ASSA ABLOY

Q3 Report 2009

Johan Molin
President & CEO

Financial Highlights Q3 2009

- **Excellent group profit and market stabilization outside the USA**
  - Good trend EMEA and Asia Pacific
  - Growing sales in China
  - USA continued to weakening
  - Large efficiency gains supported strong EBIT
  - Record cash flow

- **Sales** **8,425 MSEK** **-3%**

  -13% organic, +2% acquired growth, +8% currency

- **EBIT** **1,346 MSEK** **-6%**

  Currency effect +153 MSEK

- **EPS** **2.36 SEK** **-1%**

Financial Highlights Jan-Sep 2009

- **Stable and consistent performance despite recession**
  - Total growth 3%
  - Maintained EBIT through efficiency and currency gains

- **Sales** **26,228 MSEK** **+3%**

  -13% organic, +3% acquired growth, +13% currency

- **EBIT** **4,014 MSEK*** **-1%**

  Currency effect +646 MSEK

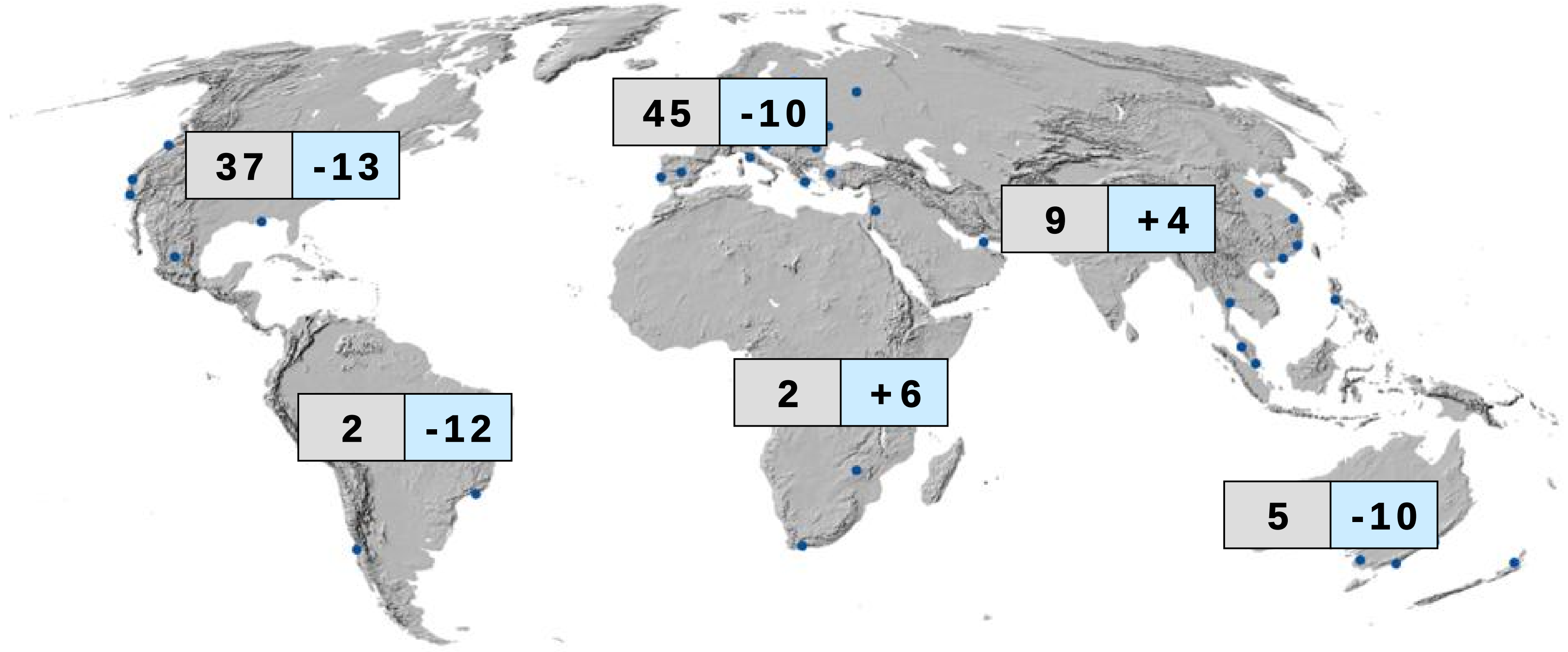
- **EPS** **6,81 SEK** **+1%**

* Excluding restructuring charges of MSEK 109

Sales Highlights Q3

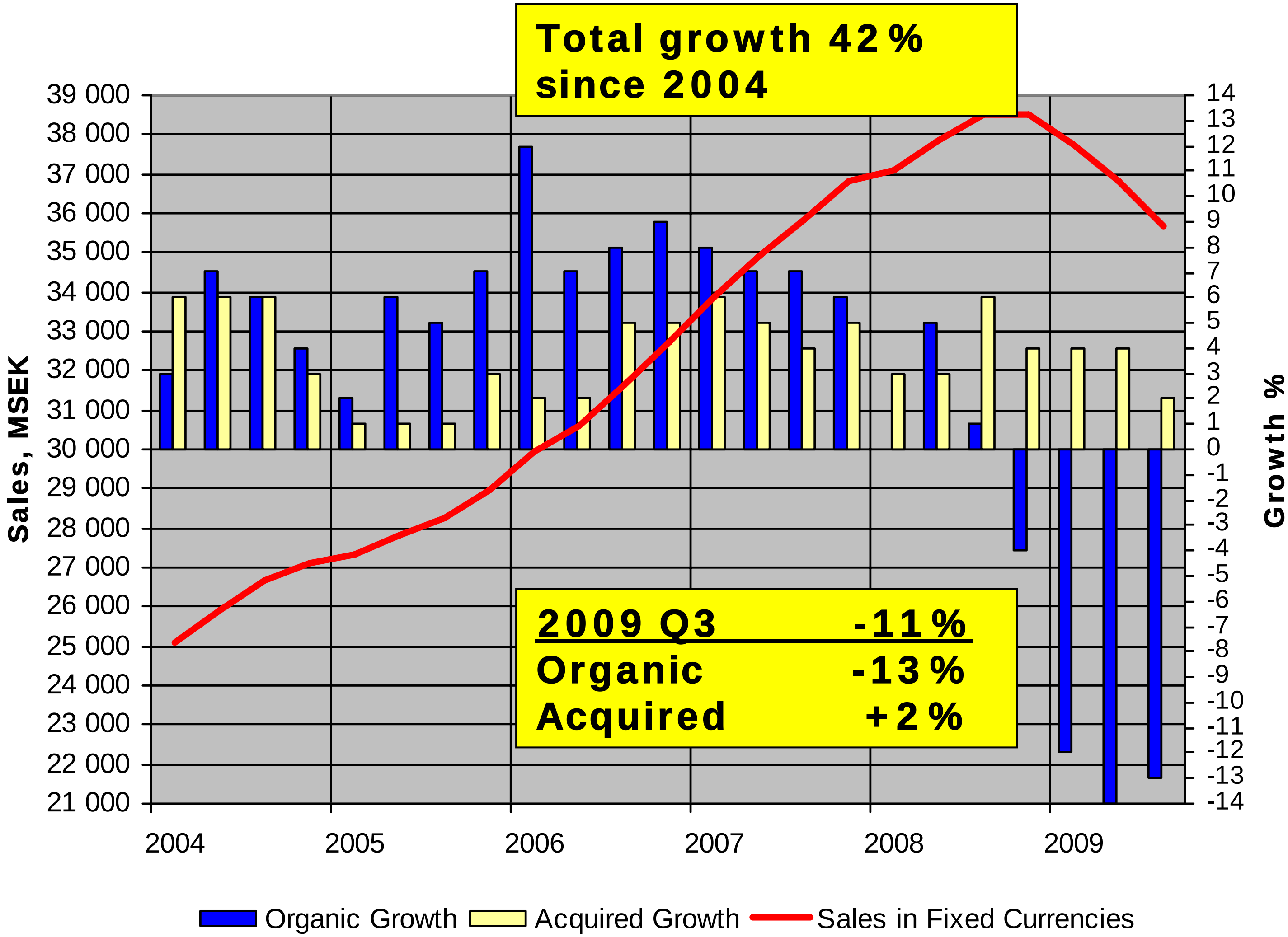
- **Leveling demand in several parts of the world**
  - De-stocking ending
  - China, Africa and Brazil are growing
- **Several exciting launches of fast growing products**
  - Cliq remote first system delivered
  - New electronic commercial lock, Revolution, Americas
  - VertX Hi-O controller in full deliveries
- **Maintained investment in R&D and market presence**
- **Industry consolidation continues**
  - Acquisition of high security door company Pan Pan, China

