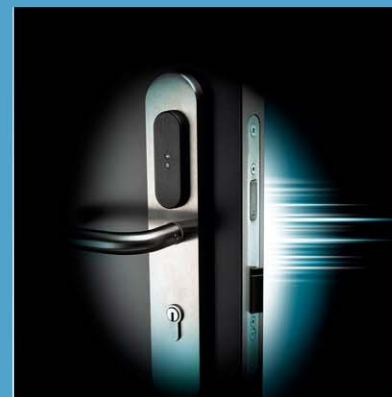


ASSA ABLOY

Q2 Report 2010



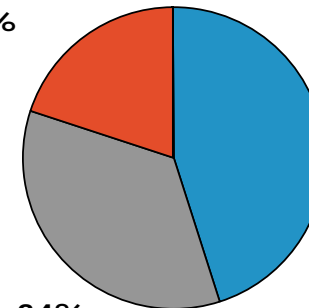
ASSA ABLOY overview

Financials (SEK bn)

Net sales	34.9
EBIT	5.6
Op cash flow	6.7
Net debt	12.6
Market cap	60

Sales by product group Jun 2010

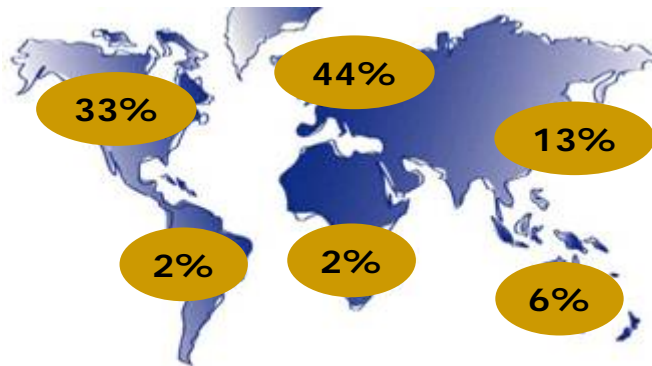
Security doors
& fittings, 21%



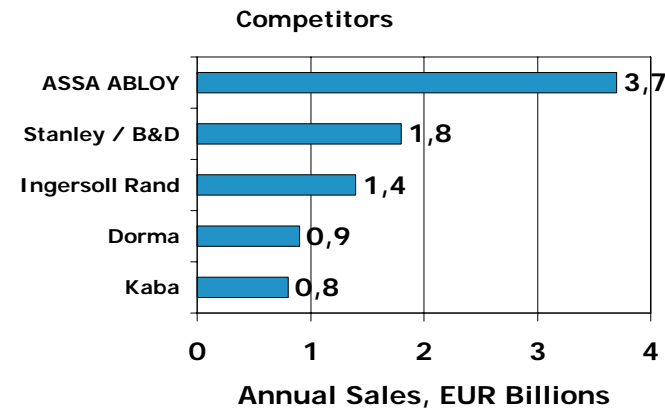
Mech. Locks &
systems, 45%

Electromech &
electronic locks, 34%

Sales by region Jun 2010



Leading market positions



Financial Highlights Q2 2010

- **Record profit and market back to growth**

- APAC and South America in strong growth
- EMEA was growing and US sales decline was limited to -4%
- Margin expansion due to efficiency improvement
- Acquisition of King and Paddock

▪ Sales	9,356 MSEK	+5%
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+2% organic, +8% acquired growth, -5% currency

▪ EBIT	1,515 MSEK	+13%
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Currency effect -66 MSEK

▪ EPS	2.74 SEK	+22%
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Reduced tax rate

Financial Highlights H1 2010

- **Strong first half despite weak construction**
- **Sales** **17 701 MSEK** **0%**
-1% organic, +6% acquired growth, -5% currency
- **EBIT** **2,810 MSEK** **+5%**
Currency effect -164 MSEK
- **EPS** **5.10 SEK** **+15%**
Reduced interest and tax rate

