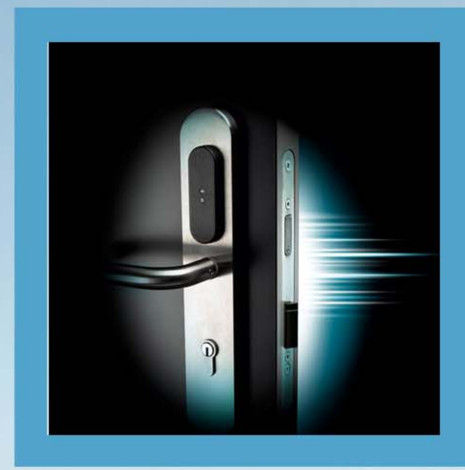
ASSA ABLOY

Q2 Report 2009

Johan Molin
President & CEO



Financial Highlights Q2 2009

- **Strong performance despite recessionary market**
  - Construction in recession throughout the world
  - All divisions affected and declining
  - Stable high EBIT through large efficiency gains
  - Record strong cash flow

- **Sales** **8,921 MSEK** **+5%**

  -14% organic, +4% acquired growth, +15% currency

- **EBIT** **1,340 MSEK** **-3%**

  Currency effect +268 MSEK

- **EPS** **2.25 SEK** **-2%**

Financial Highlights H1 2009

- **Stable and consistent performance despite recession**
  - Total growth 6%
  - Improved EBIT through efficiency and currency gains
- **Sales** **17,803 MSEK** **+6%**

  -13% organic, +4% acquired growth, +15% currency
- **EBIT** **2,668 MSEK*** **+2%**

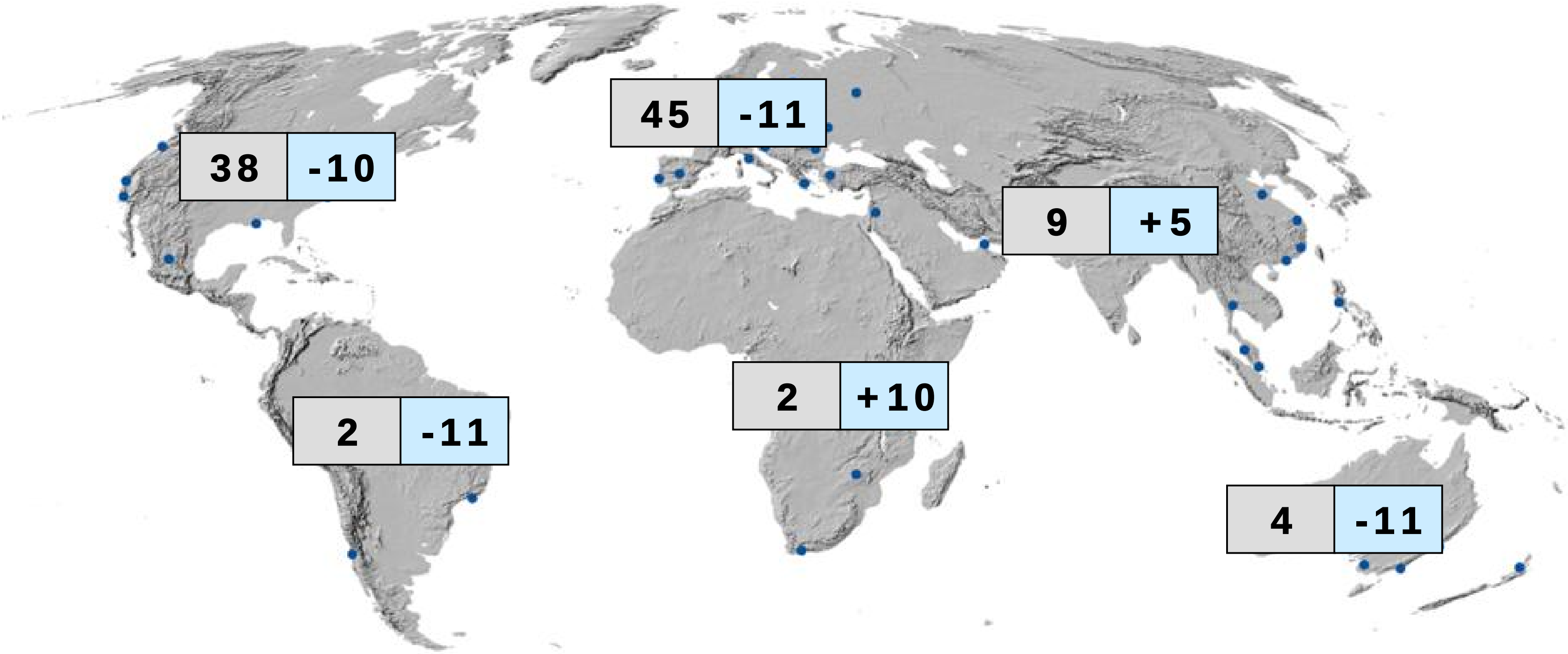
  Currency effect +493 MSEK
- **EPS** **4.45 SEK** **+2%**