Group Sales in Local Currencies Jan-Sep 2009

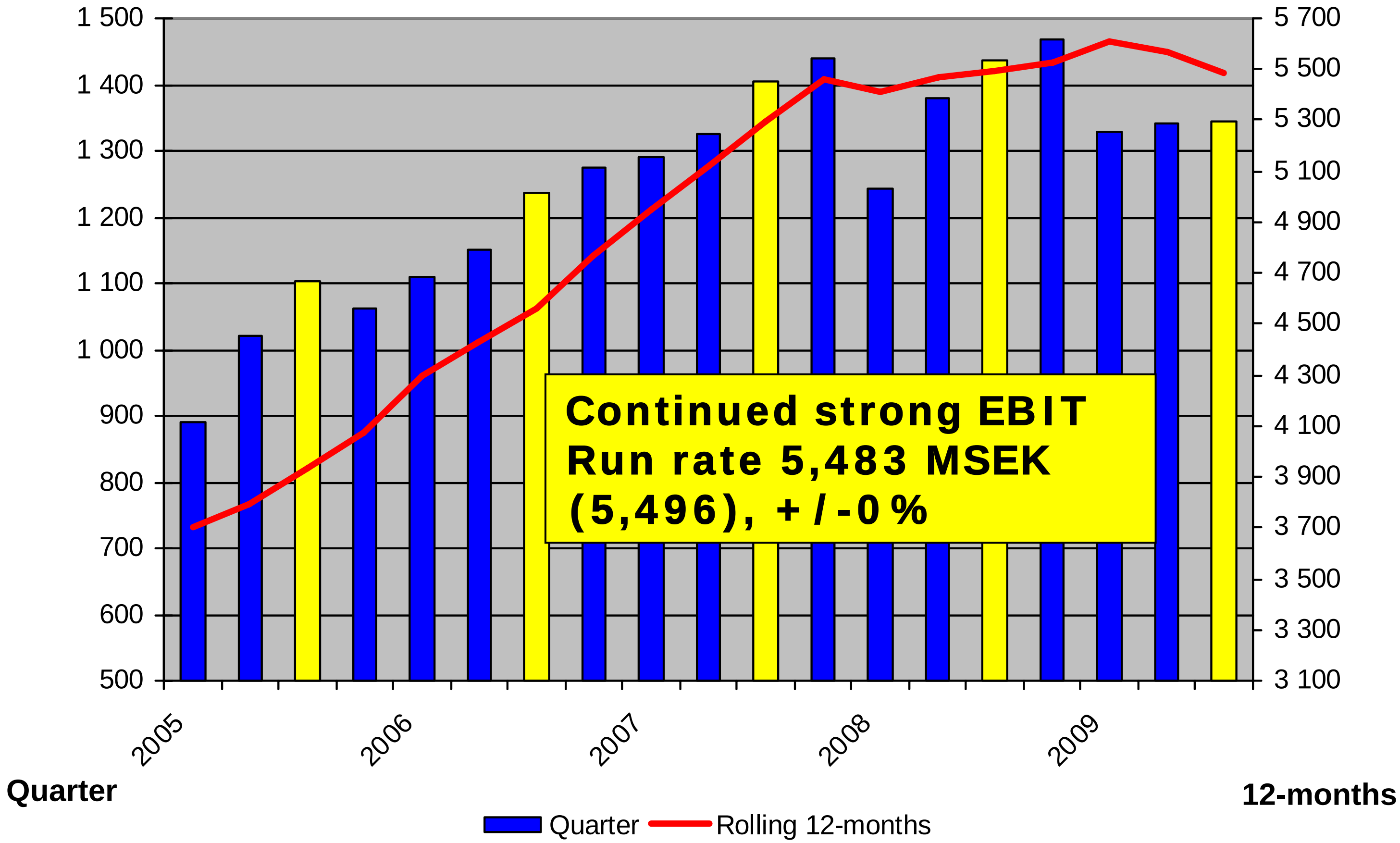


Share of Group sales 2009 YTD, %
Year-to-date vs previous year, %

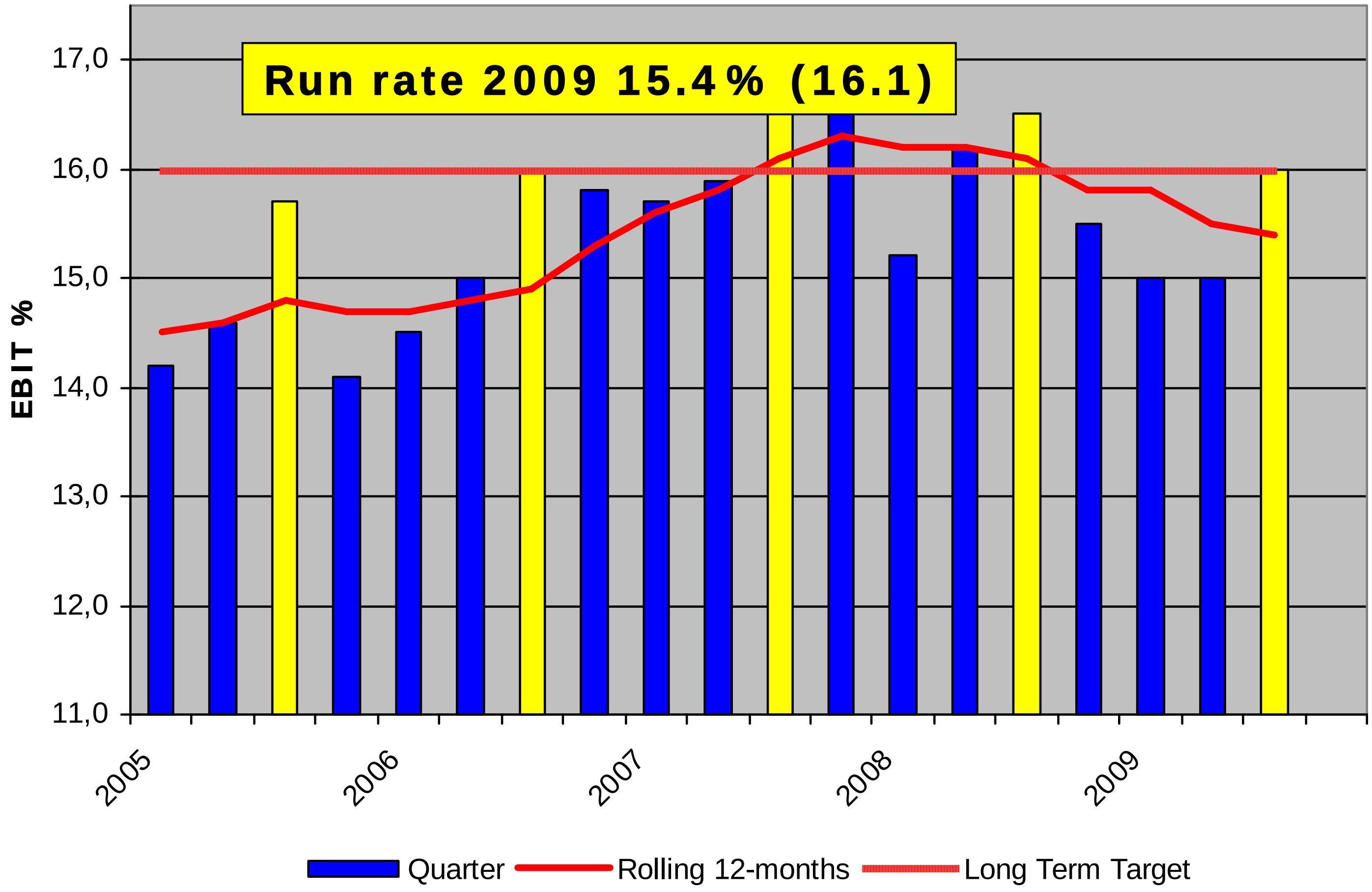
Sales Growth Q3 2009 - Currency Adjusted