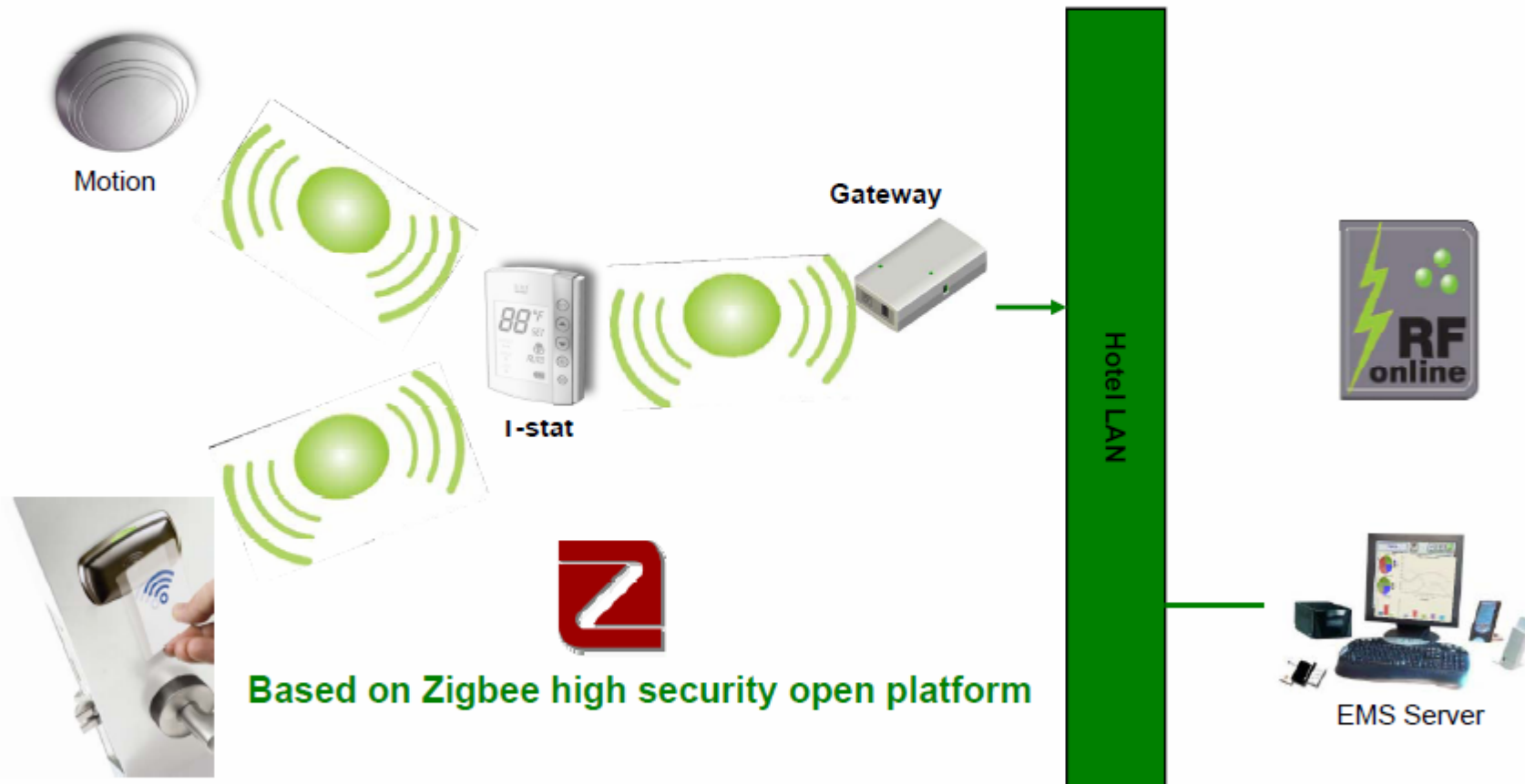
Sales Highlights Q2

- Sales force additions in all regions
- New generation of digital door locks beats expectations
- ABLOY in strong growth due to new (elmech) products
- Orion - Hotel energy management system launched
- Good activity of acquisitions