* Excluding restructuring charges of MSEK 109

ASSA ABLOY in Q2 2009

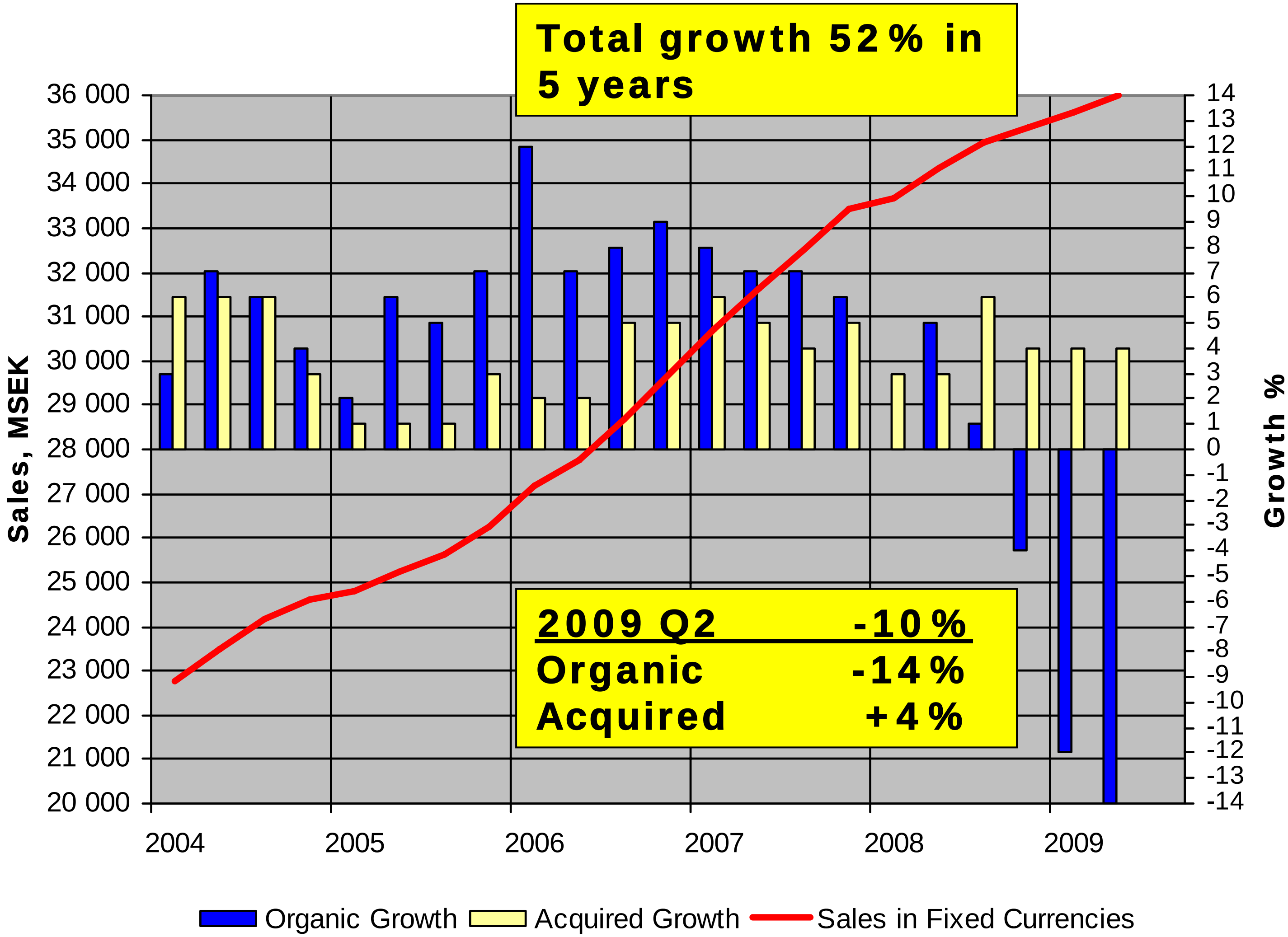
- **Weakening demand in all parts of the world**
  - De-stocking close to end
  - Asia, Africa and Brazil less affected
  - American lack of new commercial construction will affect H2
- **Electromechanics holding up thanks to new products**
  - RFID for hotels, high definition printers, Cliq technology, WiFi locks USA, low energy operators
- **Continued investment in R&D and market presence**
- **Industry consolidation continues**
  - Agreement to acquire Ditec