Operating Income (EBIT) MSEK

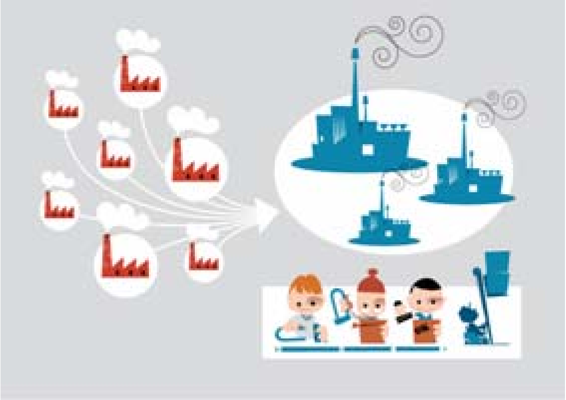


Operating Margin (EBIT)



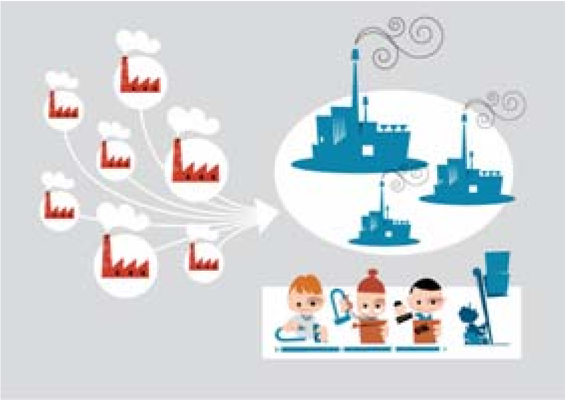
Manufacturing Footprint

- Great improvements achieved in efficiency since start
- Conversion to assembly or closures in high cost countries
- 33 facilities closed to date, 7 to go
- Personnel reduction 4,240p
- 925p more to go, +30% to plan
- 955 MSEK in remaining provision

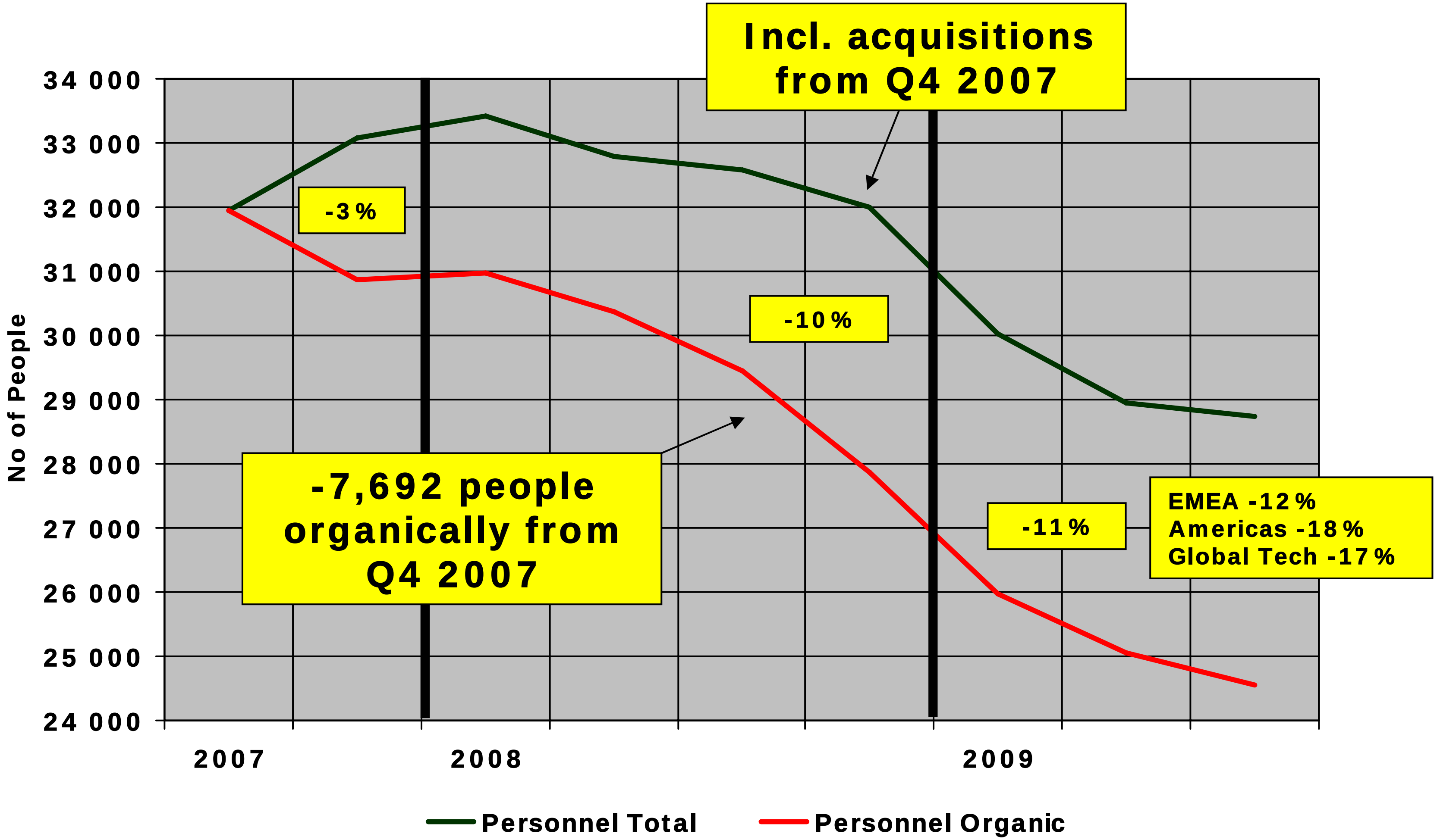


Manufacturing Footprint

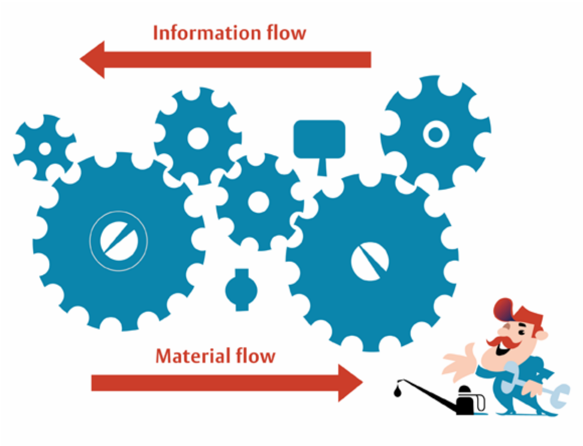
- New study to capitalize on the success and momentum
- Preliminary closure of 7 factories and conversion to assembly of 8 sites
- Estimated cost 800 MSEK and a reduction of 1,100 people in HCC