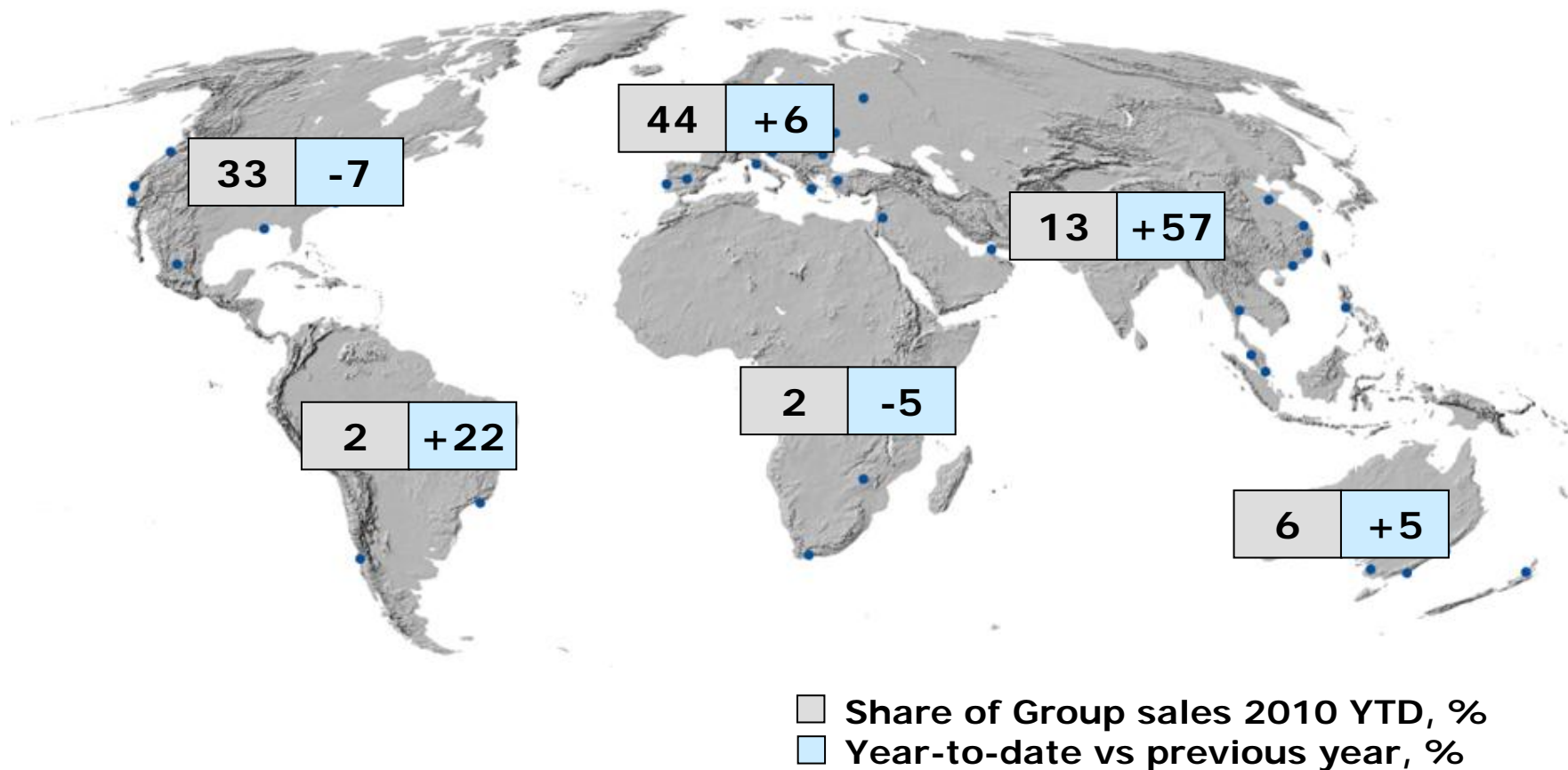


Orion System

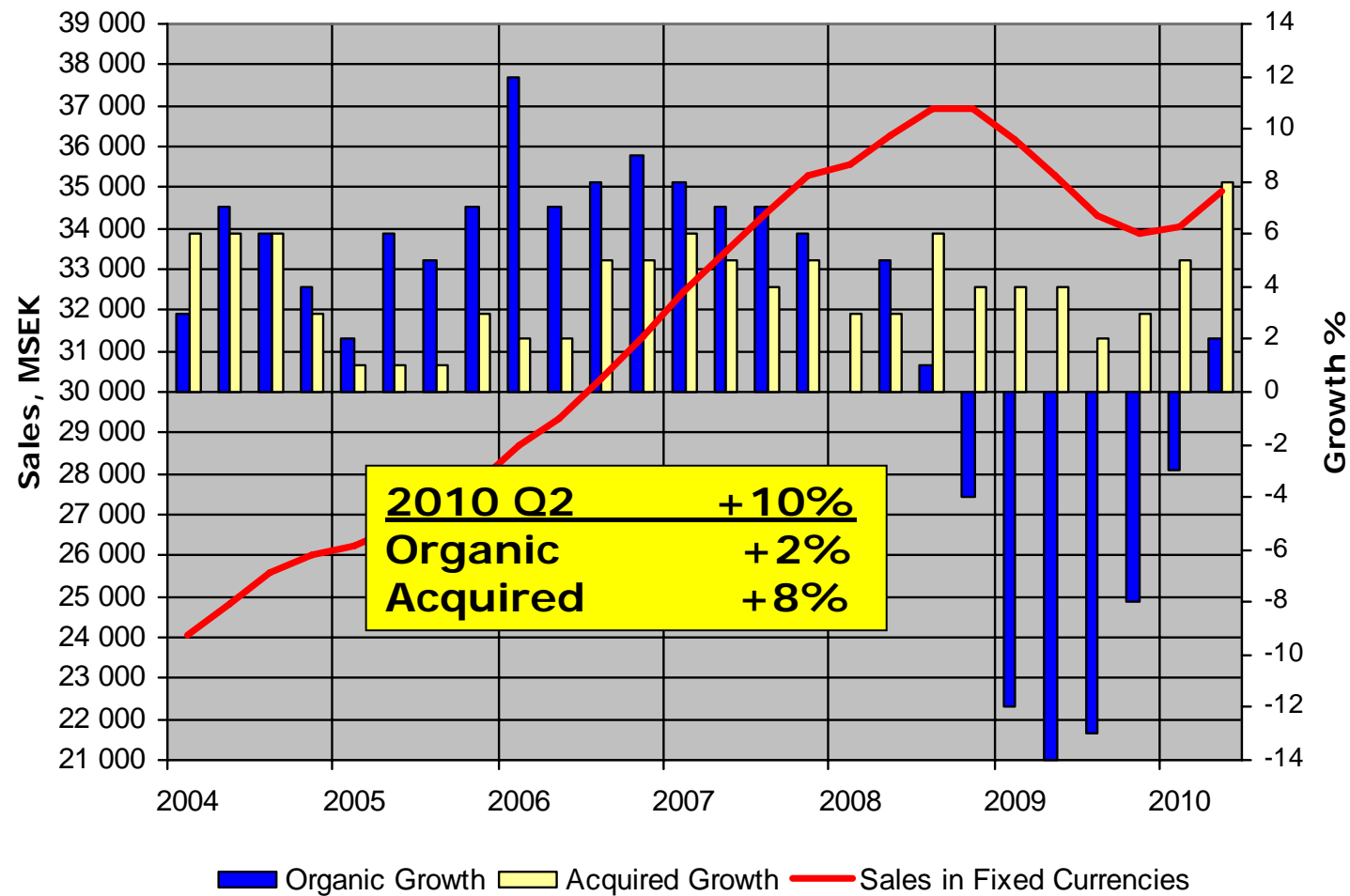