Group Sales in Local Currencies H1 2009

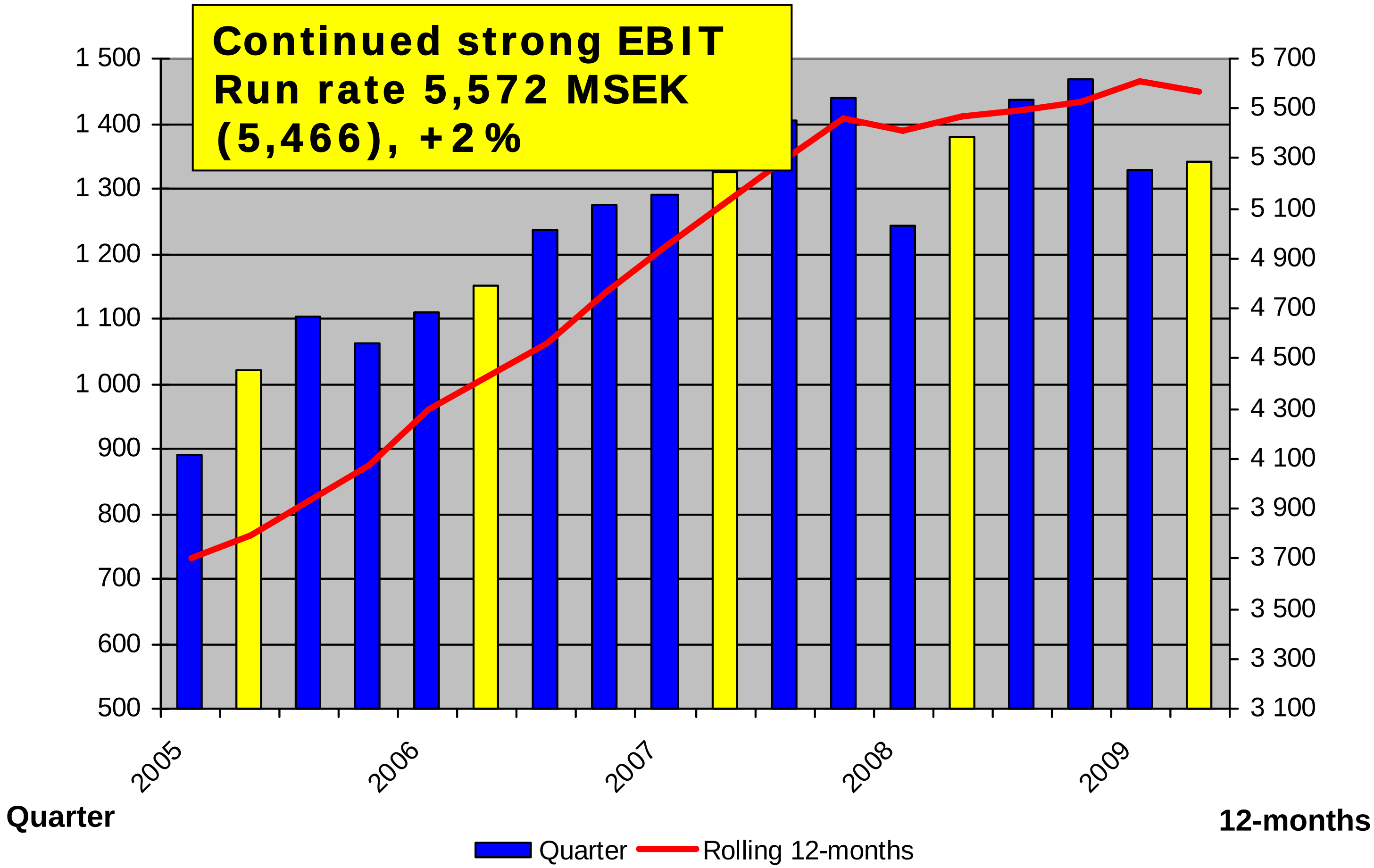


Share of Group sales 2009 YTD, %
Year-to-date vs previous year, %

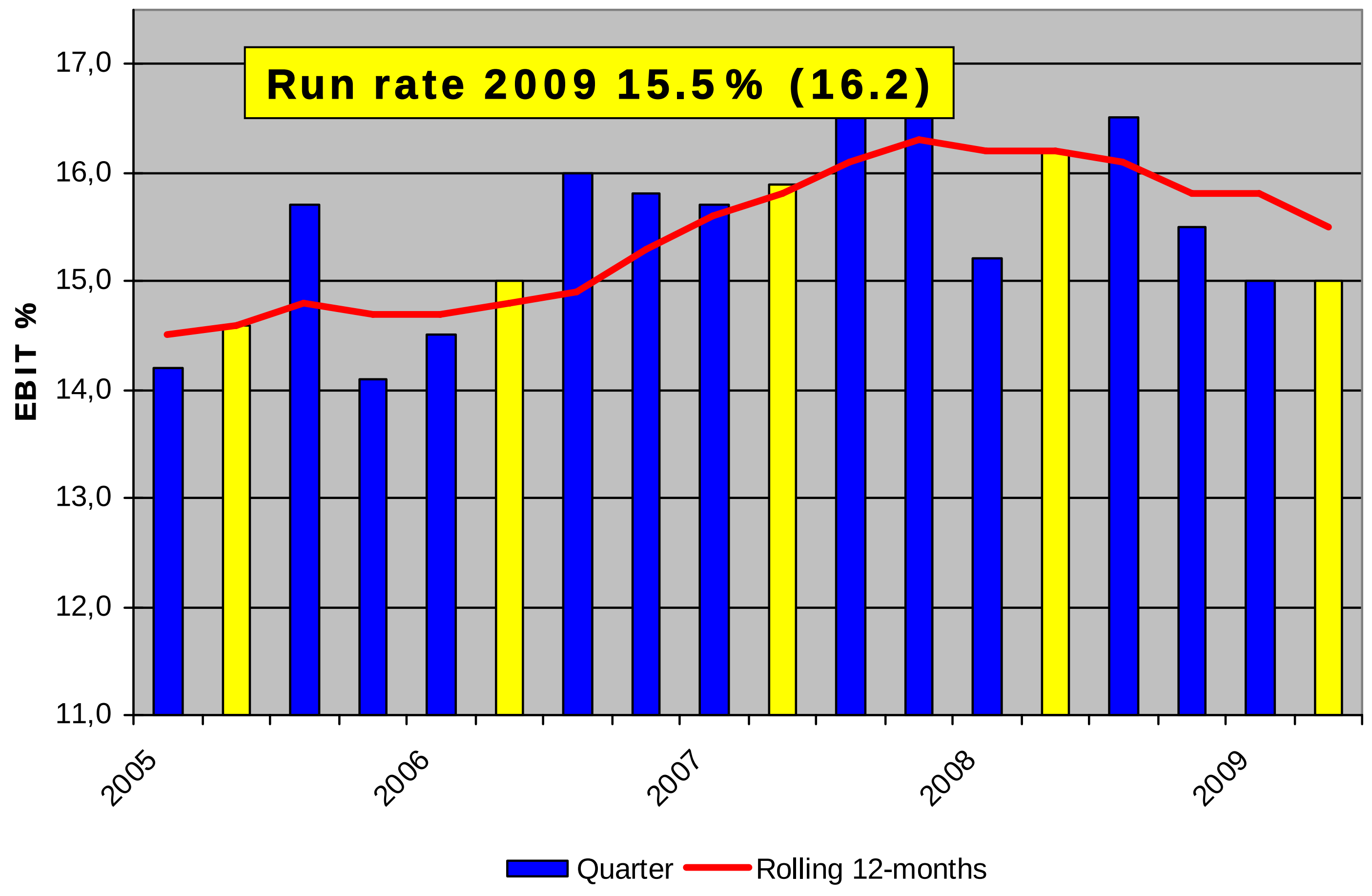
Sales Growth Q2 2009 - Currency Adjusted



Operating Income (EBIT) MSEK

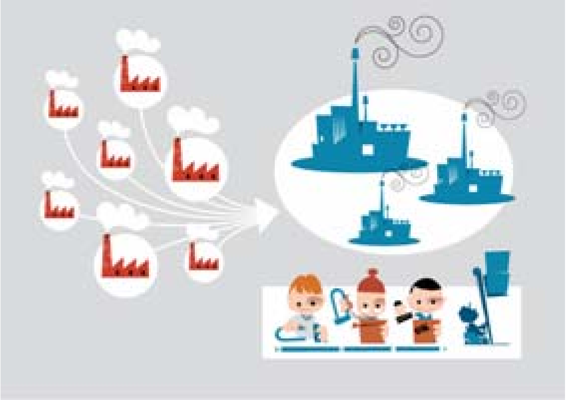


Operating Margin (EBIT)

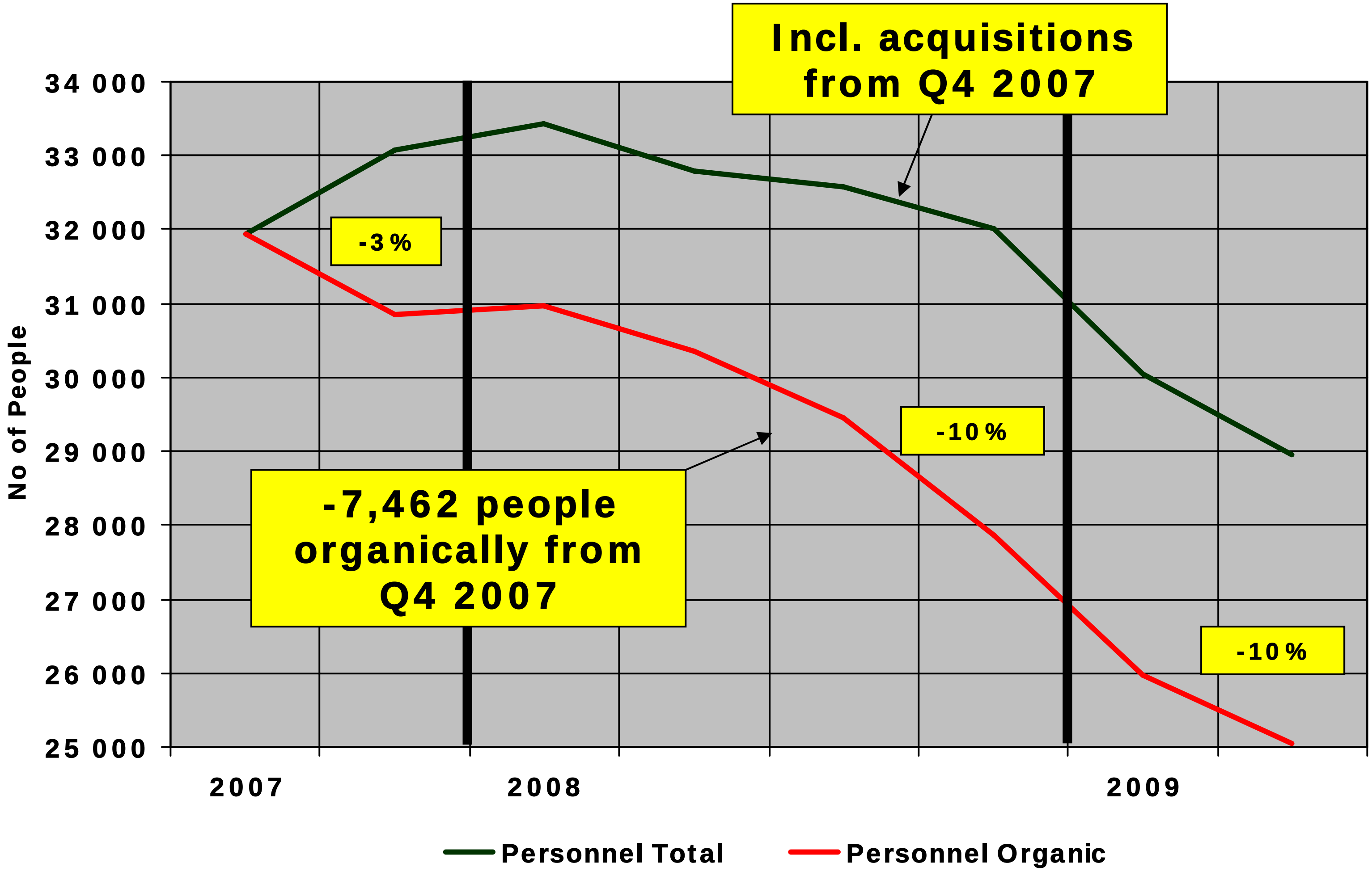


Manufacturing Footprint

- Very successful!
- Conversion to assembly in high cost countries
- Low cost content from 23% to 39% since 2005
- Large efficiency gains out of the programs
- Consolidation of support functions and administration
- Achieved 3 829p, 1 085p more to go, +29% to plan



