ASSA ABLOY

Q3 Report 2008
Johan Molin, President & CEO

Financial Highlights Q3 2008

- **Good performance in tough market**
  - Total growth 7% in local currencies
  - Good development of commercial in Americas
  - Europe continued down
  - Efficiency gains support profit

- **Sales** **8,722 MSEK** **+5%**

  +1 organic, +6% acquired growth, -2% currency

- **EBIT*** **1,435 MSEK** **+2%**

  Currency effect -27 MSEK

- **EPS*** **2,38 SEK** **+1%**

*Excluding restructuring cost of 247 MSEK

Sales Highlights Q3

- Emerging markets still grows >20%, 16% (13) of total sales
- Dell laptops with integrated HID readers, major pull for logical access
- Asian launch of Digital door locks
- Low energy door openers launched globally (Entrance systems)
- Continued R&D investments, +10%

Financial Highlights Jan-Sep 2008

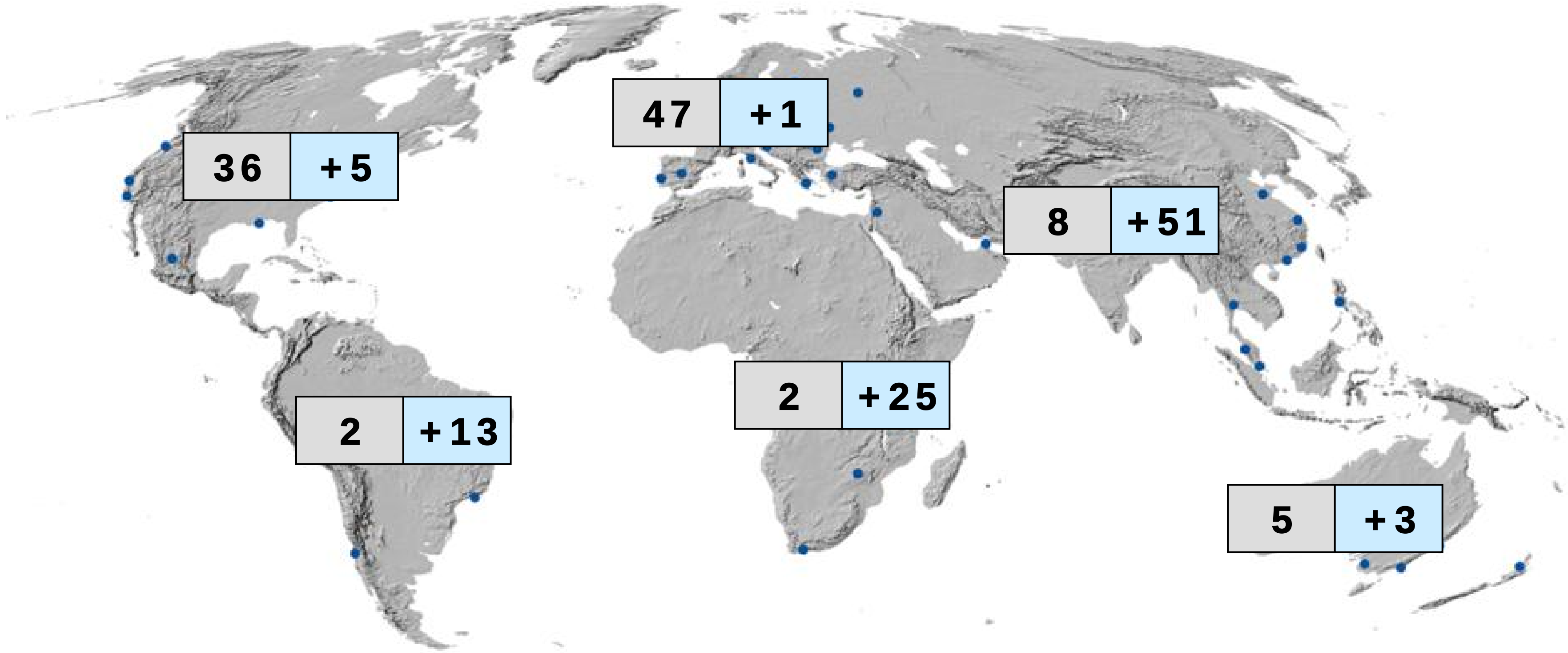
- **Stable and consistent performance**
  - Total growth 6% in local currencies
  - Profit supported by improved gross margin & efficiency gains
- **Sales** **25,451 MSEK** **+3%**

  +2% organic, +4% acquired growth, -3% currency
- **EBIT*** **4,056 MSEK** **+1%**