30% energy saving



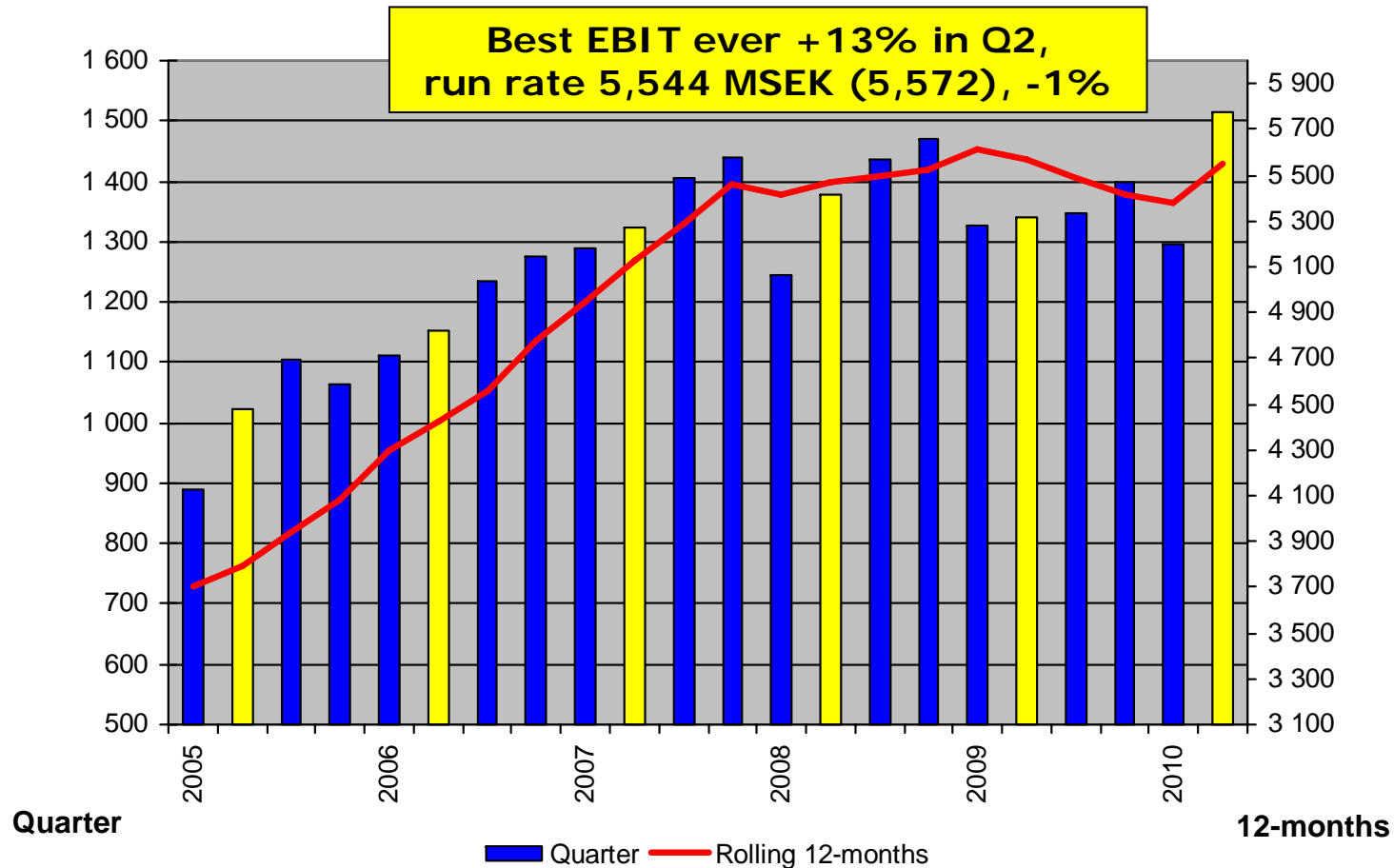
Group Sales in Local Currencies Jan-Jun 2010



