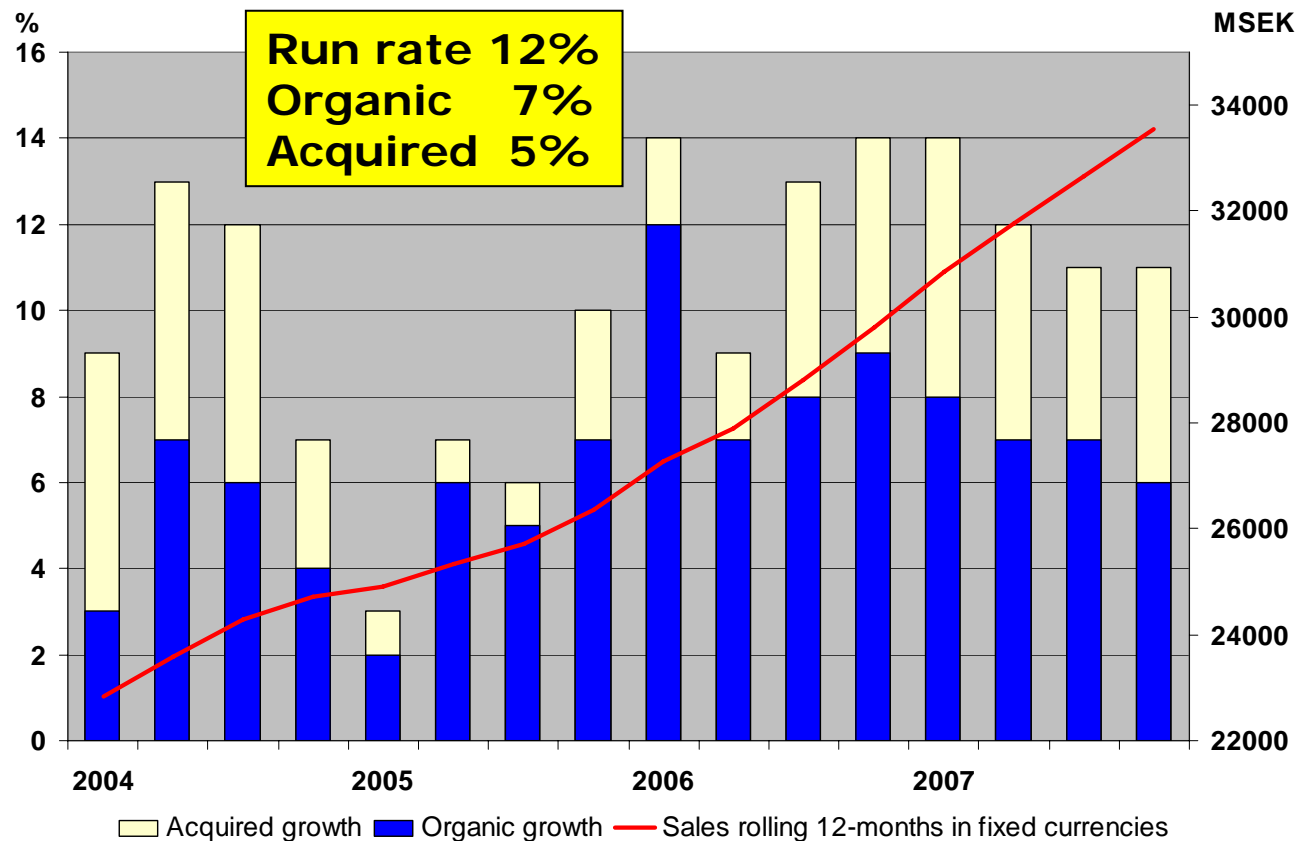
Growth Highlights

- **Very strong growth in Asia Pacific**
 - Focused organization in place
 - Very good progress in China
- **New markets & regions 15% of total sales in Q4**
 - Baodean & iRevo
- **Commercial US in stable progress**
 - Specification in continuous progress
- **Secure Identity in strong growth**
 - Fargo, I-class and Crescendo
- **Hospitality RFID in steep increase**



Sales Growth - Currency Adjusted

- Stable double digit development



Acquisitions 2007

- **Pemko** (Americas)
 - **Pyropanel, Baodean & iRevo** (Asia Pacific)
 - **LaForce** and **Portronik** (Entrance Systems)
 - **Integrated Engineering** and **Aontec** (Global Tech)
 - **Alba, Esety, and Powershield** (EMEA)
- Including a number of smaller acquisitions addition to turnover 1,800 MSEK (~5.5% growth annualized)

Acquisitions 2008, Jan-Feb

- **Valli&Valli** (EMEA)
- **SimonsVoss** (Global Tech)

- Annual addition to turnover 700 MSEK
(~2.1% growth annualized)

SimonsVoss – Digital Access Control Systems

- Leading in fast growing digital access control systems
- Complements HiD access control in Europe
- Sales of 400 MSEK in 2008
- Slightly dilutive
- Subject to regulatory approval



Powershield –Total Door Solutions

- Leading on high security steel doors
- Important step for European total door solution
- Synergies on specification and lock sales
- Sales of 150 MSEK in 2008
- Accretive from start
- Consolidated Dec 2007