Personnel Development



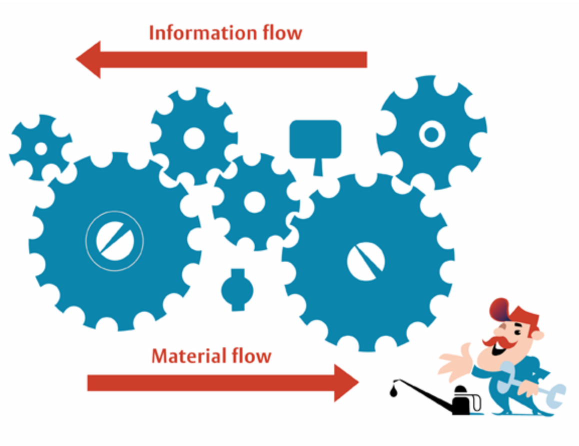
Acquisitions 2009

- **Selective activity within acquisitions**
- **4 small acquisitions carried through during H1**
  - Adds 200 MSEK annualized, +0.6%
- **Signed agreement to acquire Ditec, Italy**
  - Adds 900 MSEK from Q4, +2.6%
- **SimonsVoss**
  - Court appeal pending

Ditec Italy
Sales 900 MSEK

- Strategic move into fast growing and profitable door automation
- >20 BSEK industry with EBIT >15%
- Creates a clear leader in automated entrances
- Leader in door automatics in Italy and 60% export
- Complementary to Entrance Systems
  - Automatic doors
  - Gate automation
  - Rapid industrial doors
- Adds indirect sales channel
  - Adds to indirect sales channel in mature markets
  - Expands the emerging markets

Margin Highlights Q2 2009



EBIT margin 15.0% (16.2)

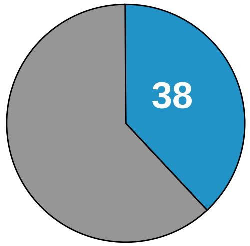
- Volume downturn
- Fixed production costs dilutes

+ Manufacturing footprint, 31 sites closed
+ Contingency and manufacturing plans
  - 3,184 people left in H1, 10% less
  - 23% reduction in personnel in 21 months
+ S, G & A cost improvement

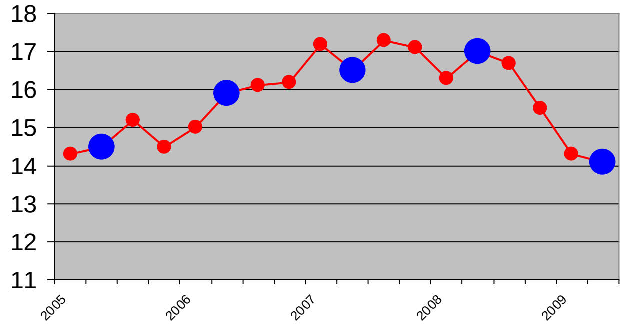
Division - EMEA

- Deep construction decline continues
- All markets down but Germany, Africa and UK relatively better
- Severe downturn in Spain, Italy and EE
- Profit supported by footprint savings
- Valli&Valli and Gardesa dilutes by 0.3%
- Operating margin (EBIT)
  - \- Volume -18%
  - \+ Restructuring savings
  - \- Dilution
  - = Raw material positive

SALES
share of
Group total %

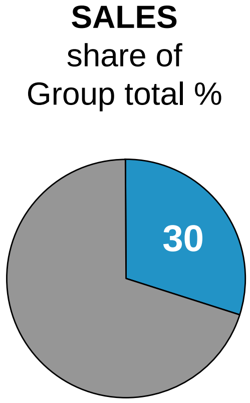


EBIT %



Division - Americas

- Residential and commercial markets down
- Canada, Mexico and Brazil less hit
- Distribution destocks and weak aftermarket
- Strong EBIT Margin through efficiency gains and personnel reductions
- Lack of commercial construction will affect H2 even more

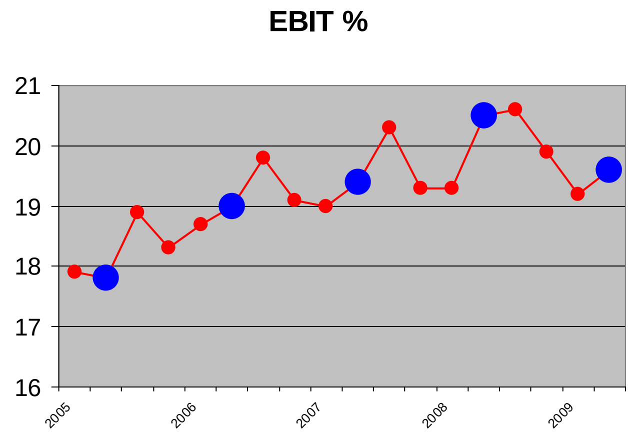


- Operating margin (EBIT)

  = Volume -17%

  + Strong efficiency improvement

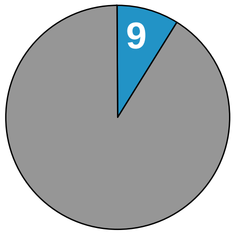
  = Raw materials positive



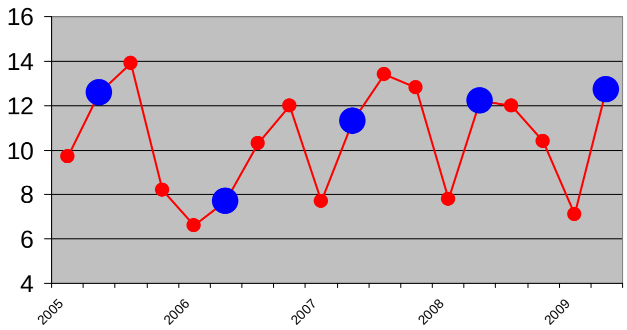
Division - Asia Pacific

- Slowing construction in the whole region
- Flat sales in China and South East Asia
- Australia and New Zealand are weak
- Production for Europe in sharp decline
- iRevo successful launch of new digital lock range

SALES share of Group total %



EBIT %

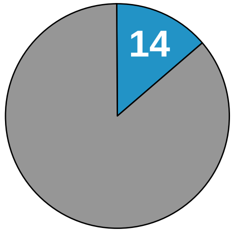


- Operating margin (EBIT)
  - \- Volume -9%
  - \- Currency effects AU/NZ
  - \+ Restructuring savings
  - \+ Raw material