  -Currency effect -151 MSEK
- **EPS*** **6.76 SEK** **+1%**

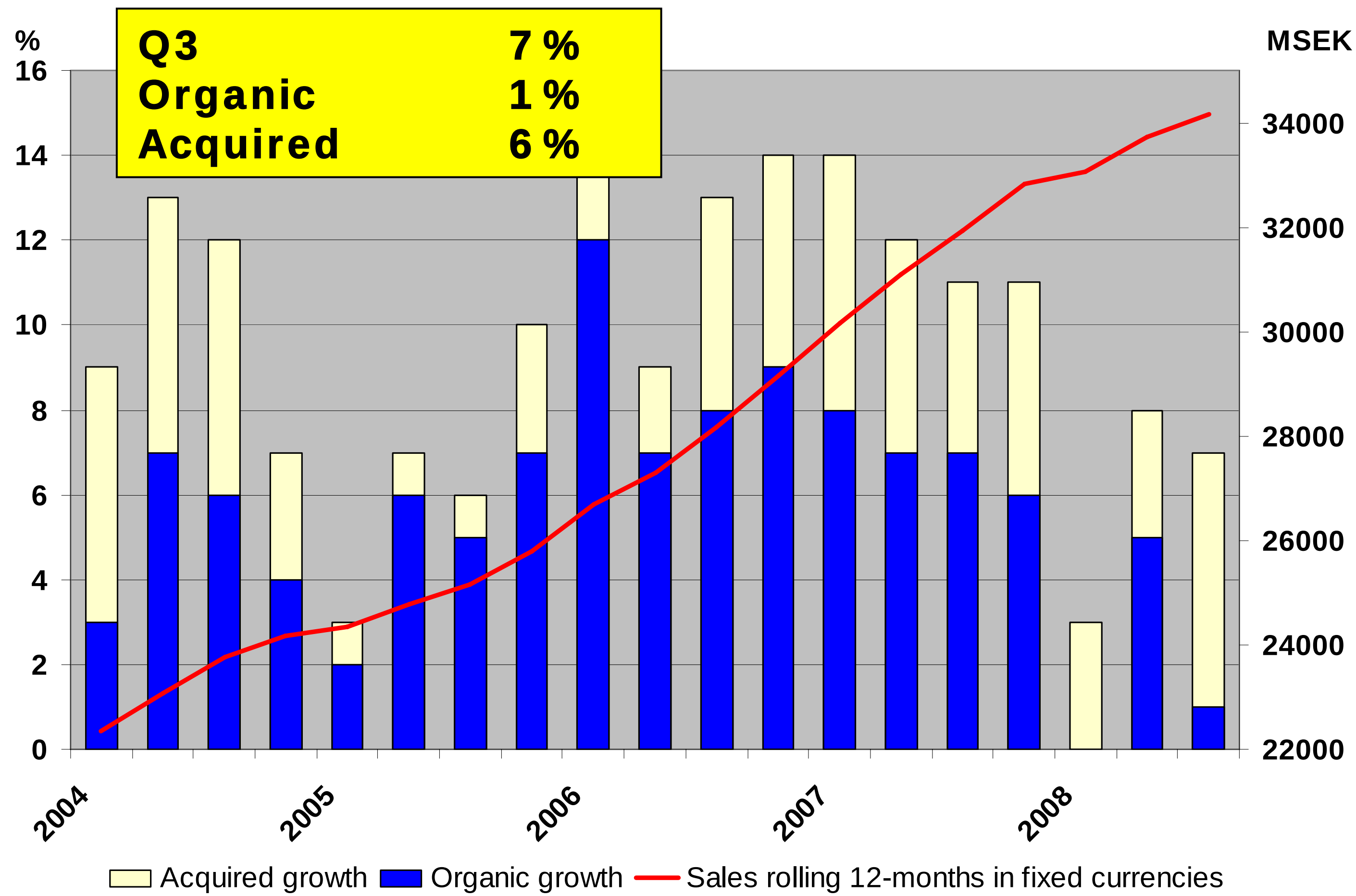
*Excluding restructuring cost of 247 MSEK

Sales in Local Currencies Jan-Sep 2008



Portion of Group sales 2008 YTD, %
Year-to-date vs previous year, %

Sales Growth - Currency Adjusted



Acquisitions in July to October

- **Copiax** approved (EMEA) 1/10
- **ShenFei** (APAC) 1/11

➢ **Adds 400 MSEK annualized sales** (+1.2% growth)