Personnel Development



Margin Highlights Q3 2009



EBIT margin 16.0% (16.5)

- Volume downturn
- Fixed production costs dilutes

\+ Manufacturing footprint, 33 sites closed

\+ Contingency and manufacturing plans

3,415 people left YTD, 11% less

24% reduction in personnel since downturn

= S, G & A cost reduction, almost in line with sales decline

Acquisitions 2009

- **Selective activity within acquisitions**
- **5 acquisitions carried through YTD**
  – Adds 1,100 MSEK annualized, +3.1%
- **Strategic acquisition of Pan Pan, China**
  – Adds 1,200 MSEK annualized from Q4, +3.4%
- **In total 6 acquisitions**
  – Adds 2,300 MSEK, +6.5%

Pan Pan, China

Sales 1,200 MSEK

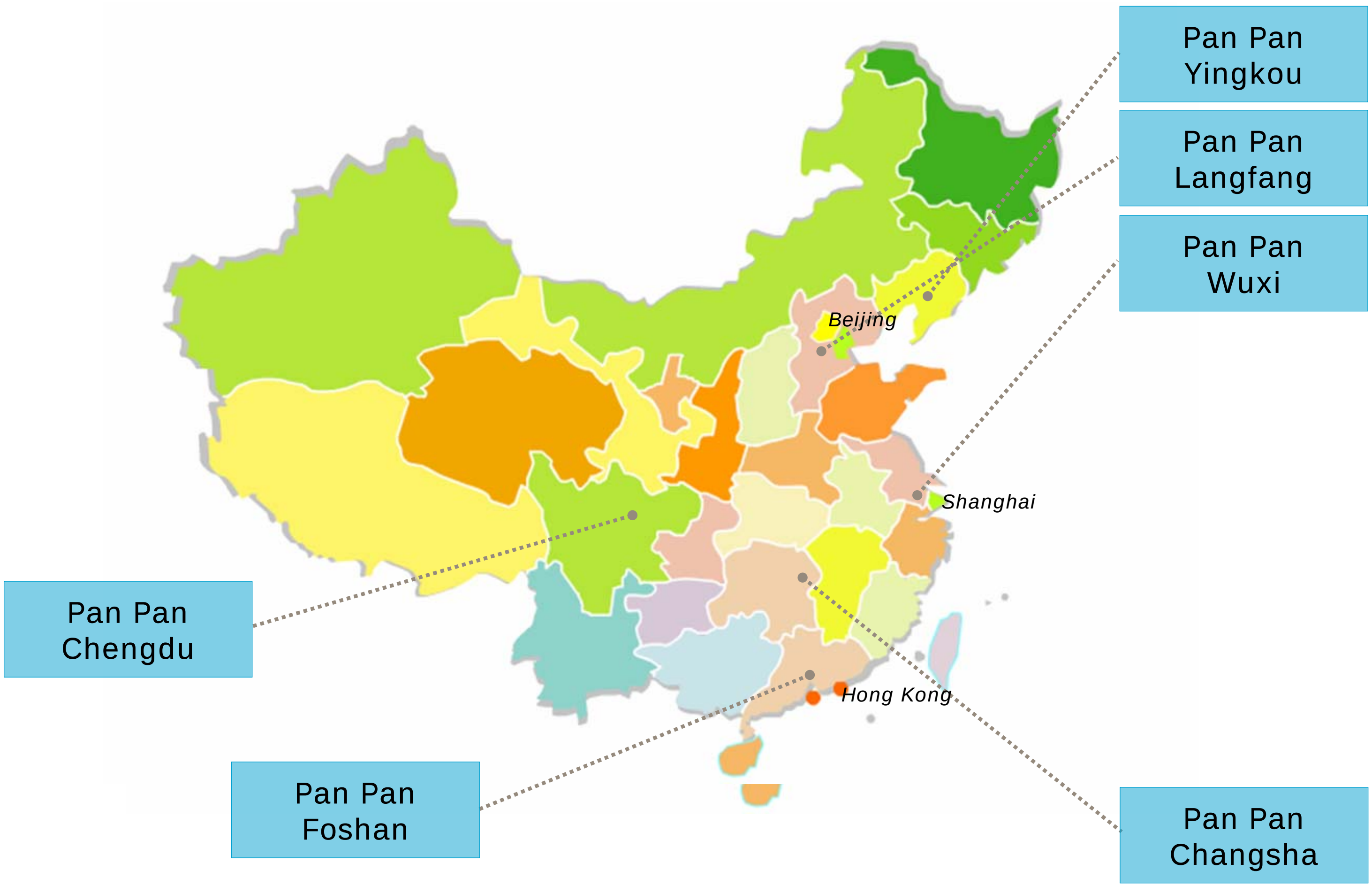
- Strategic move into emerging markets
- High security door market
- Largest manufacturer in China with 6 sites
- Geographical coverage across China
- Highly complementary to Wangli and Tianming
- > 4,000 employees
- Capacity 2.4m doors