Division - Global Technologies

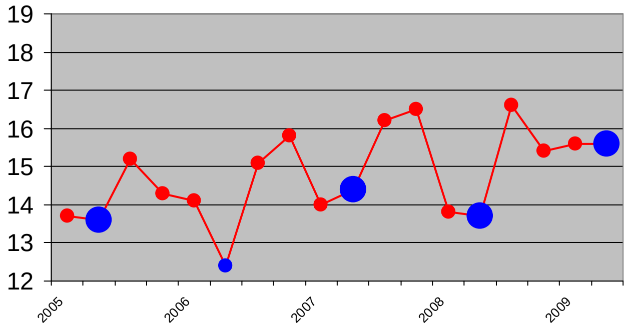
- HID
  - Access control declining
  - Several large projects for Secure Issuance
- ITG sales continued negative
- Hospitality market in sharp decline
- Efficiency gains gives good profit in HID and Hospitality

SALES
share of
Group total %



- Operating margin (EBIT)
  + Volume stable HID/Fargo
  + Hospitality currency improvement
  + Restructuring give good effects

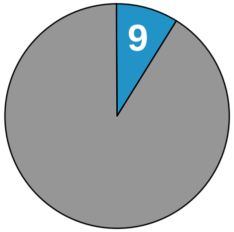
EBIT %



Division - Entrance Systems

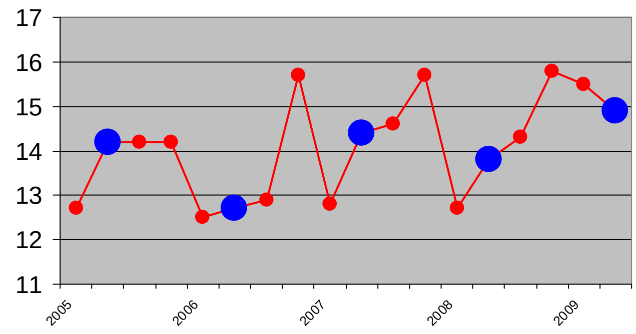
- Recession in the retail segment
- Stable health care and emerging markets
- Good development of service sales
- Margin improvement from manufacturing footprint

SALES share of Group total %



- Operating margin (EBIT)
  - Volume -5%
  + Manufacturing footprint
  + Raw material

EBIT %



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Q2 Report 2009

Tomas Eliasson

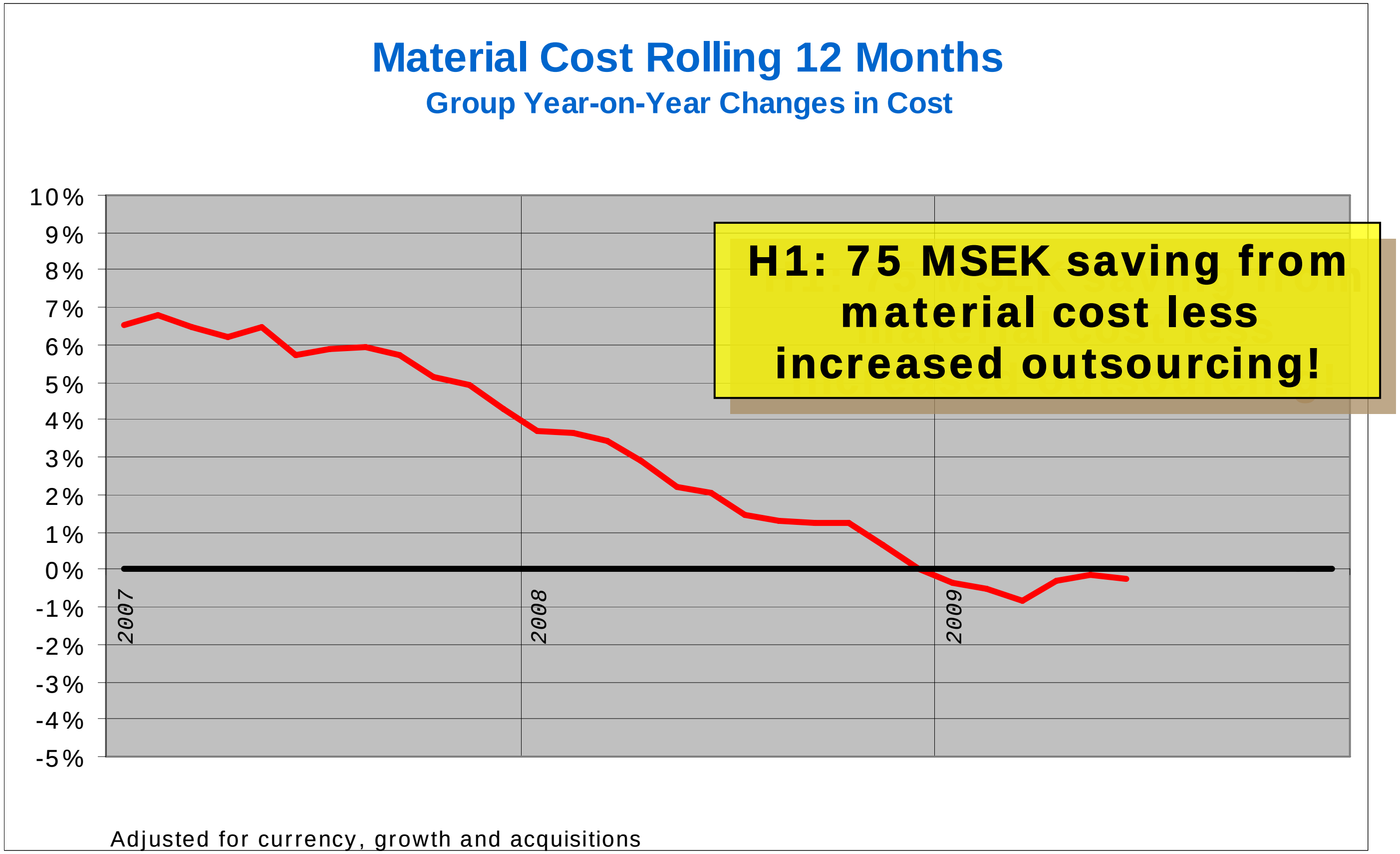
CFO

Financial Highlights Q2 2009

	Half Year			2nd Quarter		
MSEK	2008	2009	Change	2008	2009	Change
Sales	**16,728**	**17,803**	**+6%**	**8,526**	**8,921**	**+5%**
Whereof						
Organic growth			-13%			-14%
Acquired growth			+4%			+4%
FX-differences		+2,893	+15%		+1,433	+15%
Operating income (EBIT)*	**2,621**	**2,668**	**+2%**	**1,378**	**1,340**	**-3%**
EBIT-margin (%)*	15.7	15.0		16.2	15.0	
Operating cash flow	**1,663**	**2,422**	**+46%**	**1,081**	**1,584**	**+47%**
EPS (SEK)*	4.38	4.45	+2%	2.30	2.25	-2%