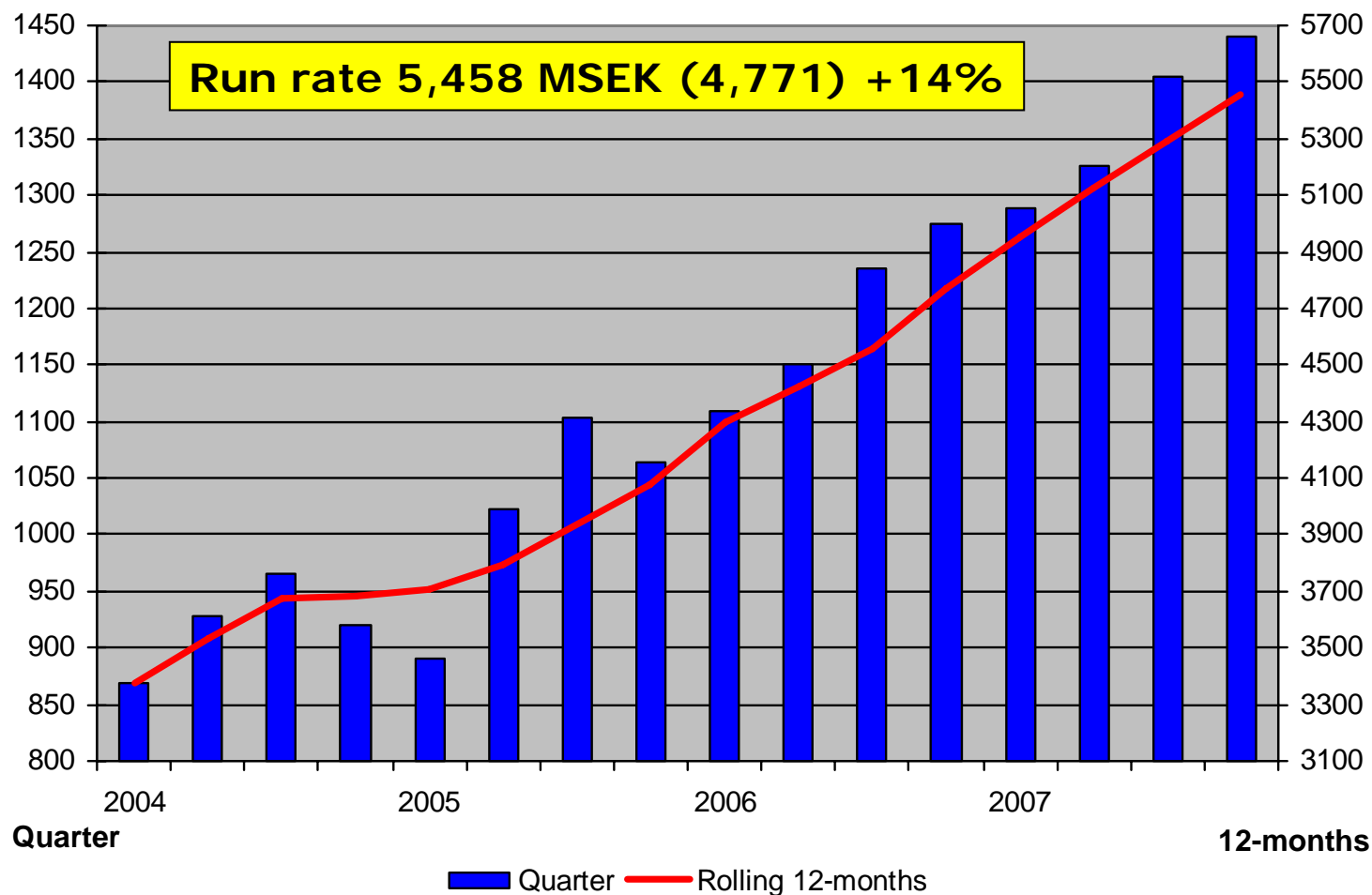


Valli&Valli – Italian Design Handles

- Global brand in exclusive designed door handles
- 65% Exports
- Brand reinforces the specification world
- 300 MSEK in sales in 2008
- Accretive from start
- Consolidated from Q2