<u>Pending approvals:</u>

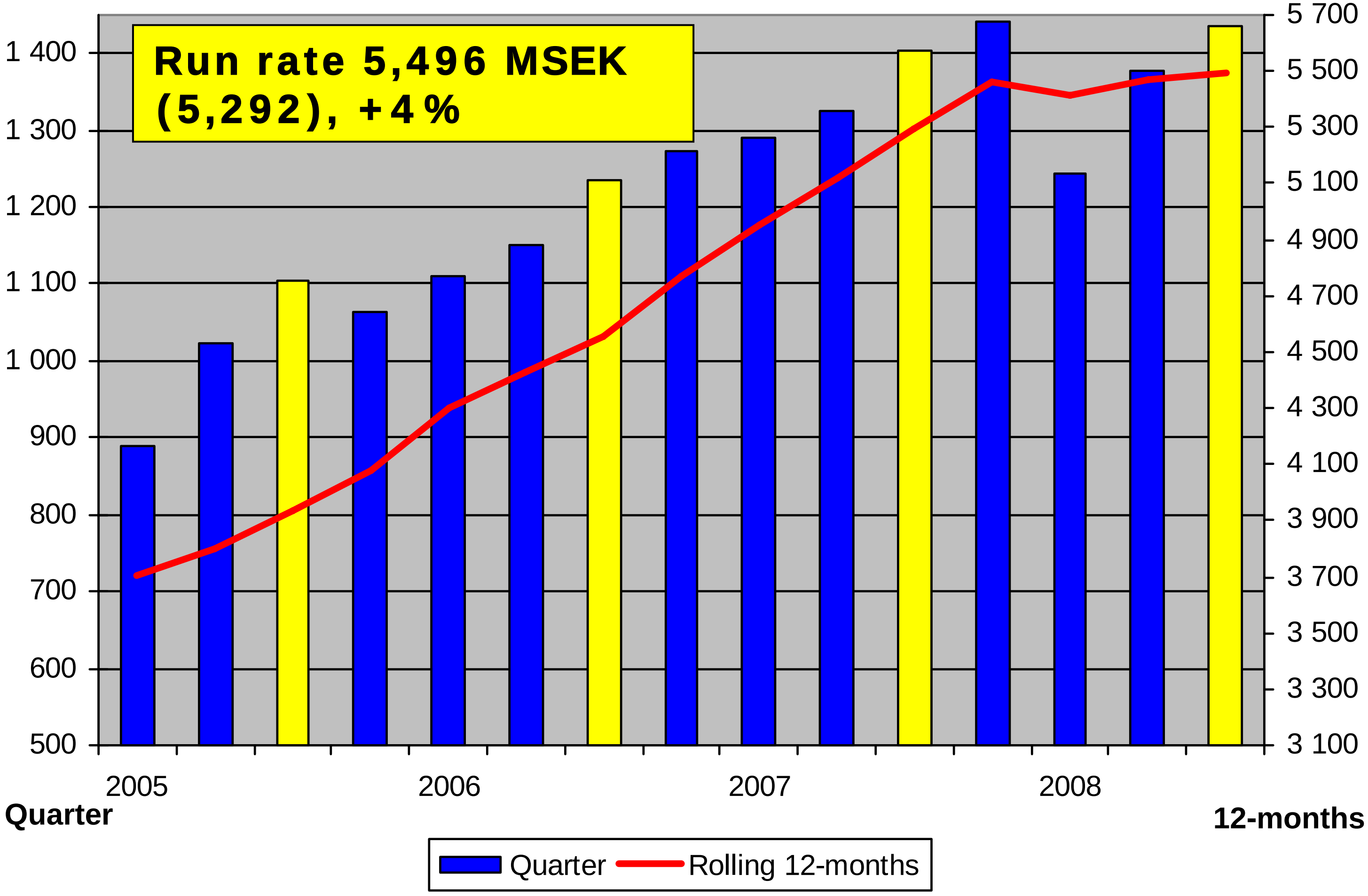
- **SimonsVoss** (Global Tech) adds 400 MSEK when approved

ShenFei

- Leader in door closers in China
- Total door solution in China in place:
  - High Security locks (Baodean)
  - Lock cases & locks (Guli)
  - Door closers (Shenfei)
  - Fire & Security doors (Wangli and Tianming)

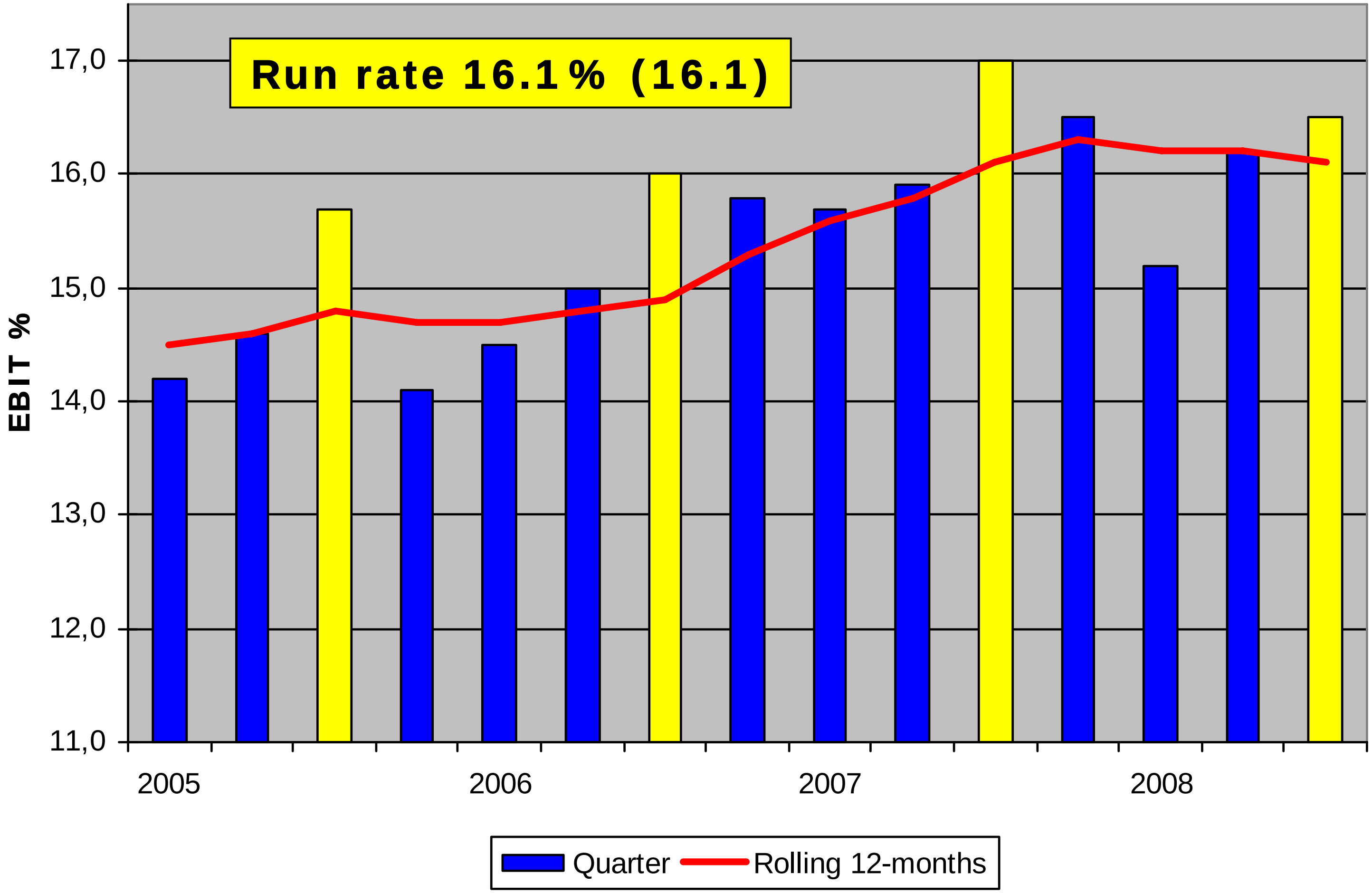
- ASSA ABLOY by far the largest lock company in China
- Activity in excess of 1,700 MSEK and 7,000 employees
- Another step to Global leadership