PanPan Main Products

Security door	Non-standard door	Stainless steel door	JJ supreme armor door

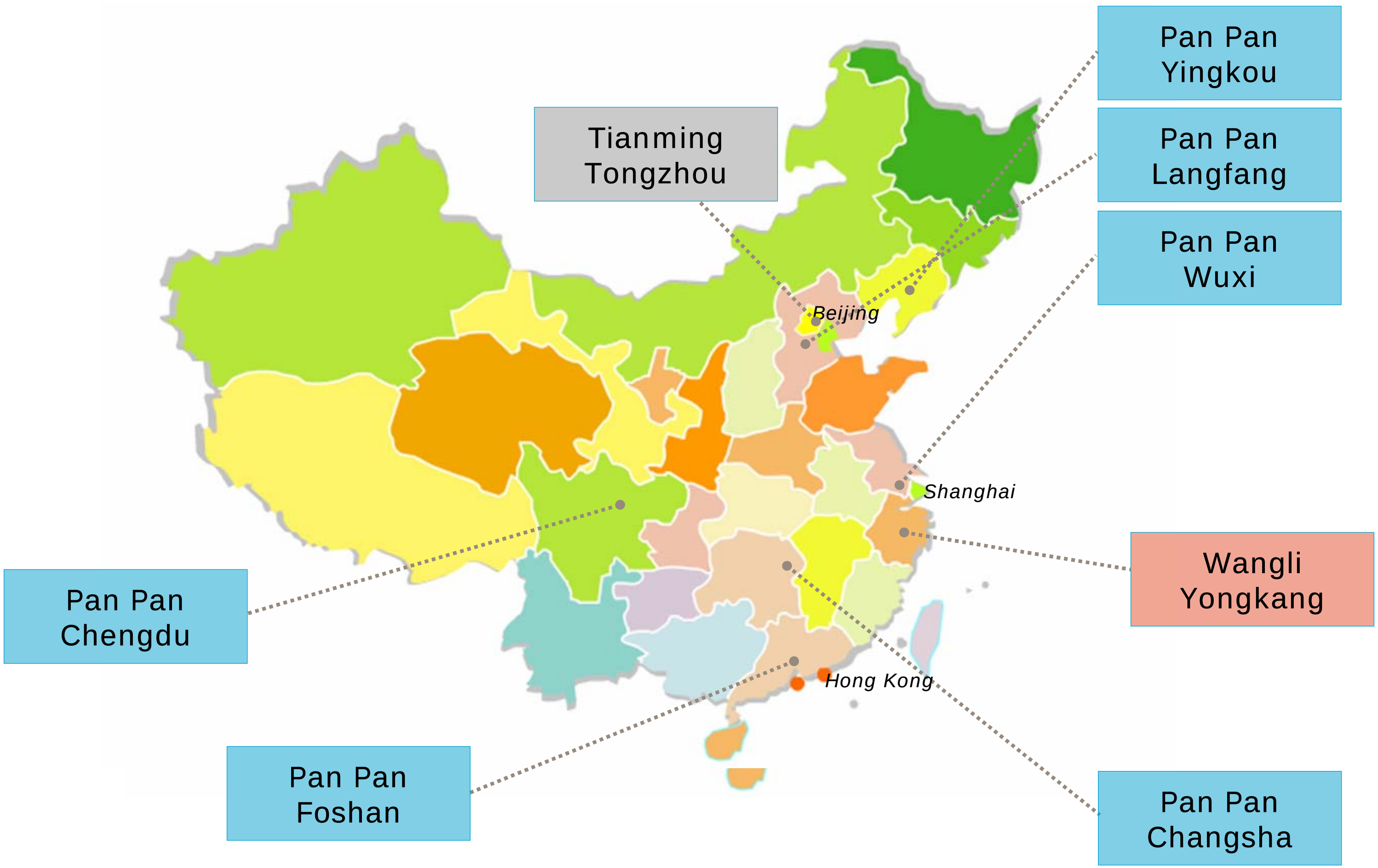
Pan Pan

Good Geographical Coverage



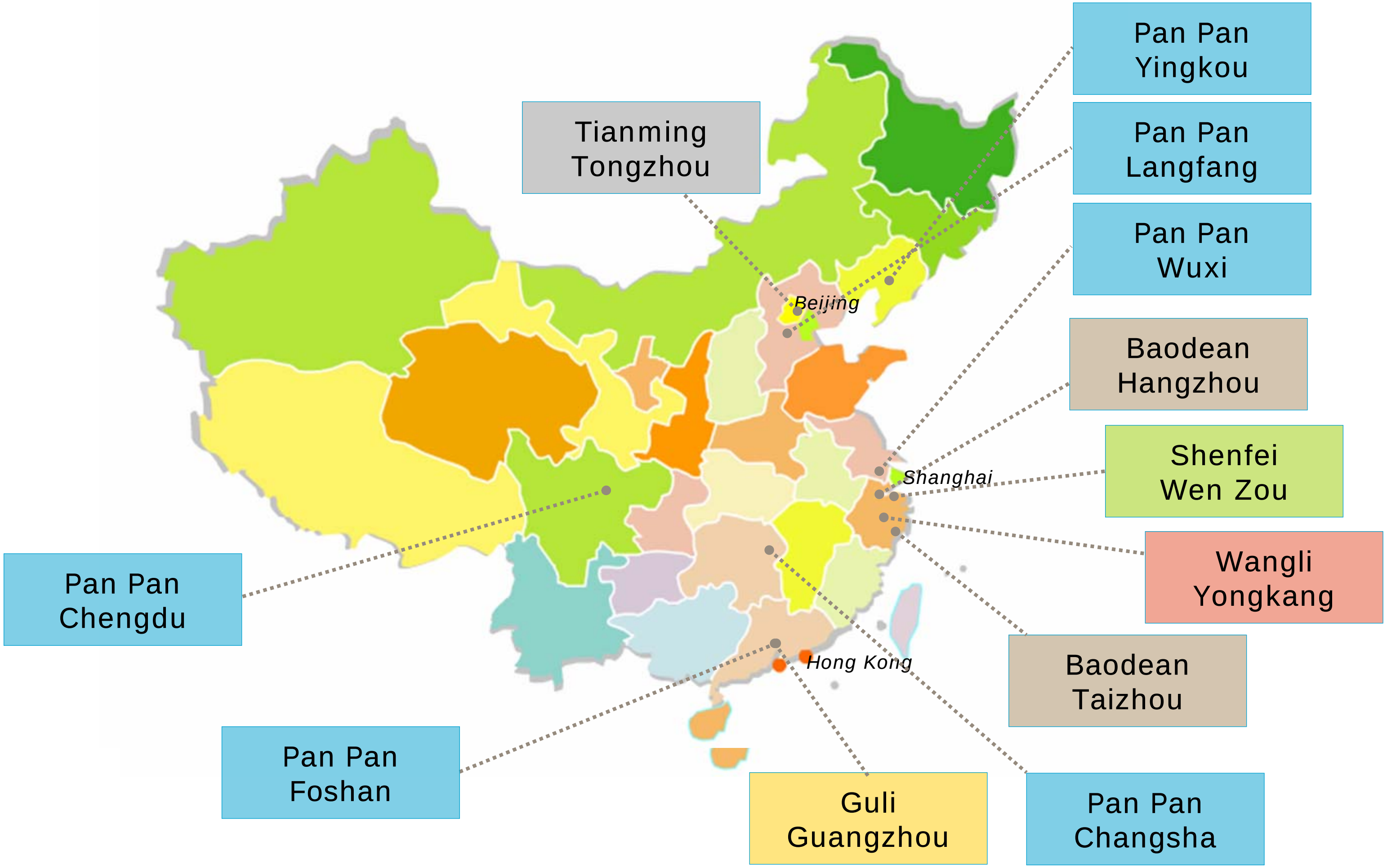
Door Group, China

Market Leadership



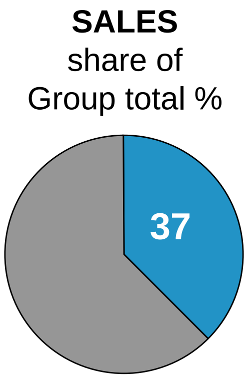
APAC China – Operational Sites

>10,000 people and 3,000 MSEK

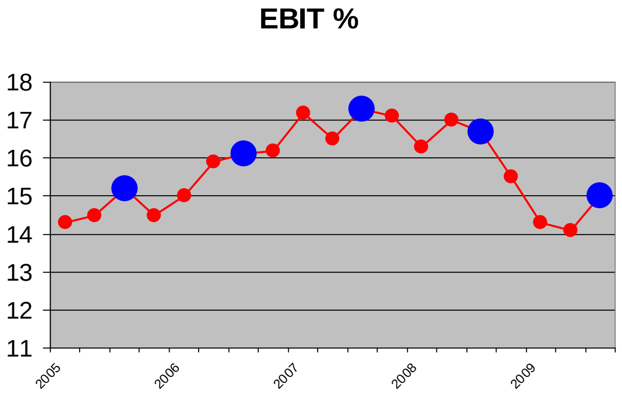


Division - EMEA

- Improved trend in most markets
- Germany, UK , France and Africa are stabilising
- Continued severe downturn in Spain, Italy and EE
- Improved EBIT trend on the back of savings
- Valli&Valli and Gardesa dilutes by 0.4%

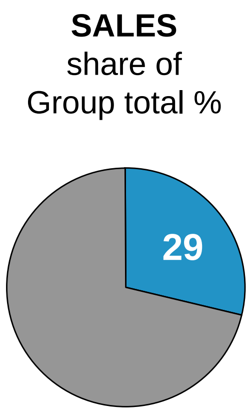


- Operating margin (EBIT)
  - \- Volume -11%
  - \+ Restructuring savings
  - \- Dilution
  - = Raw material positive