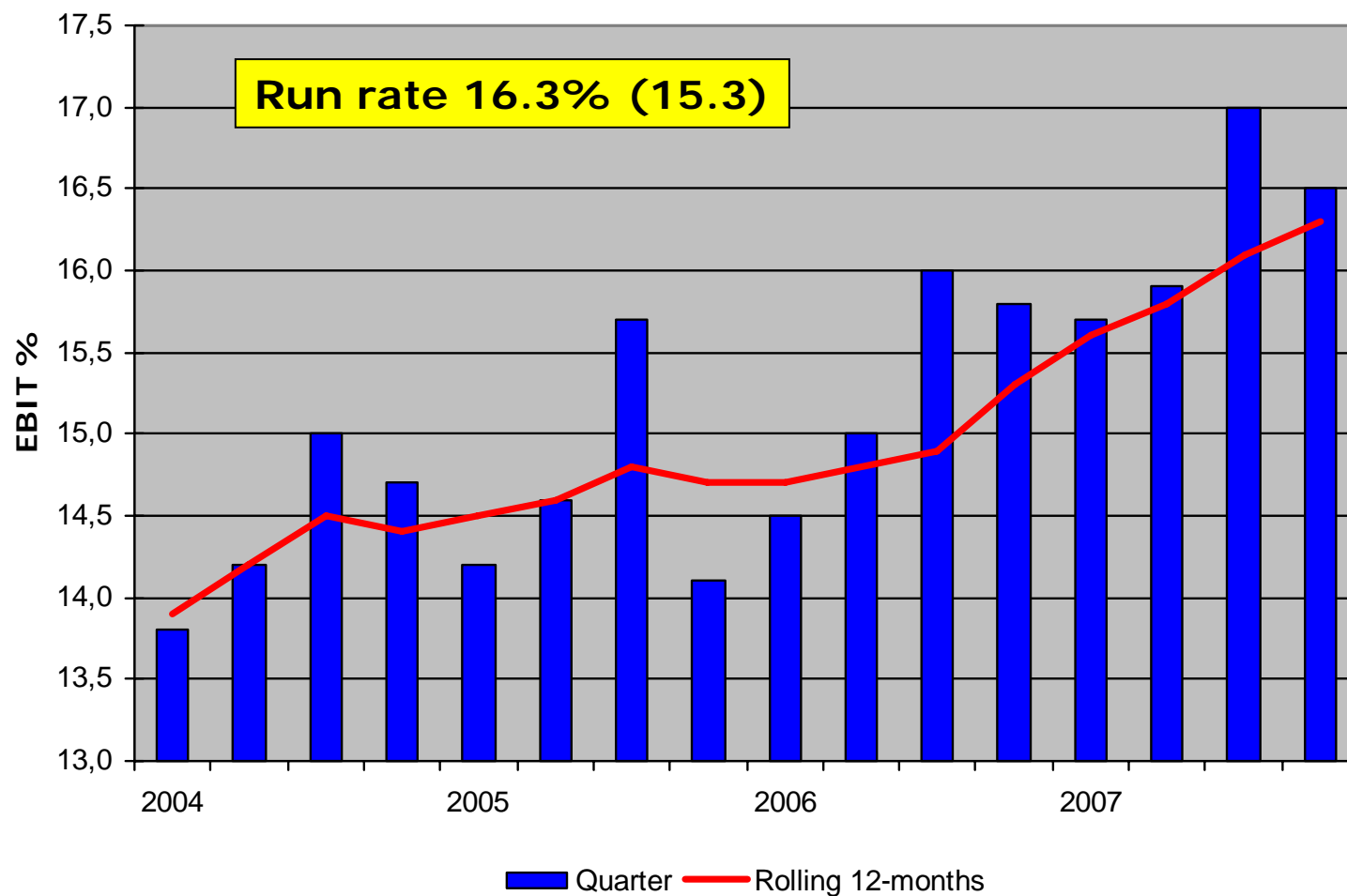


Operating Income* (EBIT) MSEK



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

Operating Margin* (EBIT)



*Excluding 2006 restructuring costs of 1,474 MSEK

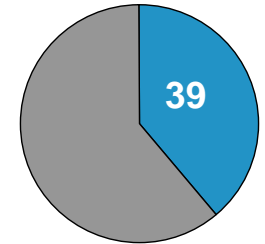
Margin Highlights Q4

- Volume growth 3%
- Price increase 3%
- Raw material compensated
- 0.2% dilution from acquisitions and geographical mix
- Restructuring slightly ahead of plan
 - Total reduction of 1,316 employees
 - Quarterly saving 55 MSEK (90 from project start less 35 LY)
 - Run rate 60% of total savings
 - Total annual savings 600 MSEK from 2009

Division - EMEA

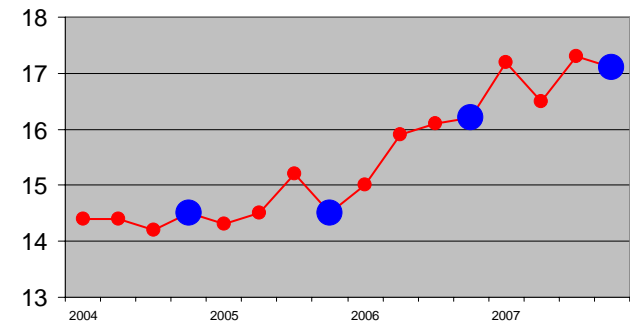
- Continued strong improvement of profit
- Moderate growth in most markets
- Restructuring adds to profit
- Closure in Q4 of CE-Marshall, Laperche, Stremmer and FAS sites

SALES
share of
Group total %



- Operating margin (EBIT)
 - + Volume
 - + Restructuring savings
 - = Raw material compensated

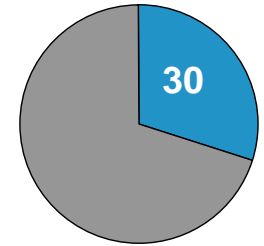
EBIT %



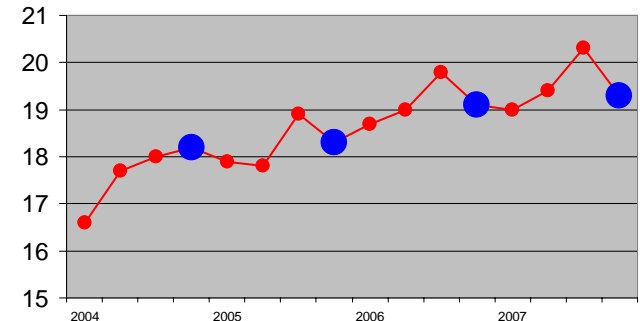
Division - Americas

- Good general growth in all sectors except residential
 - Door group improved
 - Residential in negative demand
 - Canada suffering from strong CAD
-
- Operating margin (EBIT)
 - + Volume
 - + Restructuring savings
 - = Raw material compensated