Operating Income* (EBIT) MSEK



*Rolling 12-months excludes restructuring costs 2006 of 1,474 MSEK and 2008 of 247 MSEK

Operating Margin* (EBIT)



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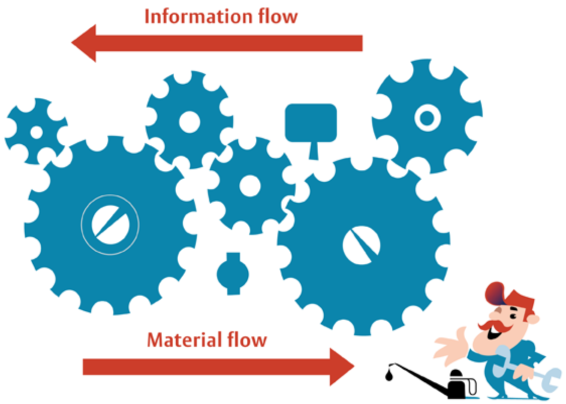
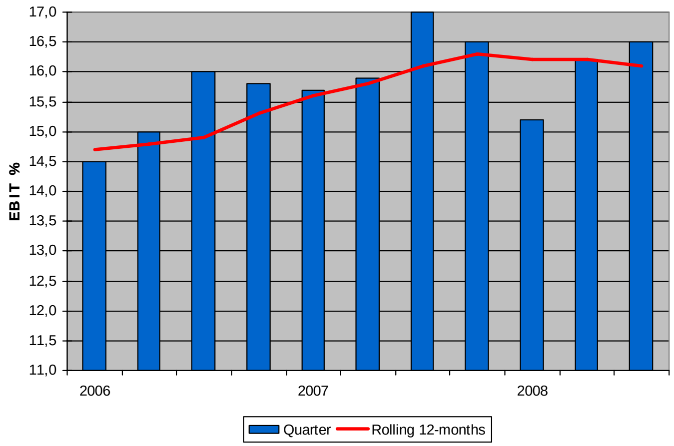
Margin Highlights Q3



- Total growth 7%, with organic 1%
- EBIT margin 16.5% (17.0%)
- Gross margin maintained
  - ➢ Restructuring, 22 sites closed
    - ✓ Total reduction of 1,934 employees
    - ✓ Quarterly saving 40 MSEK (run rate 125 MSEK, 83% completed)
  - ➢ Raw material still increasing
- Dilution from acquisitions -0.1%
- Dilution from Geographic mix and currency effect -0.2%

Accelerating Manufacturing Footprint

- Current footprint program a success
- 247 MSEK booked out of 800 MSEK
- 30 new projects with possible closure of 15 sites
- Conversion to assembly in high cost countries
- Cost to be fully booked in 2008
- Payback 2-3 years, 1,200 people

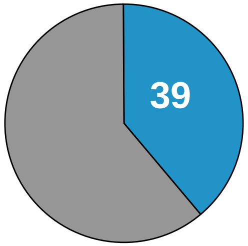


Division - EMEA

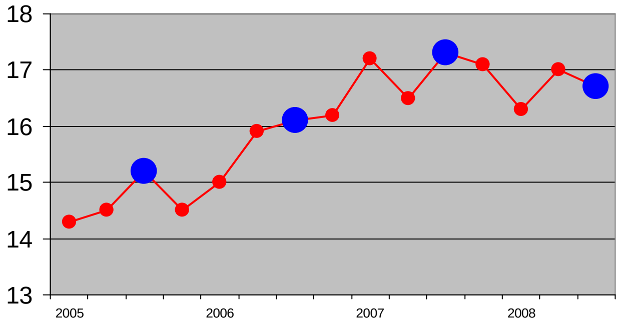
- Weakening cycle in EMEA
- Negative development in UK, Spain, Italy and France
- Stable in Eastern Europe, Scandinavia and Germany
- Profit supported by important savings
- Closure of Safeguard site, UK

- Operating margin (EBIT)
  - \- Volume
  - \+ Restructuring savings
  - = Material cost was flat

SALES
share of
Group total %



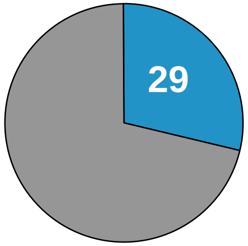
EBIT %



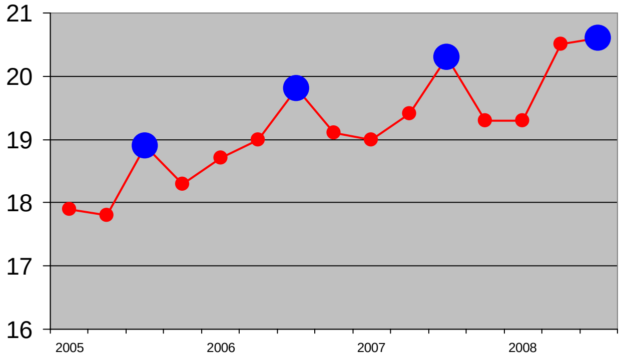
Division - Americas

- Commercial remained strong, market gains
- Good development of doors and elmech
- Residential continued down (-15%) and Mexico weak
- Profit reaches all time high
- Closure of Fleming site, Canada