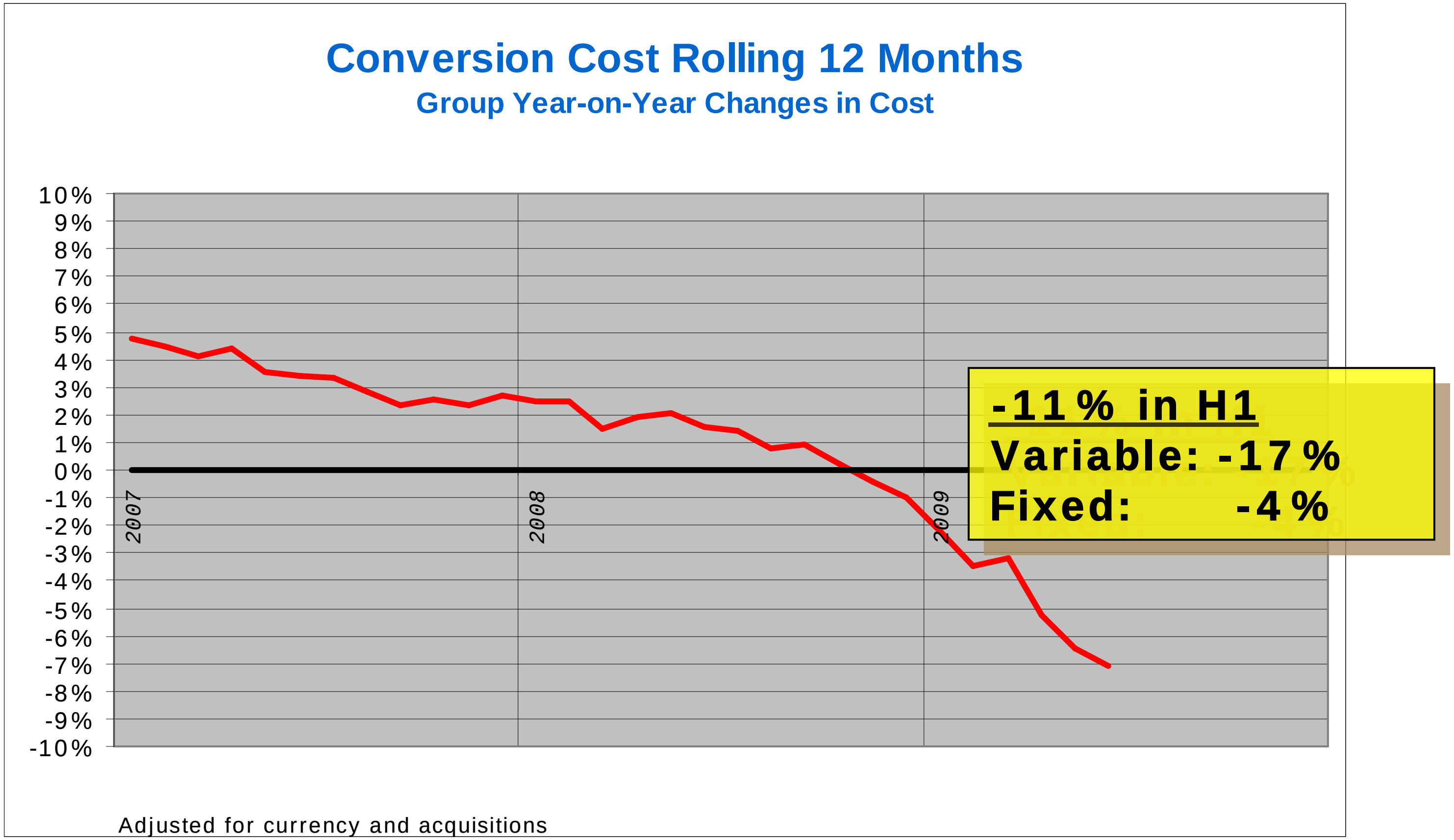
*Excluding restructuring charges of 109 MSEK in Q1 2009

Cost Development – Volume Adjusted



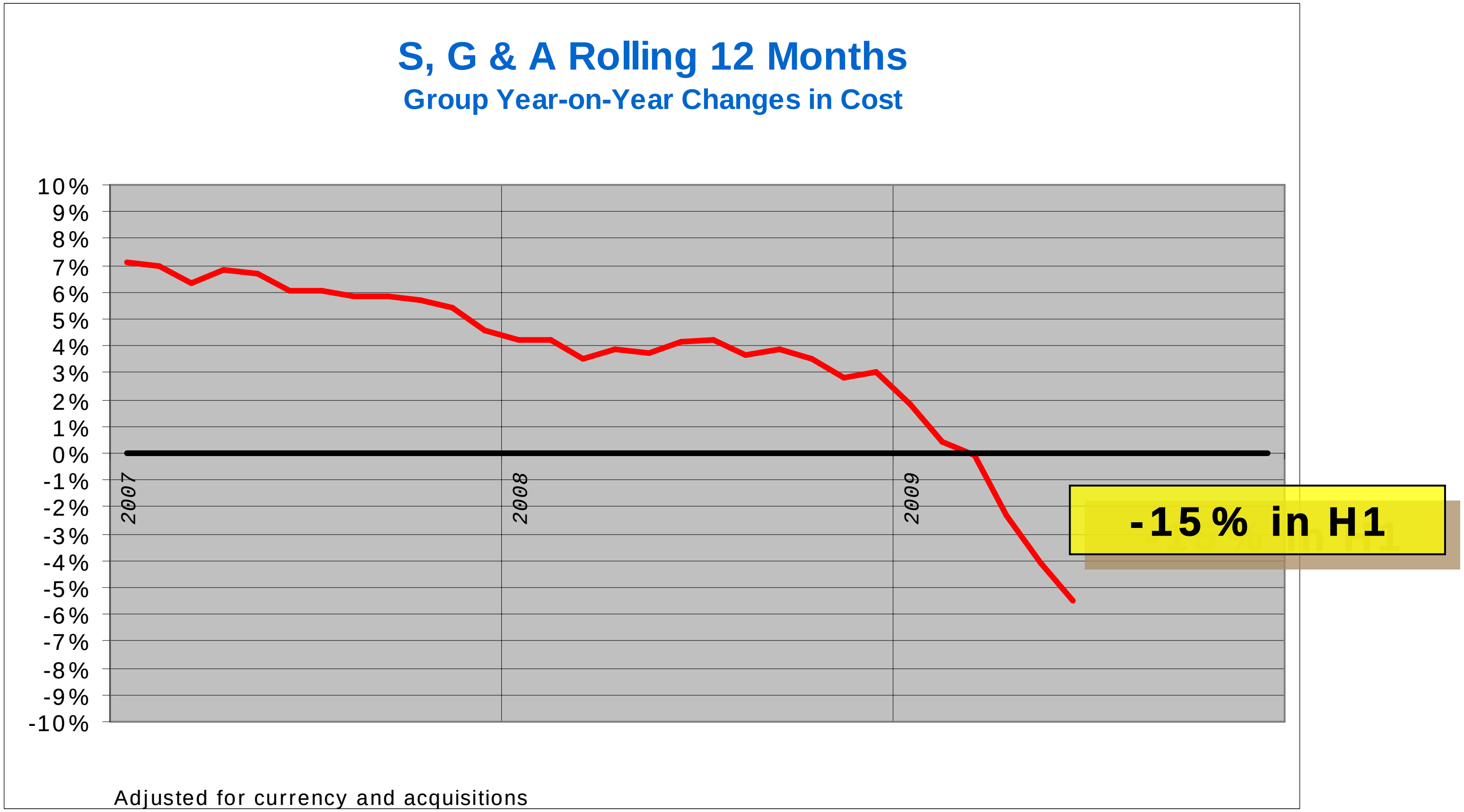
Material cost change = net of cost change and outsourcing mix change