SALES
share of
Group total %



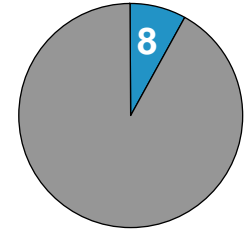
EBIT %



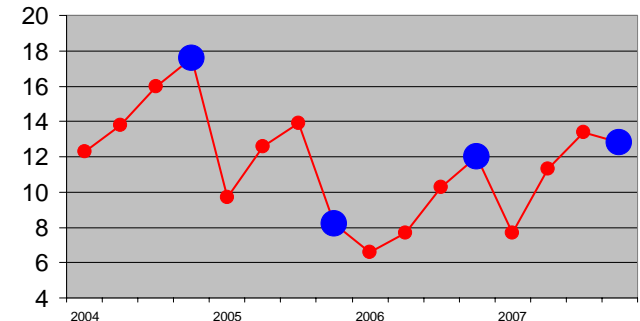
Division - Asia Pacific

- Very strong development in China
 - Baodean consolidated from 1 October
- Strong sales in other Asian markets
- Good growth in the Pacific
- iRevo diluting by 0.8%
 - Good sales development
- Operating margin (EBIT)
 - + Volume growth
 - + Implemented price increases
 - = Raw material compensated

SALES
share of
Group total %



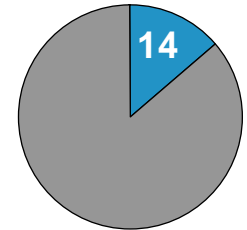
EBIT %



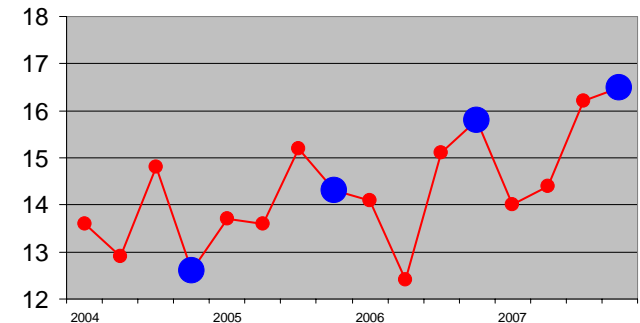
Division - Global Technologies

- Strong performance from HiD/Fargo
 - Crescendo & i-Class
 - Fargo HDP
- Good development in Hospitality
- ITG change in management and structure
- Operating margin (EBIT)
 - + Volume
 - + Manufacturing and overhead savings
 - Market investments and structure

SALES
share of
Group total %



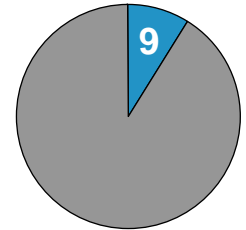
EBIT %



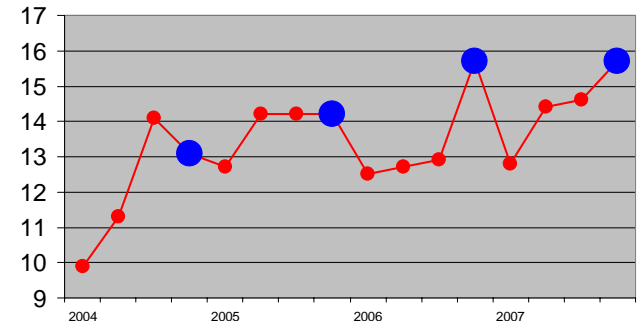
Division - Entrance Systems

- Slower development in Europe and America - larger projects delayed
- Good order intake in Dec and Jan
- Strong development in Asia Pacific and emerging markets
- Manufacturing started in CZ and growing in China
- Operating margin (EBIT)
 - + Efficiency gains
 - + Raw material compensated
 - Weak volume

SALES
share of
Group total %



EBIT %



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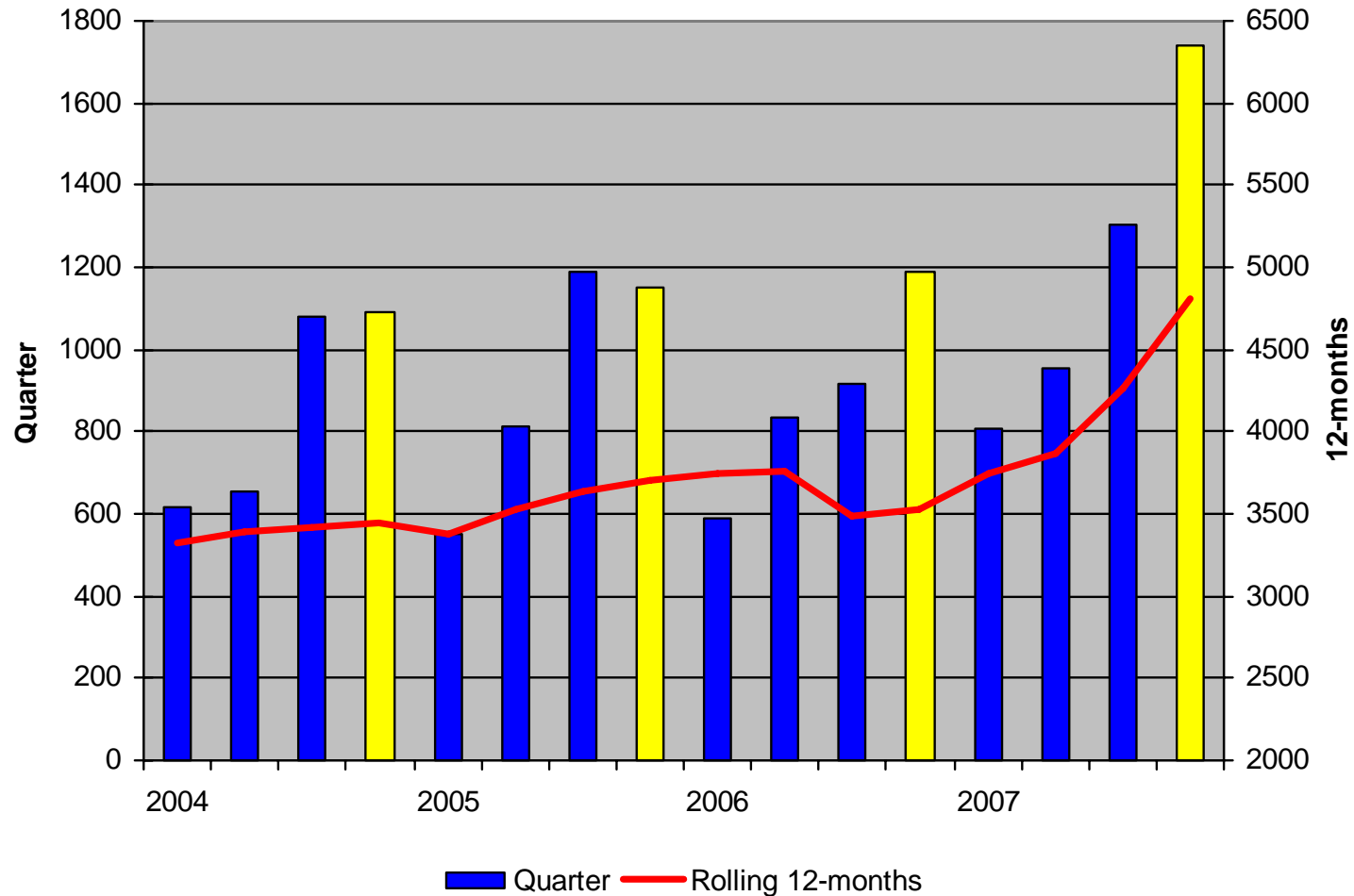
Tomas Eliasson, CFO