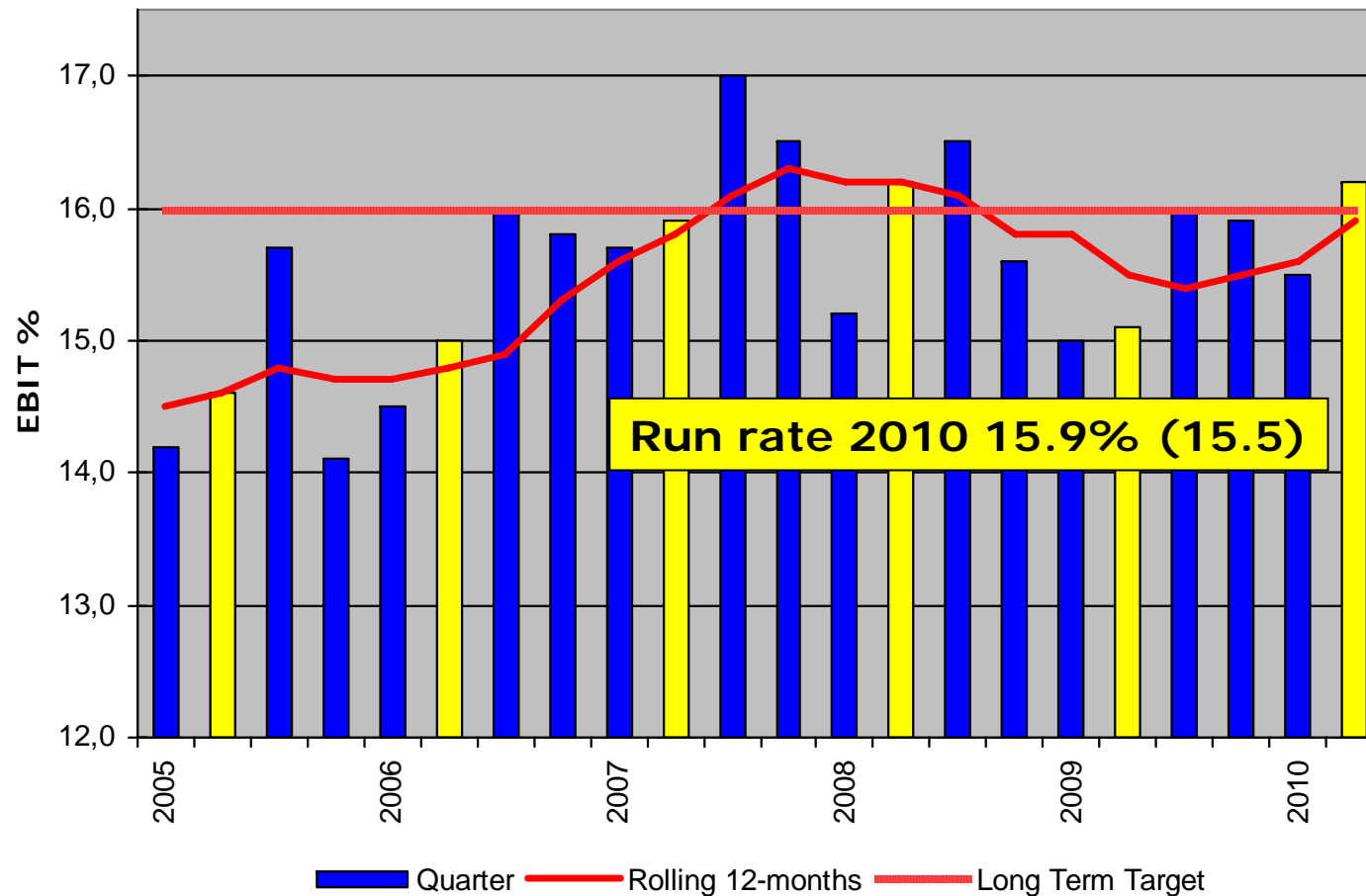
Sales Growth Q2 2010 - Currency Adjusted