SALES
share of
Group total %



EBIT %

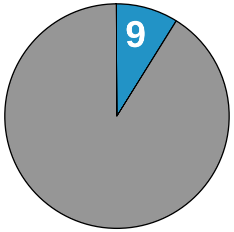


- Operating margin (EBIT)
  + Volume
  + Strong efficiency improvement
  - Material cost of steel

Division - Asia Pacific

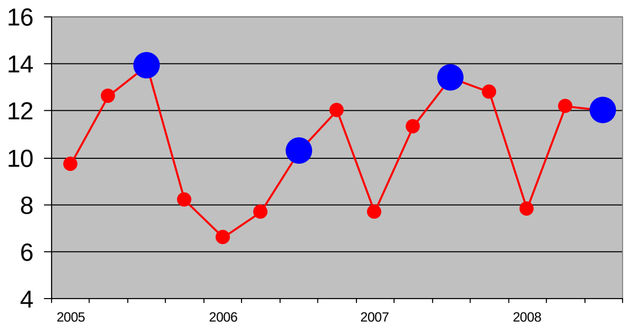
- Good development in China despite the Olympics
- Negative demand within residential in the Pacific
- Good development of iRevo
- Dilution from 51% total growth
- Low sales in the Pacific impacted profit

SALES
share of
Group total %



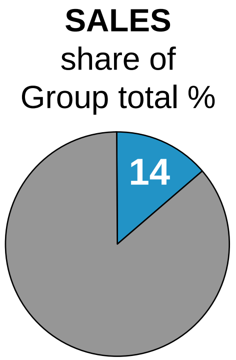
- Operating margin (EBIT)
  = Volume growth
  - Decline in the Pacific
  - Lag in steel price increases

EBIT %

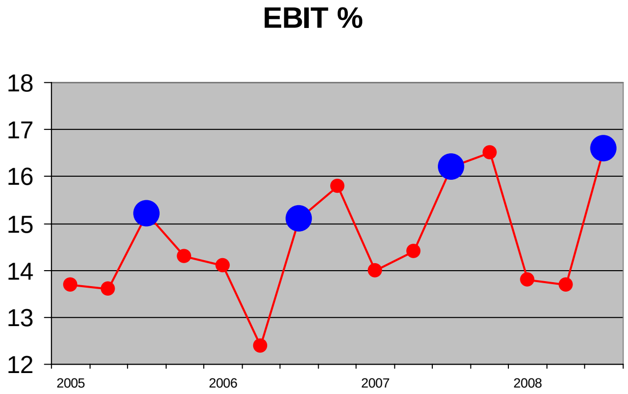


Division - Global Technologies

- Good sales evolution in HID and Hospitality
  - ➢ Secure identity, Crescendo, Edge and RFID
- ITG negative due to delayed orders
- Strong pipeline of new products in all areas
- Mixed results with strong profit in HID, and stable in Hospitality and ITG



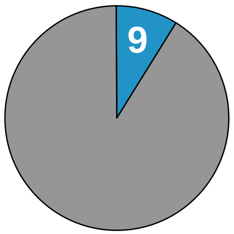
- Operating margin (EBIT)
  - \+ Volume HID/Fargo
  - \- Currency effect Hospitality
  - \- Weak development of ITG



Division - Entrance Systems

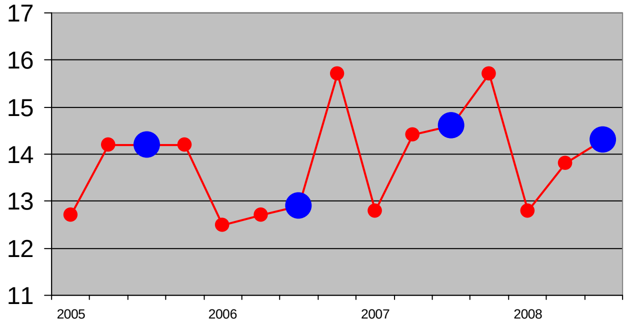
- Weak sales in retail in all mature markets
- Continued good development in institutions
- Large service agreements received in the US
- Price pressure on larger retail orders
- Czech Republic and China manufacturing ramping up

SALES
share of
Group total %



- Operating margin (EBIT)
  - \- Volume
  - \- Price pressure
  - = Efficiency gains & raw material