Financial Highlights Q4 and Full Year 2007

MSEK	4th Quarter			Full Year		
	2007	2006	Change	2007	2006	Change
Sales	8,721	8,059	+8%	33,550	31,137	+8%
<i>Whereof</i>						
Organic growth			+6%			+7%
Acquired growth			+5%			+5%
FX-differences	-188		-2%	-1,131		-4%
Operating income (EBIT)	1,440	1,274*	+13%	5,458	4,771*	+14%
EBIT-margin (%)	16.5	15.8*		16.3	15.3*	
Operating cash flow	1,740	1,189	+46%	4,808	3,528	+36%
EPS (SEK)	2.30	2.14*	+7%	9.02	7.99*	+13%

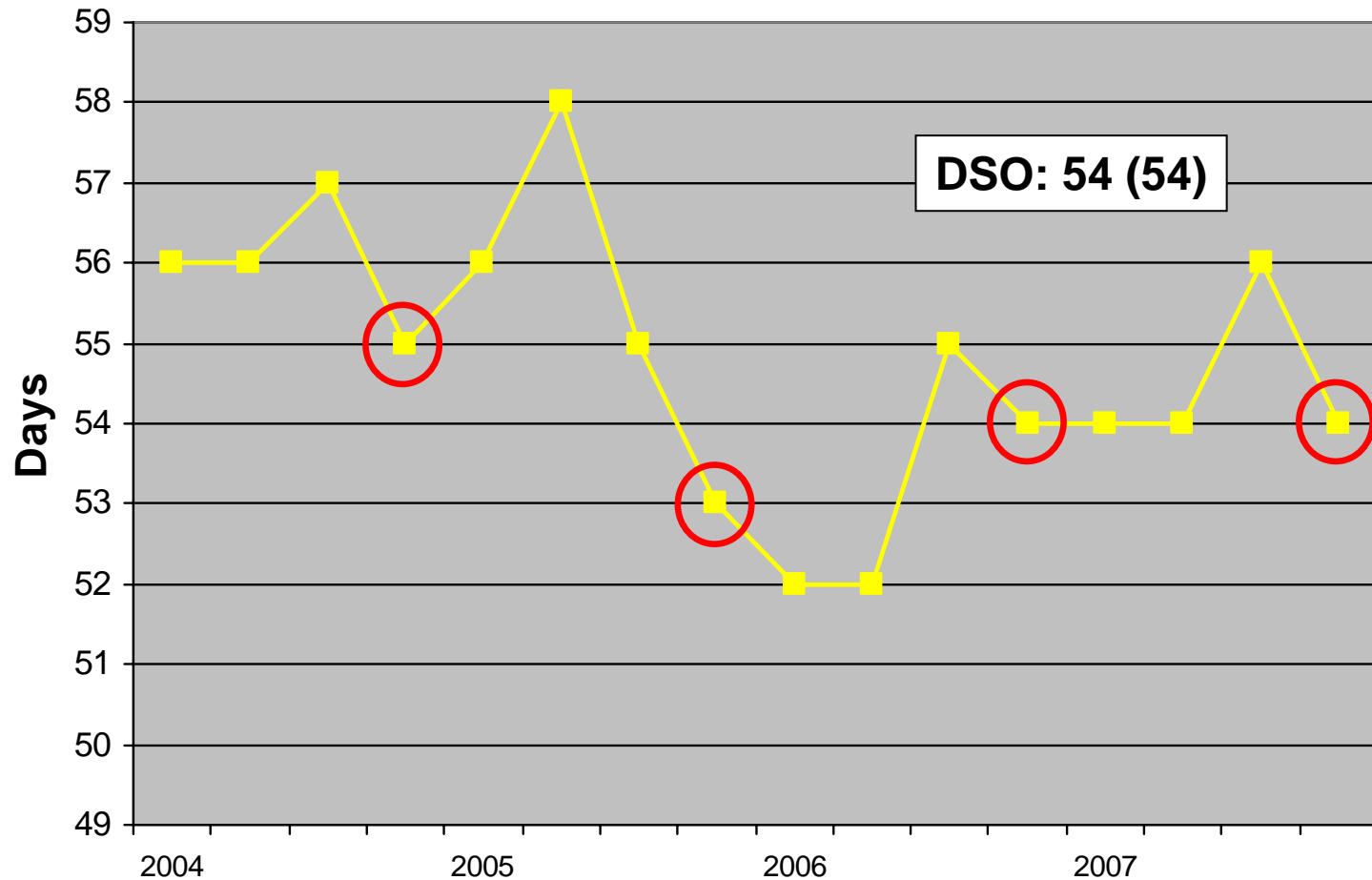
*Excluding restructuring costs of 517 MSEK for the 4th Quarter and 1,474 MSEK for the full year