Operating Income (EBIT) MSEK



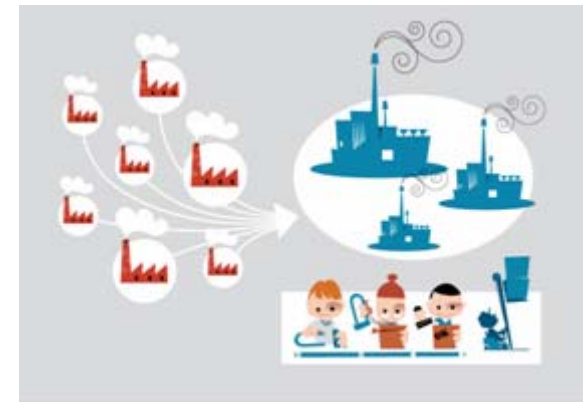
Operating Margin (EBIT)



Manufacturing Footprint

- Conversion to assembly or closures in high cost countries
 - 37 factories closed to date, 14 to go
 - 27 factories converted to assembly, 27 to go
 - 10 offices closed, 15 to go
- Consolidation of core production to China and Eastern Europe
- Personnel reduction 4,988p, +16% to plan
- 1,423p more to go

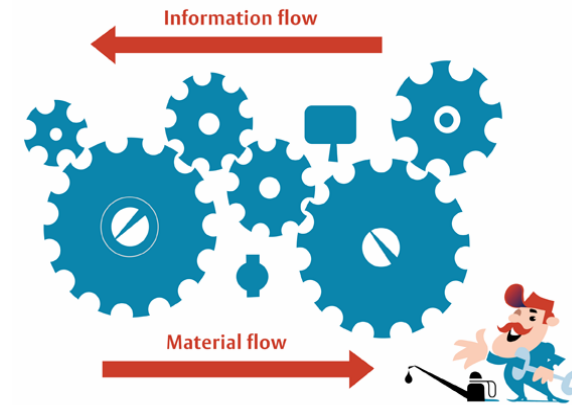
→ 1,216 MSEK remains at the end of the second quarter for all three programs



Margin Highlights Q2 2010

EBIT margin 16.2% (15.1)

- Volume increase of 1%, Price 1%
- Acquisition dilution of -0.2%
- Negative mix effect due to growth in emerging markets -0.2%
- + Manufacturing footprint gives good contribution
- + S, G & A cost declining, 24.0%



Acquisitions 2010

- **Fully active on acquisitions**
 - Growing pipeline with target 5% growth
- **9 acquisitions completed in 2010**
 - Pan Pan, China
 - King Door Closer, Korea
 - Hunter Automatics, Canada
 - Paddock, UK (approval pending)



→ **Annualized 2,495 MSEK, +7.1%**

King, Korea

- Another strategic move into emerging markets
- Market leader in Korea on door closers
- Based in Seoul
- Gives good access to specification market
- Complements Shenfei, China
- Adds good export in Asia and Middle East
- 270 employees and SEK 300 M sales



Paddock, UK

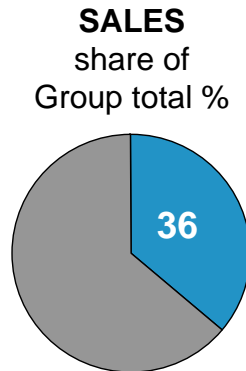
Paddock
Innovators in hardware

- Complementary on high security locks in the UK
- Fast growing segment with good profit level
- Bolt on to present business with good synergies
- Creates critical mass for export activities
- Located in Birmingham 7 km from ASSA ABLOY
- 240 employees and SEK 350 M sales

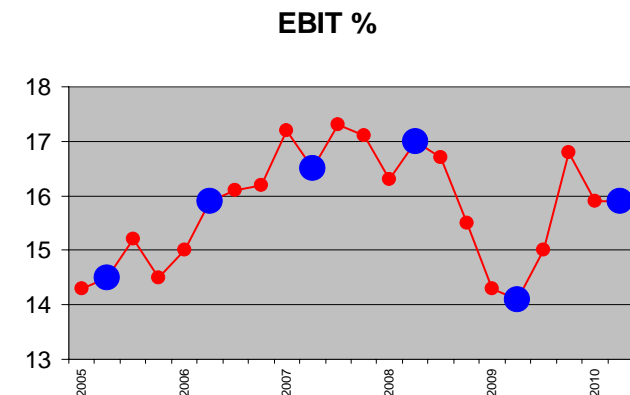


Division - EMEA

- Continued recovery throughout the region
- Spain and Italy growing after long decline
- Weak trend in Eastern Europe and UK
- Many new product launches
- Pricing and savings compensated raw material and weak Euro