Cost Development



Conversion cost = all fixed and variable production costs excluding material

Cost Development

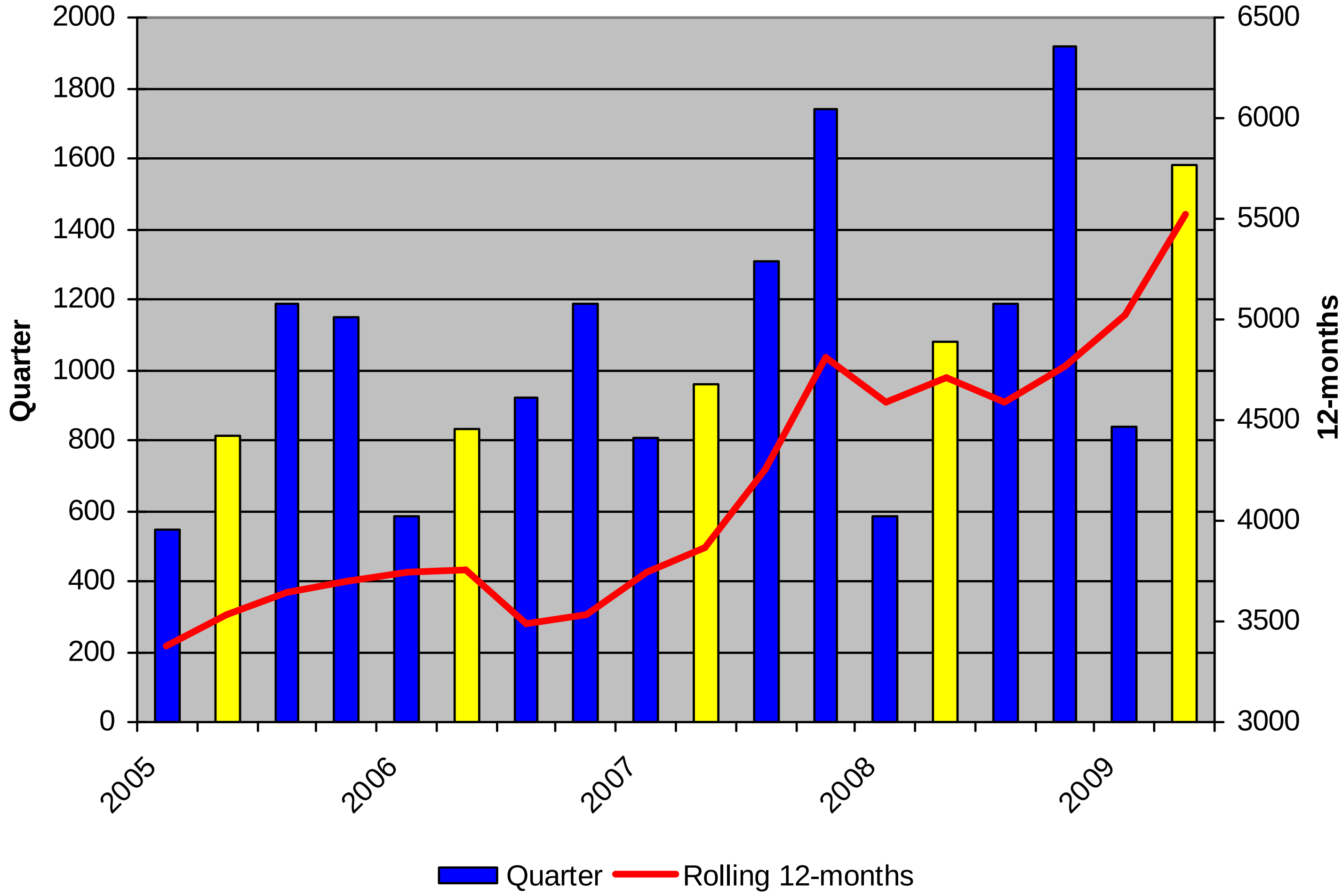


S, G & A cost = Selling, administrative and R&D costs

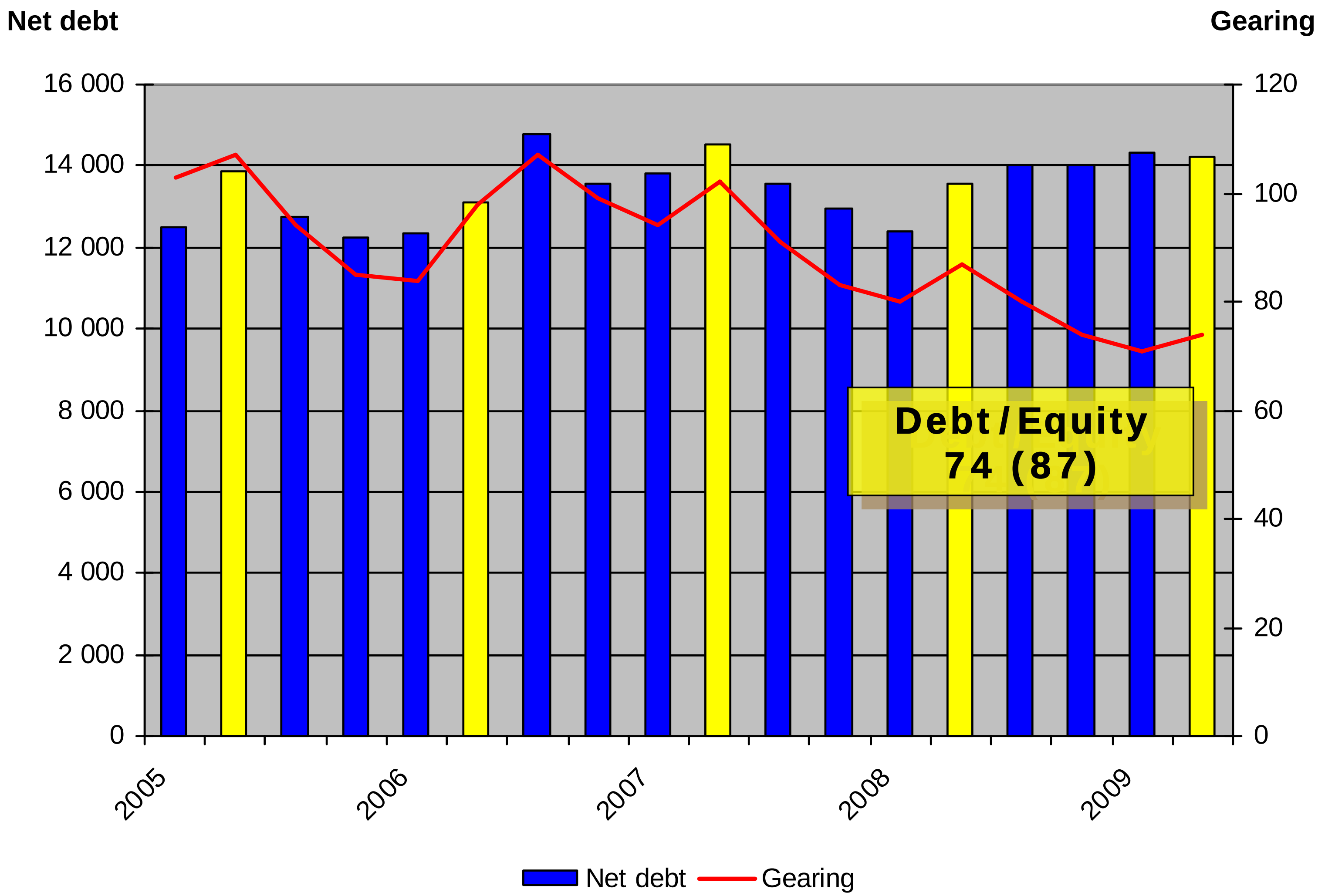
Bridge Analysis – Jan-Jun 2009

MSEK	2008 Jan-Jun	Organic Growth	Curreny	Acq/Div	2009 Jan-Jun
ASSA ABLOY Group		-13%	15%	4%	6%
Revenues	16,728	-2,571	2,893	752	17,803
EBIT	2,622	-550	493	103	2,668
%	15.7%	21.4%	17.1%	13.7%	15.0%

Operating Cash Flow, MSEK

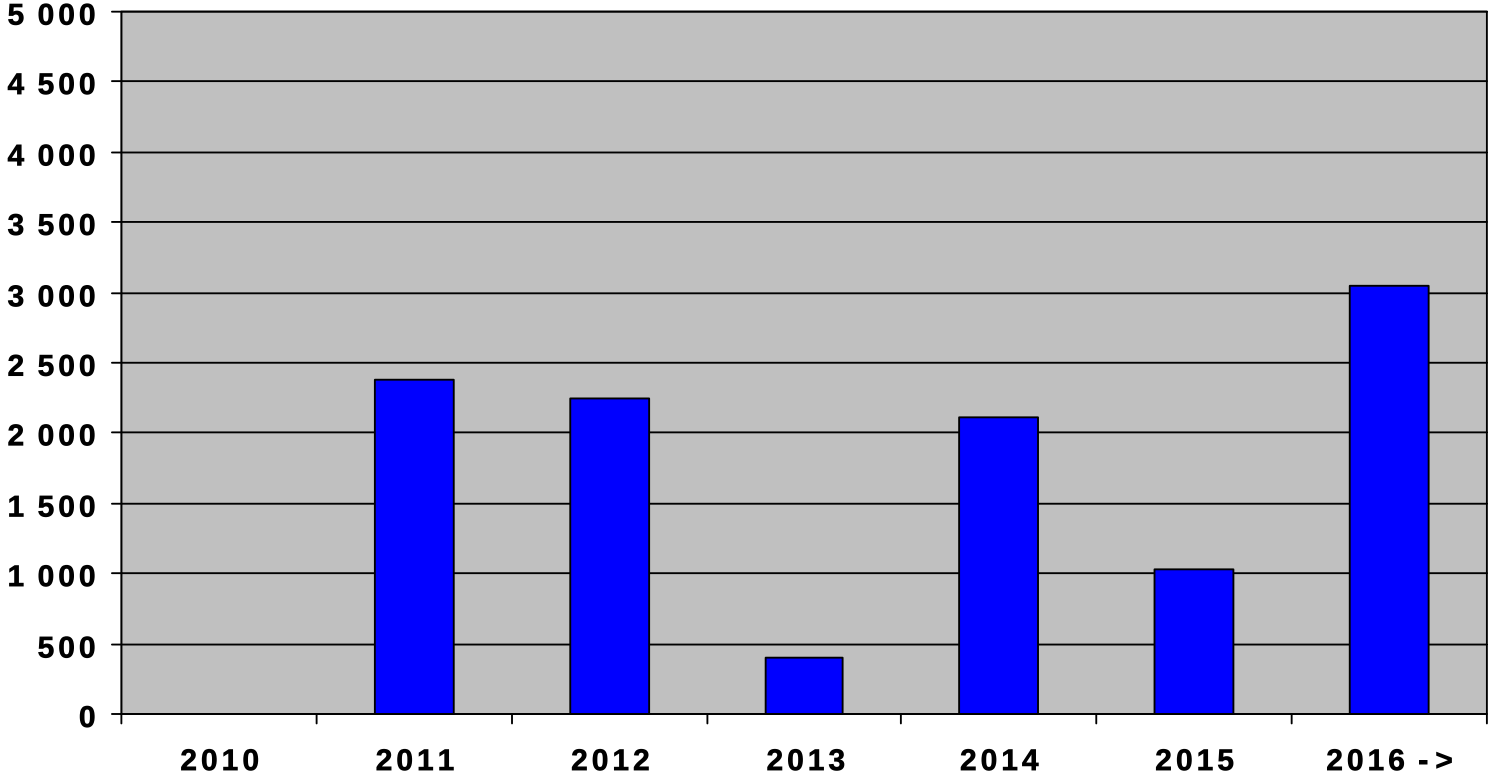


Gearing % and Net Debt MSEK



Maturity Profile Long Term Debt

All long term debt maturing before 2011 refinanced



- **Long term debt = 79% of net debt**
- **Backup facility 12 BSEK not utilized**

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Q2 Report 2009

Johan Molin
President & CEO

Conclusion Q2 2009