Operating Cash Flow, MSEK

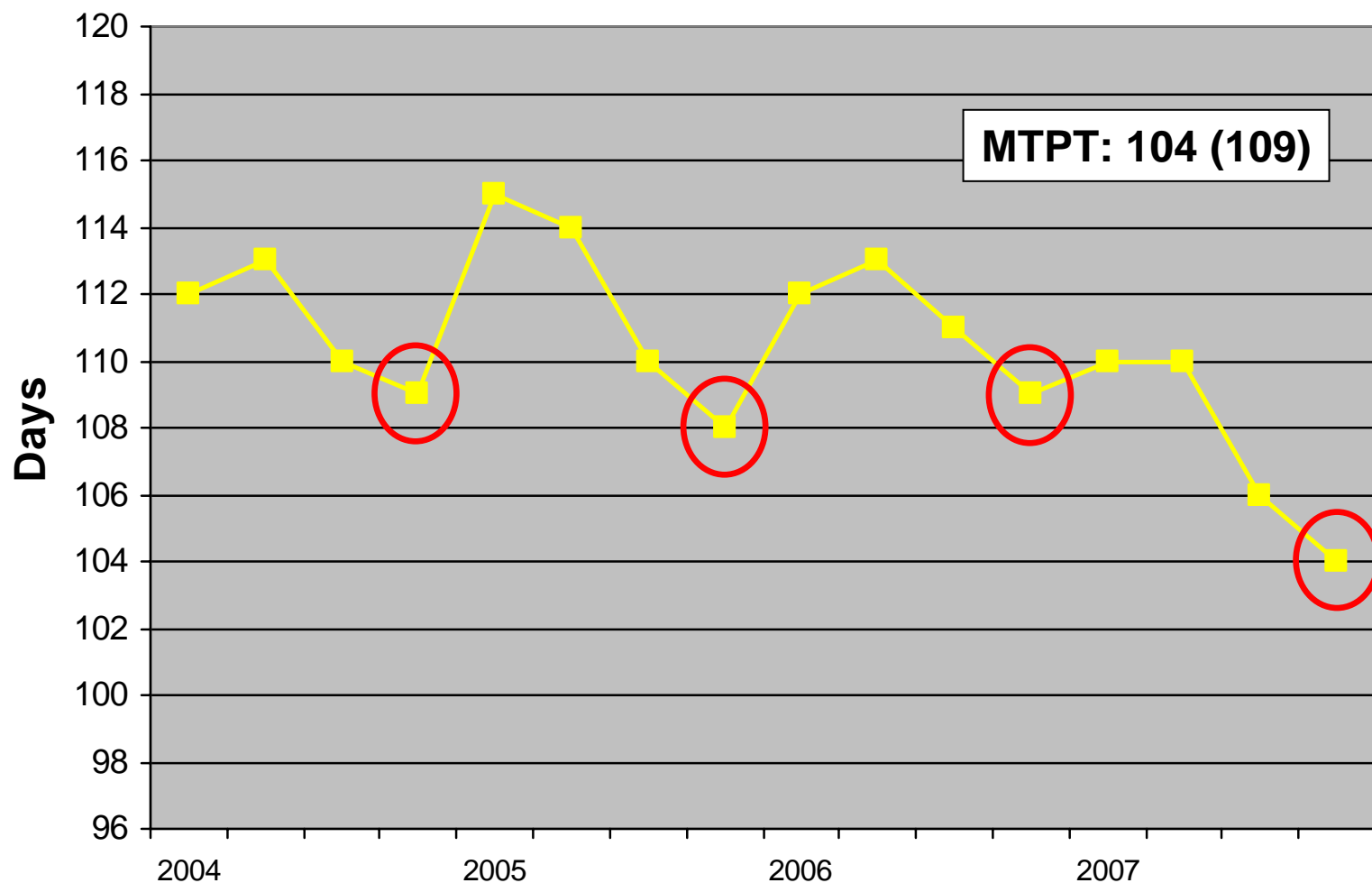


Working Capital

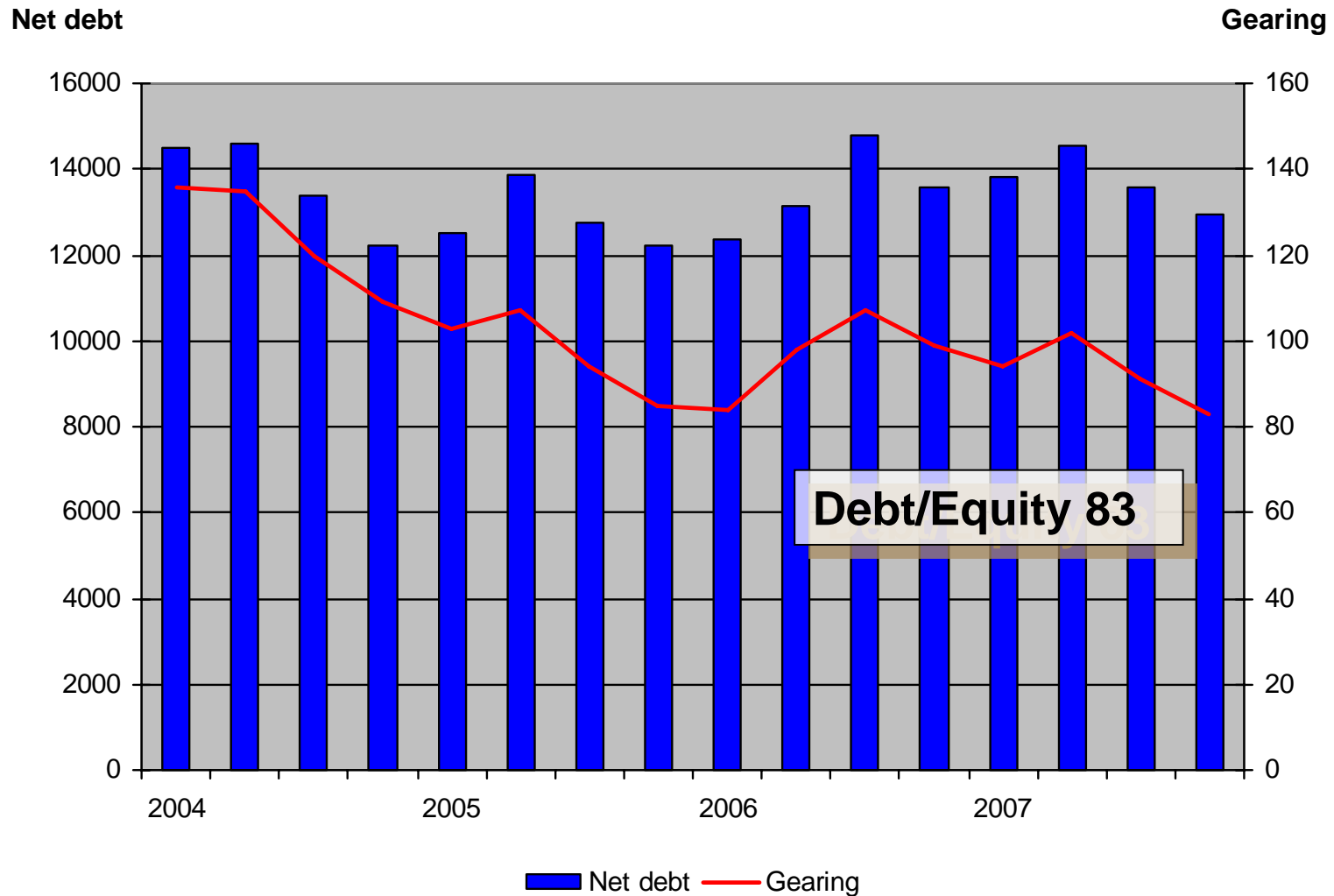
Receivables



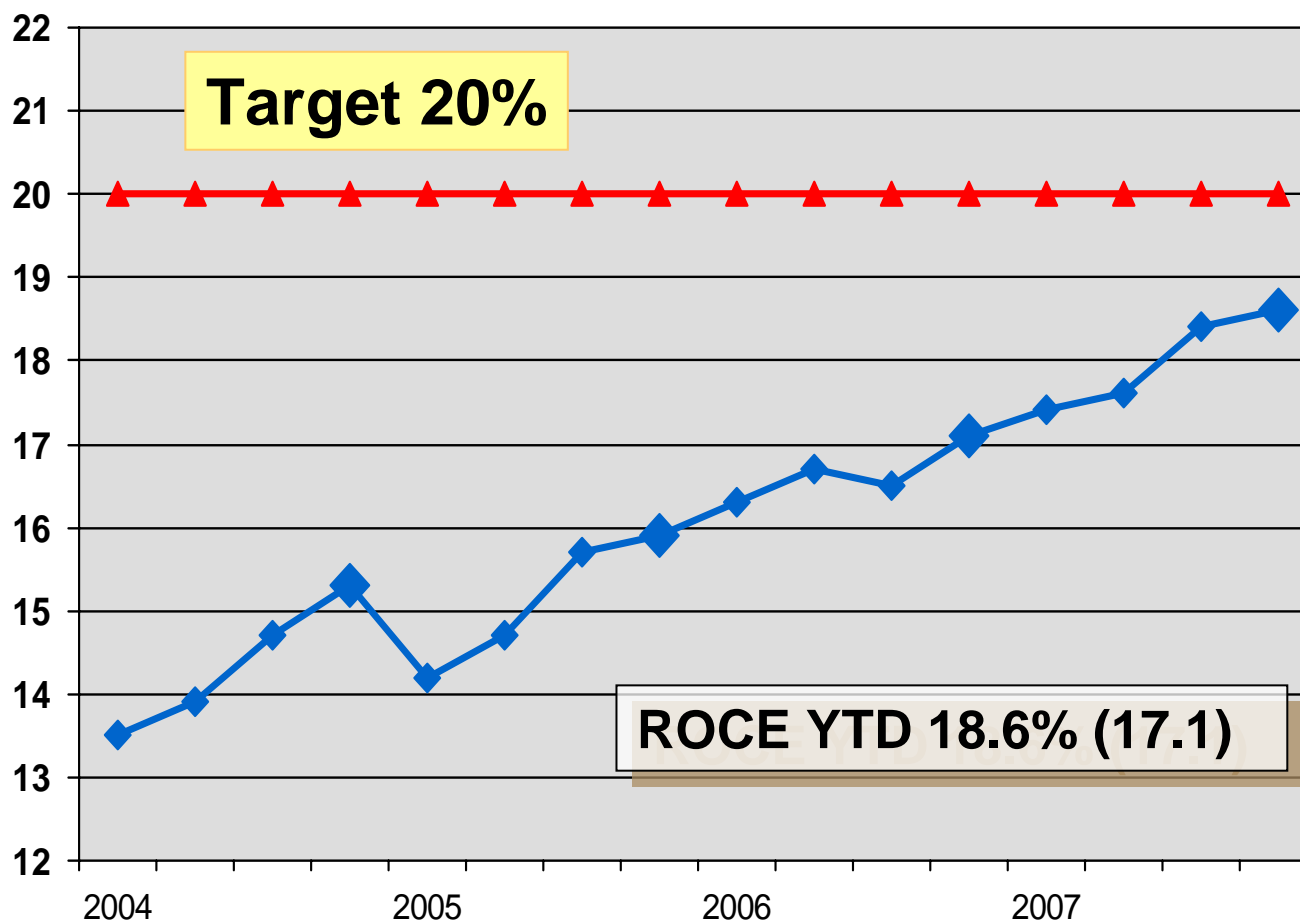
Working Capital Inventories



Gearing % and Net Debt MSEK

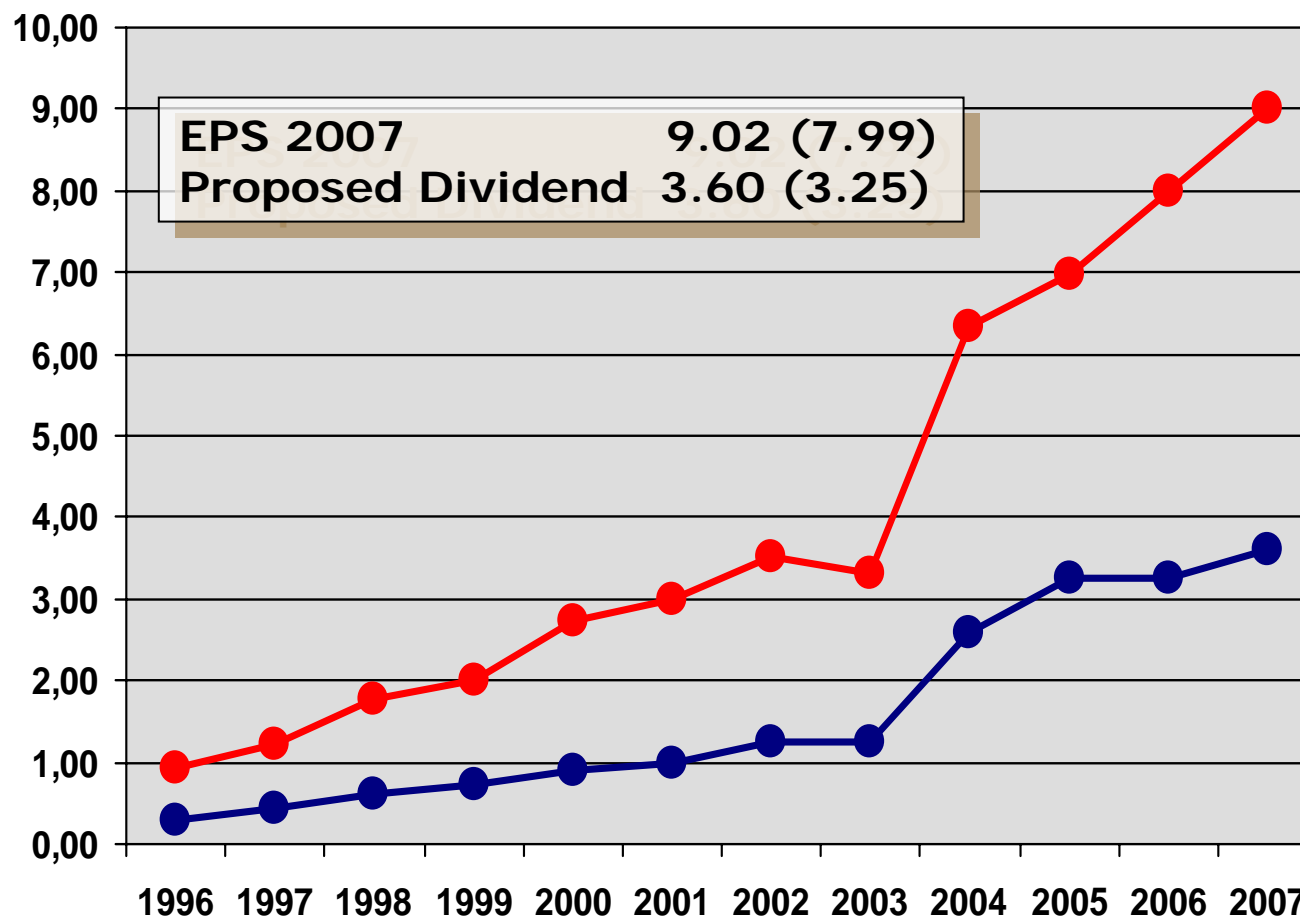


Return On Capital Employed* %



*2006 excludes restructuring and one off financial cost 2007

Earnings per Share and Proposed Dividend, SEK



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Conclusion 2007

- Strong total growth, +12%, driven by good general demand, market investments and acquisitions
- Emerging markets took off
- Price management and efficiency programs adds to profit
- Earnings improvement in all divisions
- Record strong cash flow

Outlook Going Forward

- Organic sales growth is expected to continue at a good rate
- The operating margin (EBIT) and operating cash flow are expected to develop well
- First quarter 2008 will be affected by Easter effect

Q&A