- Operating margin (EBIT)
 - + Volume 3%
 - + Good response to new products
 - + Restructuring savings
 - Material costs increasing



EMEA Financial Review

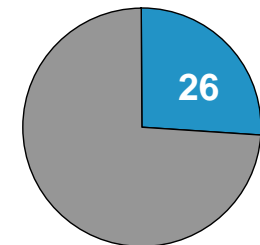
MSEK	2nd Quarter			Half Year		
	2009	2010	Change	2009	2010	Change
Sales	3,445	3,311	-4%	6,903	6,607	-4%
<i>Organic growth</i>			+3%			+2%
<i>Acquired growth</i>			+1%			0%
EBIT*	489	525	+7%	985	1,050	+7%
EBIT-margin (%)*	14.2	15.9		14.3	15.9	
RoCE (%)	15.9	19.9		15.3	19.8	
Operating cash flow before paid interest	597	613	+3%	938	1,043	+11%

* Excluding restructuring and one off charges of 0 MSEK (109) in Q1

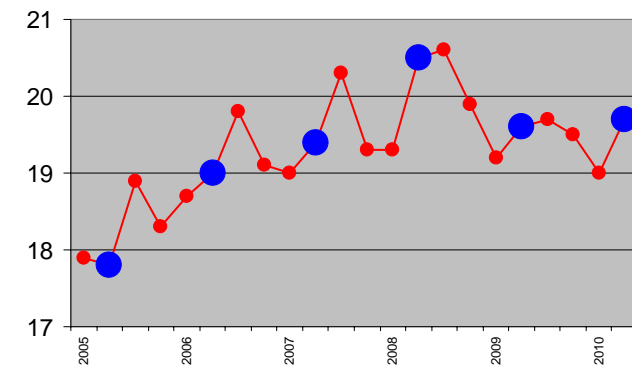
Division - Americas

- Levelling decline of doors, architectural hardware and high end residential
- Good growth of high security and electromechanics
- South America and Mexico strongly growing
- Strong EBIT performance from Cerracol and Schaub
- Efficiency gains maintains EBIT on high level
- Operating margin (EBIT)
 - Volume -4%
 - + Strong efficiency improvement
 - Raw materials increasing

SALES
share of
Group total %



EBIT %



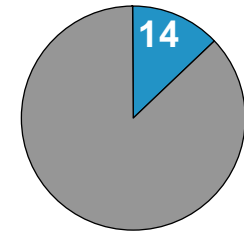
Americas Financial Review

MSEK	2nd Quarter			Half Year		
	2009	2010	Change	2009	2010	Change
Sales	2,615	2,503	-4%	5,357	4,708	-12%
<i>Organic growth</i>			-4%			-7%
<i>Acquired growth</i>			+2%			+1%
EBIT	512	493	-4%	1,038	912	-12%
EBIT-margin (%)*	19.6	19.7		19.4	19.4	
RoCE (%)	20.9	21.6		20.7	20.5	
Operating cash flow before paid interest	857	586	-32%	1,344	906	-33%

Division - Asia Pacific

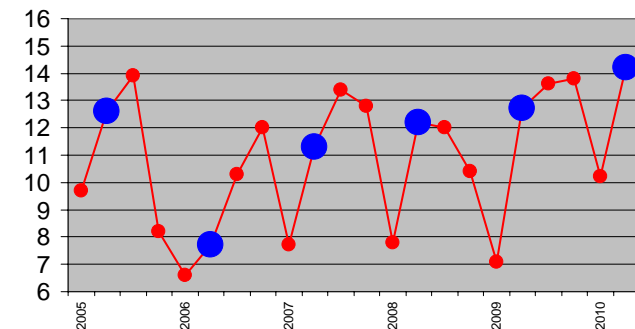
- Strong organic growth in all parts
- Success for new digital locks in Korea
- Expansion of capacity concluded in China
- Investment in market coverage
- No dilution from Pan Pan and King

SALES
share of
Group total %



- Operating margin (EBIT)
 - + Volume +18%
 - + Currency effects
 - + Restructuring savings
 - Raw material

EBIT %



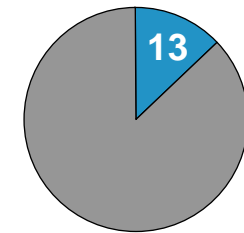
Asia Pacific Financial Review

MSEK	1st Quarter			Half Year		
	2009	2010	Change	2009	2010	Change
Sales	963	1,566	+63%	1,723	2,580	+50%
<i>Organic growth</i>			+18%			15%
<i>Acquired growth</i>			+41%			+32%
EBIT	123	222	+93%	177	326	+29%
EBIT-margin (%) [*]	12.7	14.2		10.3	12.6	
RoCE (%)	16.4	20.3		12.2	17.2	
Operating cash flow before paid interest	221	57	-76%	255	56	-74%