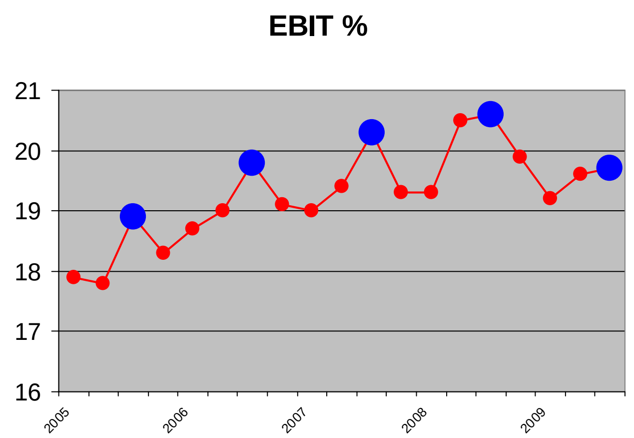


Division - Americas

- Residential and commercial markets down due to lack of construction
- Canada, Mexico and Brazil less hit
- Many construction projects are put on hold
- Strong EBIT Margin through big savings
- Reduction of commercial construction continuous at least 6 months

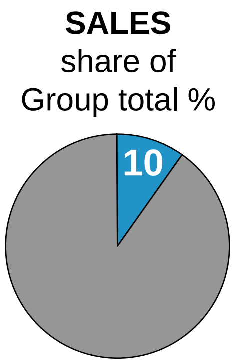


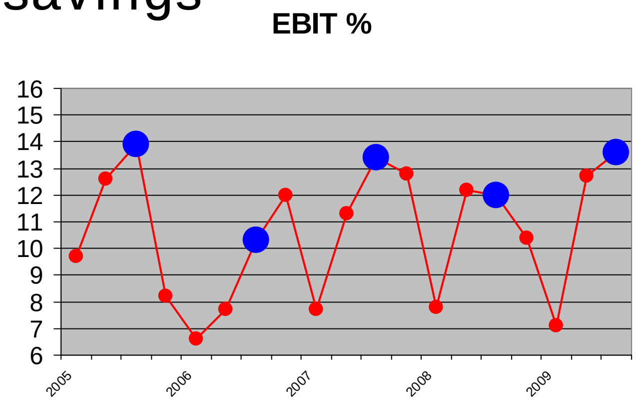
- Operating margin (EBIT)
  = Volume -22%
  + Strong efficiency improvement
  + Raw materials positive



Division - Asia Pacific

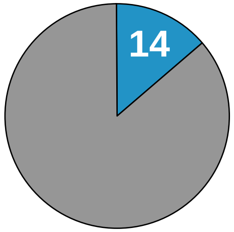
- Improving trend in all regions
- Good growth in China
- Australia and New Zealand flat
- Weak in Korea and production for Europe in decline
- Strong profit improvement thanks to savings
- Operating margin (EBIT)
  - Volume -0%
  - Currency effects AU/NZ, but improving
  + Restructuring savings
  + Raw material





Division - Global Technologies

SALES
share of
Group total %



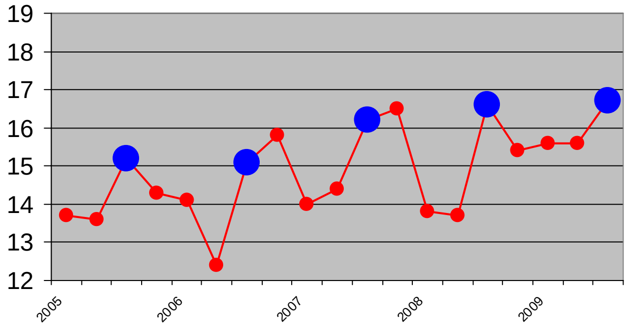
- HID
  - Weak demand in all commercial applications
  - Secure issuance reduced due to low project activity
  - Increased demand of logical access
- IDS, no change of negative trend
- Hospitality market in sharp decline
- Transfers and closures of factories supports profit
- Operating margin (EBIT)

  \+ Volume -19%

  \+ All parts stable on profit

  \+ Restructuring give good effects

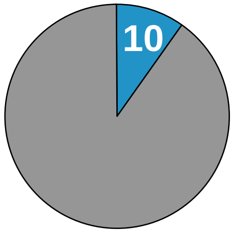
EBIT %



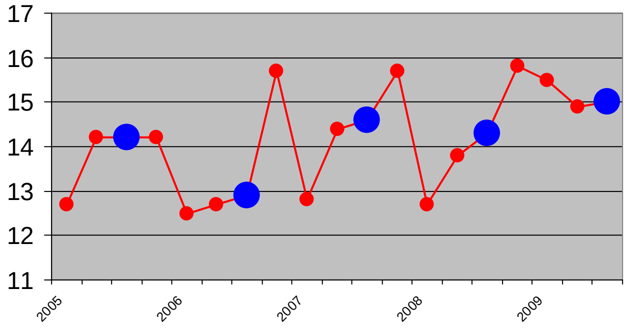
Division - Entrance Systems

- Demand is improving in all parts except USA
- Service sales in healthy growth
- Chinese and Czech manufacturing contributes strongly to the good performance
- Strong profit improvement in the USA due to improved setup
- Ditec reinforces global leadership but dilutes result in Q3 by 1,0 %-unit

SALES
share of
Group total %



EBIT %



- Operating margin (EBIT)
  - \- Volume -2%
  - \+ Manufacturing footprint
  - \+ Raw material