- 5% growth
- Strong profit despite recessionary markets
- Continued investments in R&D and market presence
- Agreement to acquire Ditec
- Strong operational cash flow

Short Term Actions 2009

- Stay close to customers – sales force maintained
- Continue investments in new products
- Cost reductions
- Cash and margin focus
- Be ready to react fast on market opportunities

Outlook

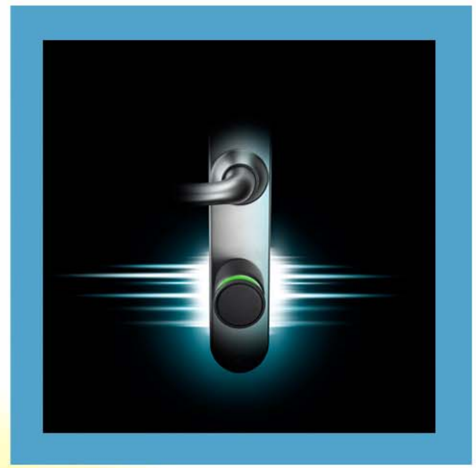
Long Term

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

Outlook for 2009

- Significant construction slowdown in all parts of the world
- Negative organic growth is expected

Q&A



Summary

- Construction in recession throughout the world
- High profit maintained
- Strong savings and currency gains
- Selective acquisition activity
- Continued investments in front end and product development
- No visible improvements in market conditions in H2