EBIT %



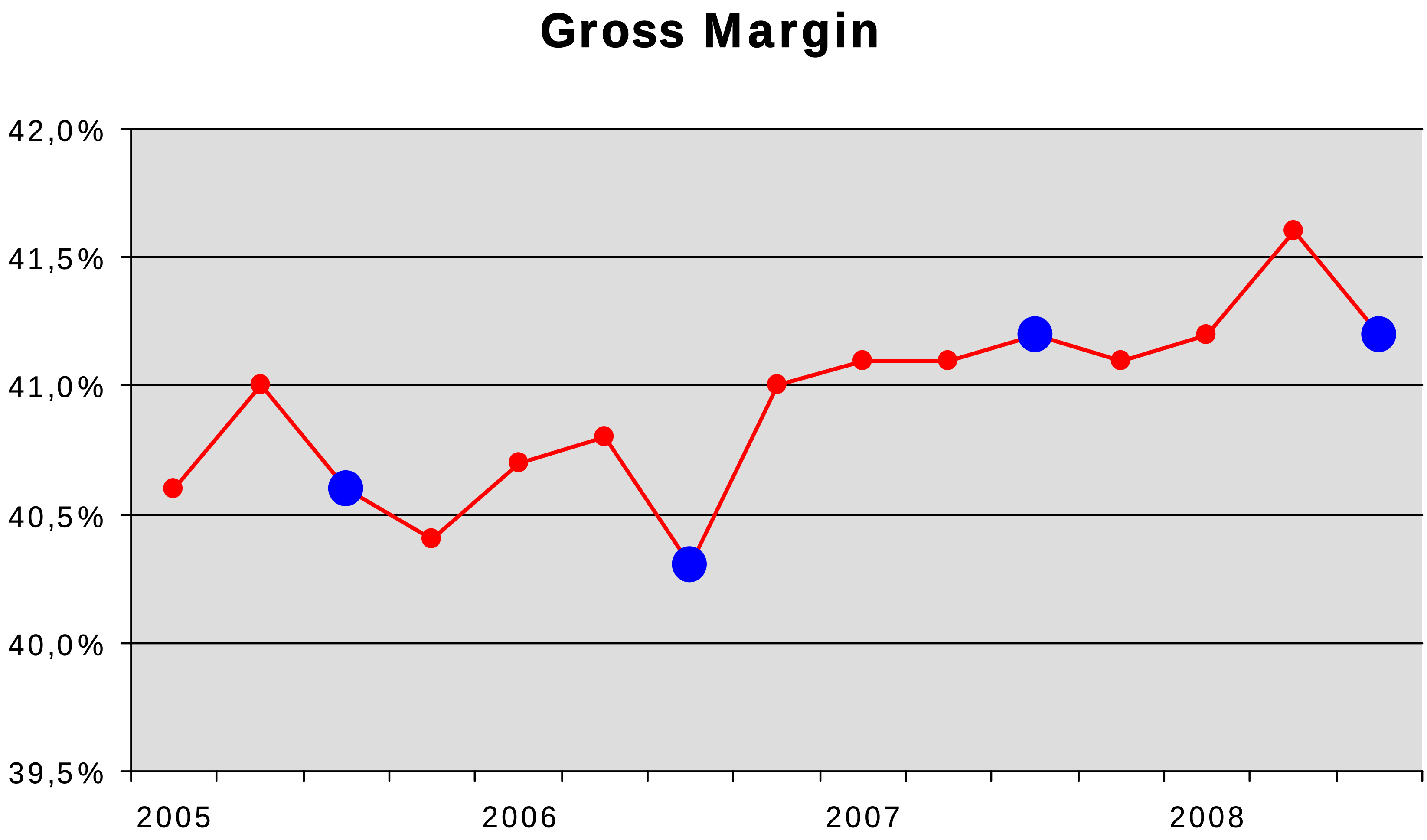
Q3 Report 2008
Tomas Eliasson, CFO

Financial Highlights Q3 2008

	Nine months *)			3rd Quarter *)		
MSEK	2007	2008	Change	2007	2008	Change
Sales	**24,830**	**25,451**	**+3%**	**8,274**	**8722**	**+5%**
Whereof						
Organic growth			+2%			+1%
Acquired growth			+4%			+6%
FX-differences		-794	-3%		-133	-2%
Operating income (EBIT)	**4,018**	**4,056**	**+1%**	**1,404**	**1,435**	**+2%**
EBIT-margin (%)	16.2	15.9		17.0	16.5	
Operating cash flow	**3,068**	**2,852**	**-7%**	**1,306**	**1,189**	**-9%**
EPS (SEK)	6.72	6.76	+1%	2.36	2.38	+1%