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Q3 Report 2009

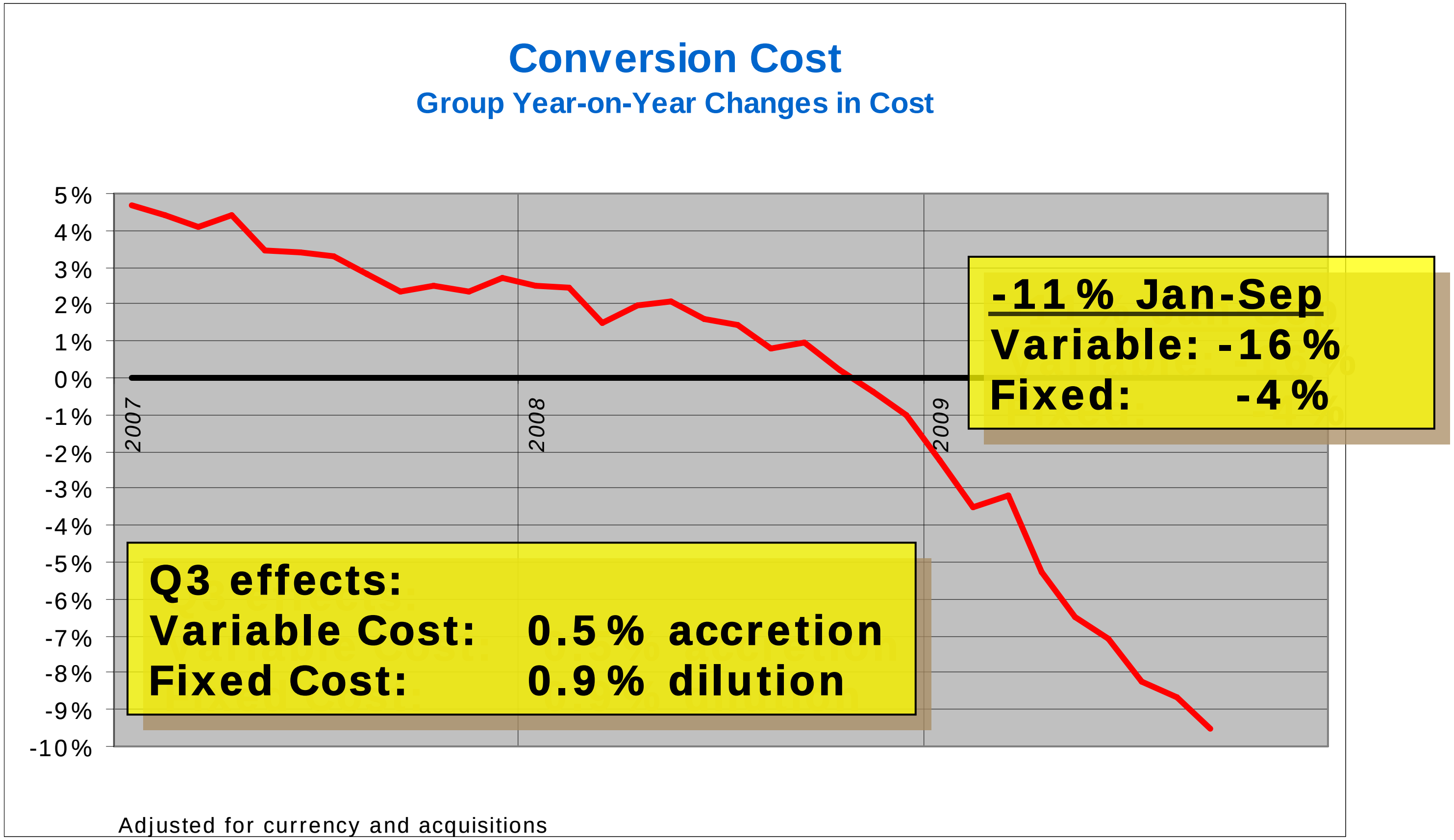
Tomas Eliasson
CFO

Financial Highlights Q3 2009

	3rd Quarter			Nine months		
MSEK	2008	2009	Change	2008	2009	Change
Sales	**8,722**	**8,425**	**-3%**	**25,451**	**26,228**	**+3%**
Whereof						
Organic growth			-13%			-13%
Acquired growth			+2%			+3%
FX-differences		+783	+8%		+3,676	+13%
Operating income (EBIT)*	**1,435**	**1,346**	**-6%**	**4,056**	**4,014**	**-1%**
EBIT-margin (%)*	16.5	16.0		15.9	15.3	
Operating cash flow	**1,189**	**2,125**	**+79%**	**2,852**	**4,547**	**+59%**
EPS (SEK)*	2.38	2.36	-1%	6.76	6.81	1%

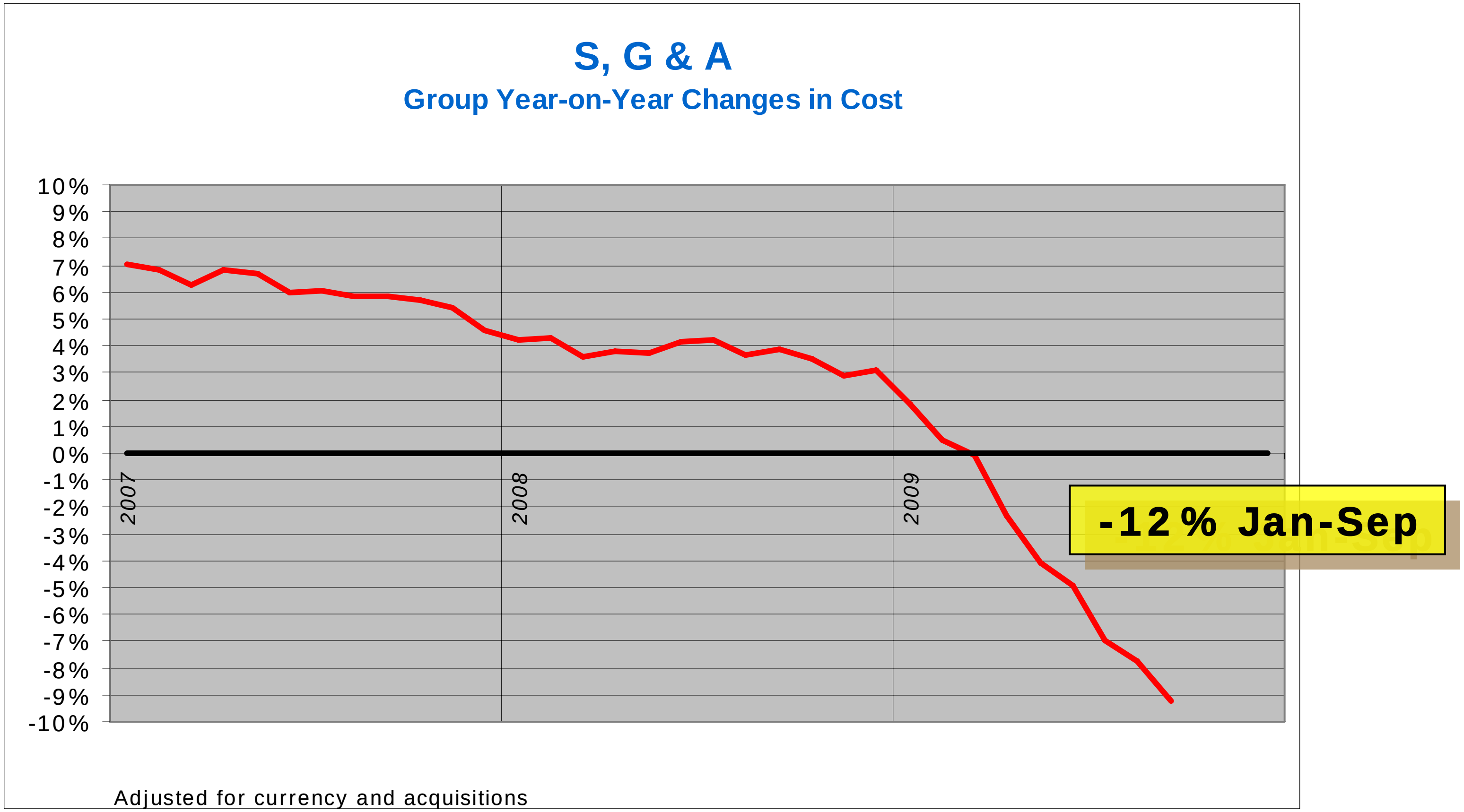
*Excluding restructuring charges of 109 MSEK in Q1 2009 and of 247 in Q3 2008