*) Excluding restructuring charges of 247 MSEK in Q3

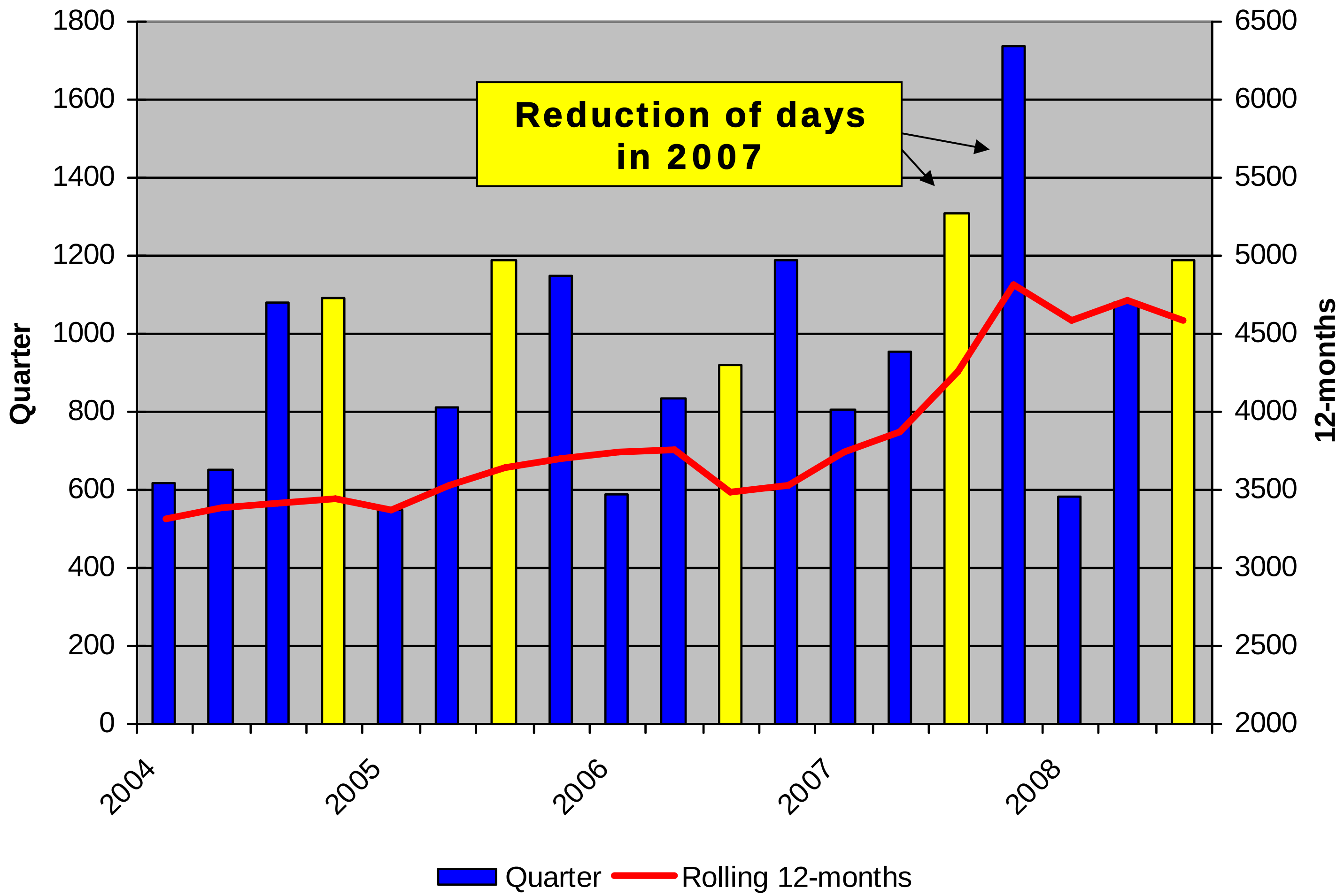
P&L – Development



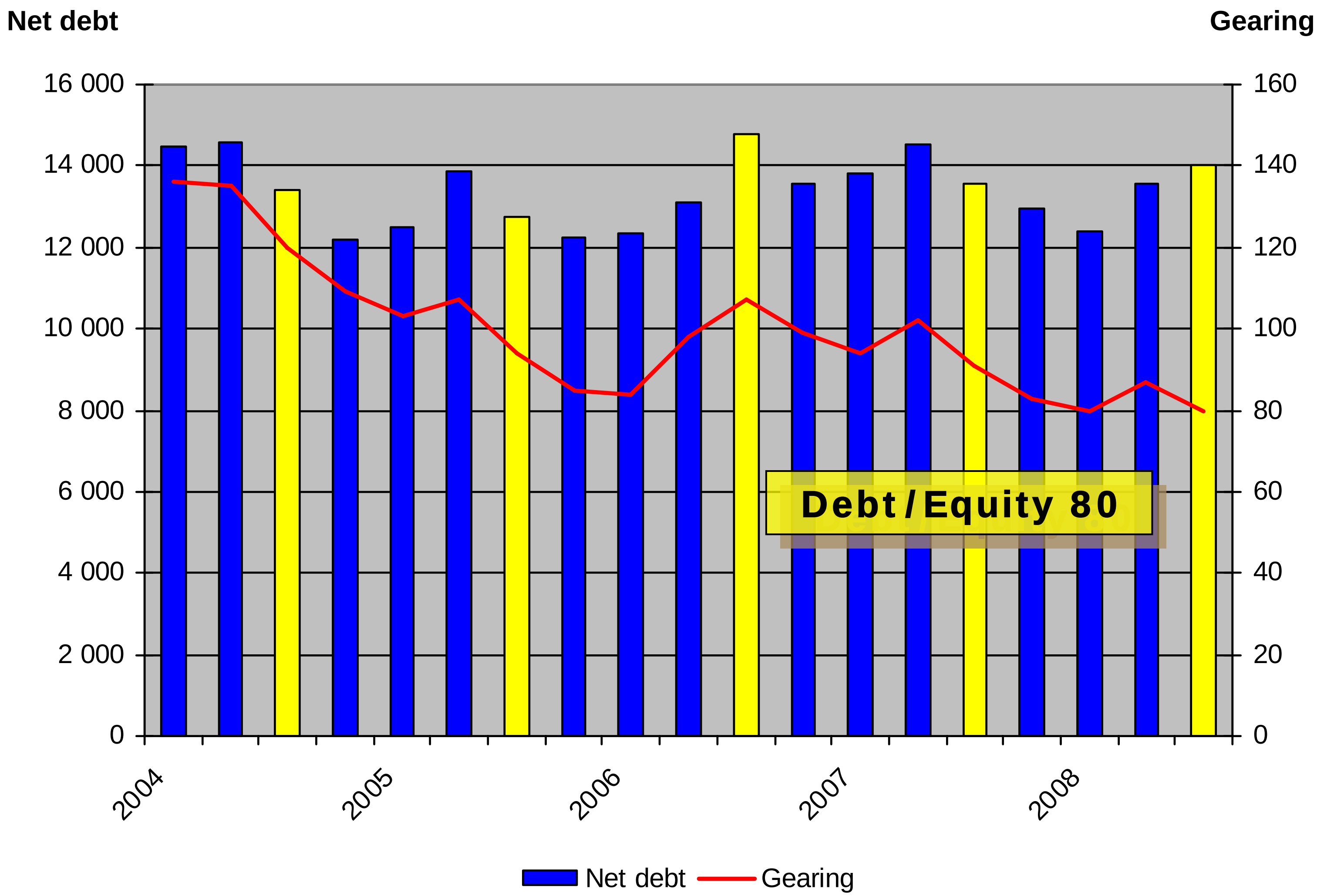
P&L – Components
Q3

	2007	2008
Direct material	32.3%	33.2%
Conversion costs	26.5%	25.6%
Gross Margin	41.2%	41.2%
S, G & A	24.2%	24.7%
EBIT	17.0%	16.5%

Operating Cash Flow, MSEK

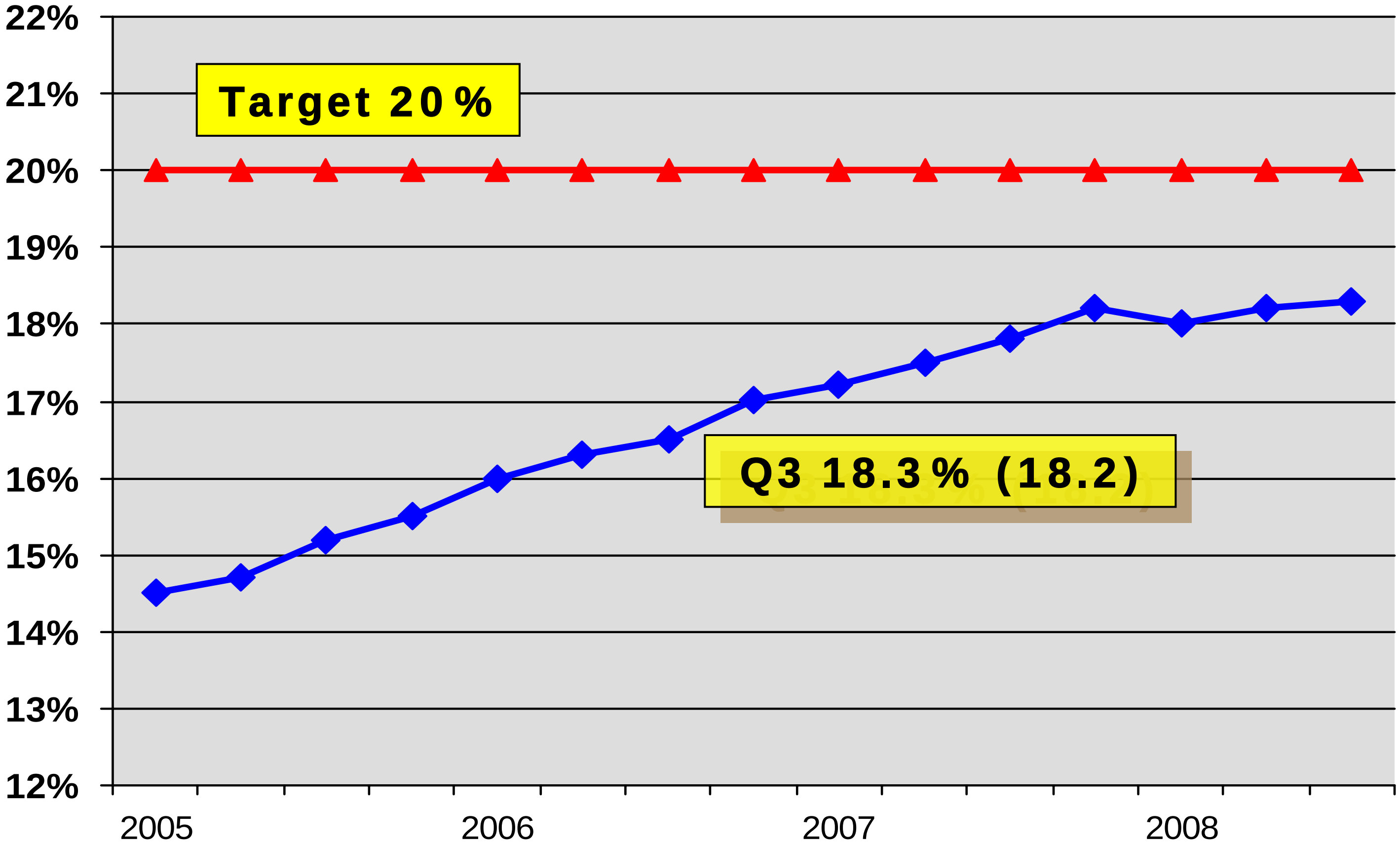


Gearing % and Net Debt MSEK



Return On Capital Employed* %

Rolling 12 Months



*2006 excludes restructuring

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Conclusion Q3 2008

- 7% growth in local currencies
- Good commercial US while slowing market in Europe
- Continued fast growth in emerging markets
- Profit on high level despite 1% volume
- Two new acquisitions adds 1.2% to turnover

Long Term 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
- For 2008 the organic growth is expected to be positive, but can be lower than 3% depending on the development of the business cycle

Q&A