Cost Development



Conversion cost = all fixed and variable production costs excluding material

Cost Development

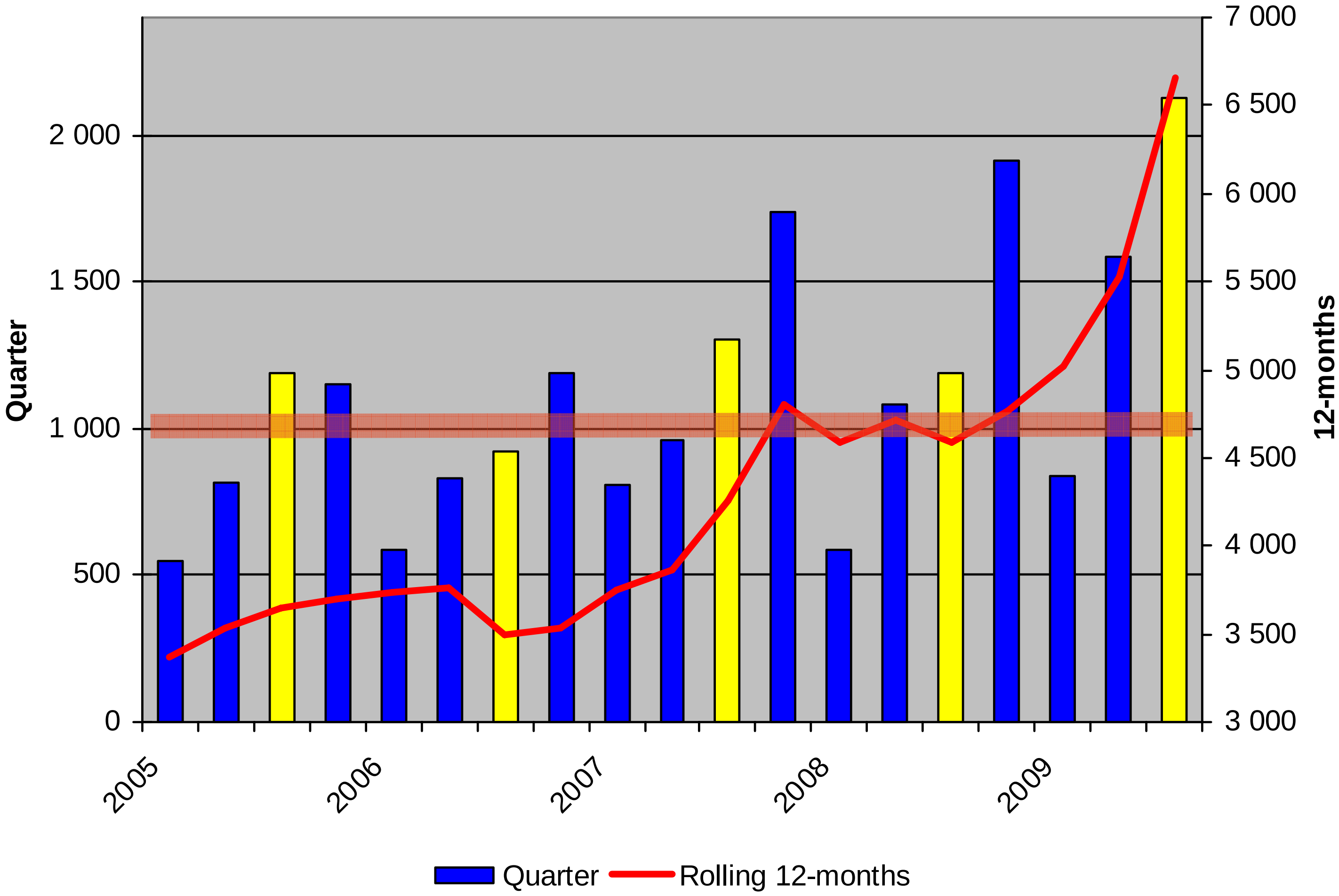


S, G & A cost = Selling, administrative and R&D costs

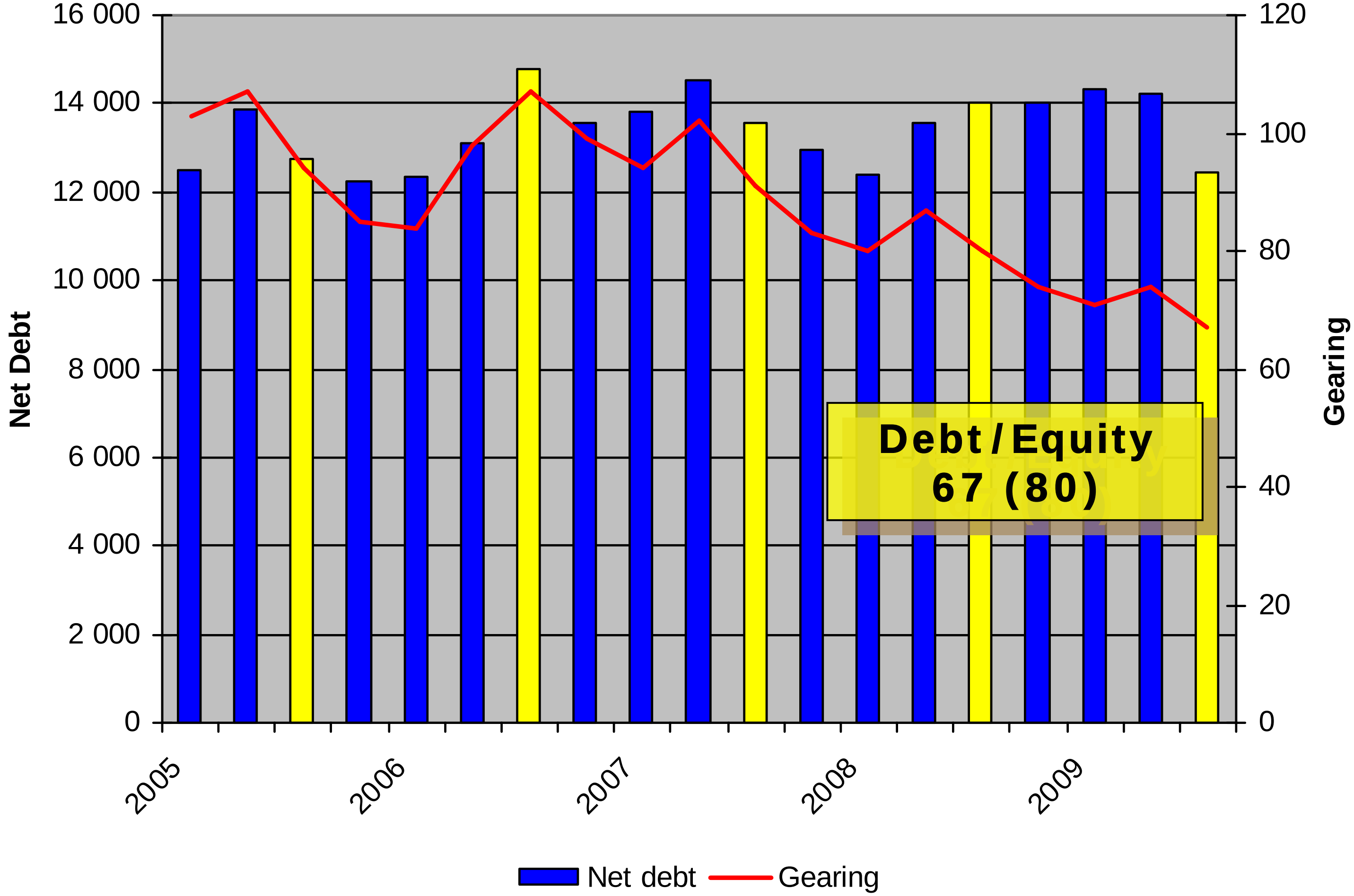
Bridge Analysis – Jan-Sep 2009

MSEK	2008 Jan-Sep	Organic Growth	Currency	Acq/Div	2009 Jan-Sep
ASSA ABLOY Group		-13%	13%	3%	3%
Revenues	25,451	-3,834	3,676	935	26,228
EBIT	4,056	-815	646	127	4,014
%	15.9%	21.3%	17.6%	13.6%	15.3%

Operating Cash Flow, MSEK



Gearing % and Net Debt MSEK



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Q3 Report 2009

Johan Molin
President & CEO

Conclusion Q3 2009

- Levelling of sales outside the USA
- Profit kept on high level despite recession
- Strong operational cash flow
- Maintained investments in R&D and market presence
- Strategic expansion into emerging markets through Pan Pan

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

Conclusion Q3 2009

- Levelling of sales outside the USA
- Profit kept on high level despite recession
- Strong operational cash flow
- Maintained investments in R&D and market presence
- Strategic expansion into emerging markets through Pan Pan
- Acquired growth >6% going into 2010

Capital Markets Day 2009

- London 24 November
- Update on market trends, the strategy and the financials
- Product show with the latest ASSA ABLOY products
- Operational efficiency and Market segmentation
- More info on: www.assaabloy.com