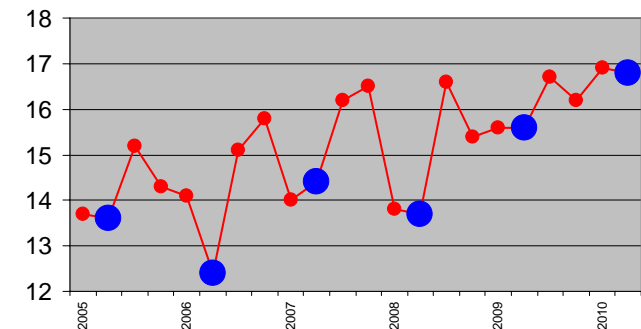
Division - Global Technologies

- Strong growth in HID
 - Access control back to strong growth
 - Integration with logical access increasingly popular
 - Identification solutions in strong demand
 - Solid profitability
- Hospitality, decline continued in the quarter
 - Growing quotations gives hope for H2
 - Savings and move to China supports profit
- Operating margin (EBIT)
 - + Volume +5%
 - + All business units profitable

SALES
share of
Group total %



EBIT %

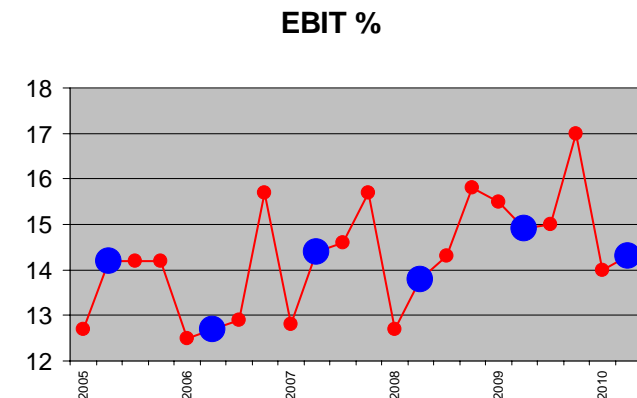
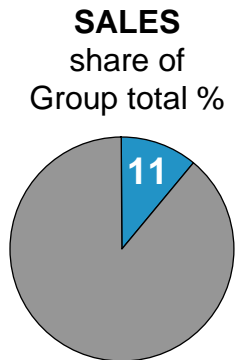


Global Technologies Financial Review

MSEK	2nd Quarter			Half Year		
	2009	2010	Change	2009	2010	Change
Sales	1,235	1,240	+0%	2,509	2,325	+0%
<i>Organic growth</i>			+5%			+5%
<i>Acquired growth</i>			+0%			+0%
EBIT	194	208	+7%	393	392	-0%
EBIT-margin (%)*	15.7	16.8		15.7	16.8	
RoCE (%)	12.1	14.5		12.6	13.7	
Operating cash flow before paid interest	234	204	-13%	323	323	+0%

Division - Entrance Systems

- Continued decline of prime equipment
 - Service operations compensates to large extent
 - Quotation levels improving
 - Strong efficiency gains in manufacturing
 - Weak demand for Ditec in Southern Europe
 - Ditec dilutes by 2.5 %-unit
-
- Operating margin (EBIT)
 - Volume -2%
 - + Efficiency gains
 - Dilution Ditec



Entrance Systems Financial Review

MSEK	2nd Quarter			Half Year		
	2009	2010	Change	2009	2010	Change
Sales	863	1,012	+17%	1,685	1,966	+17%
<i>Organic growth</i>			-2%			-3%
<i>Acquired growth</i>			+25%			+26%
EBIT	128	145	+13%	256	278	+9%
EBIT-margin (%)	14.9	14.3		15.2	14.2	
RoCE (%)	15.1	13.6		14.9	13.0	
Operating cash flow before paid interest	149	106	-29%	390	275	-29%

Financial Highlights Q2 2010

MSEK	2nd Quarter			Half Year		
	2009	2010	Change	2009	2010	Change
Sales	8,899	9,356	+5%	17,758	17,701	+0%
<i>Whereof</i>						
Organic growth			+2%			-1%
Acquired growth			+8%			+6%
FX-differences		-379	-5%		-1,024	-5%
Operating income (EBIT)*	1,340	1,515	+13%	2,668	2,810	+5%
EBIT-margin (%)*	15.1	16.2		15.0	15.9	
Operating cash flow	1,584	1,440	-9%	2,422	2,310	-5%
EPS (SEK)*	2.25	2.74	+22%	4.45	5.10	+15%

*Excluding restructuring and one off charges of 0 MSEK (109) in Q1

P&L – Components as % of Sales

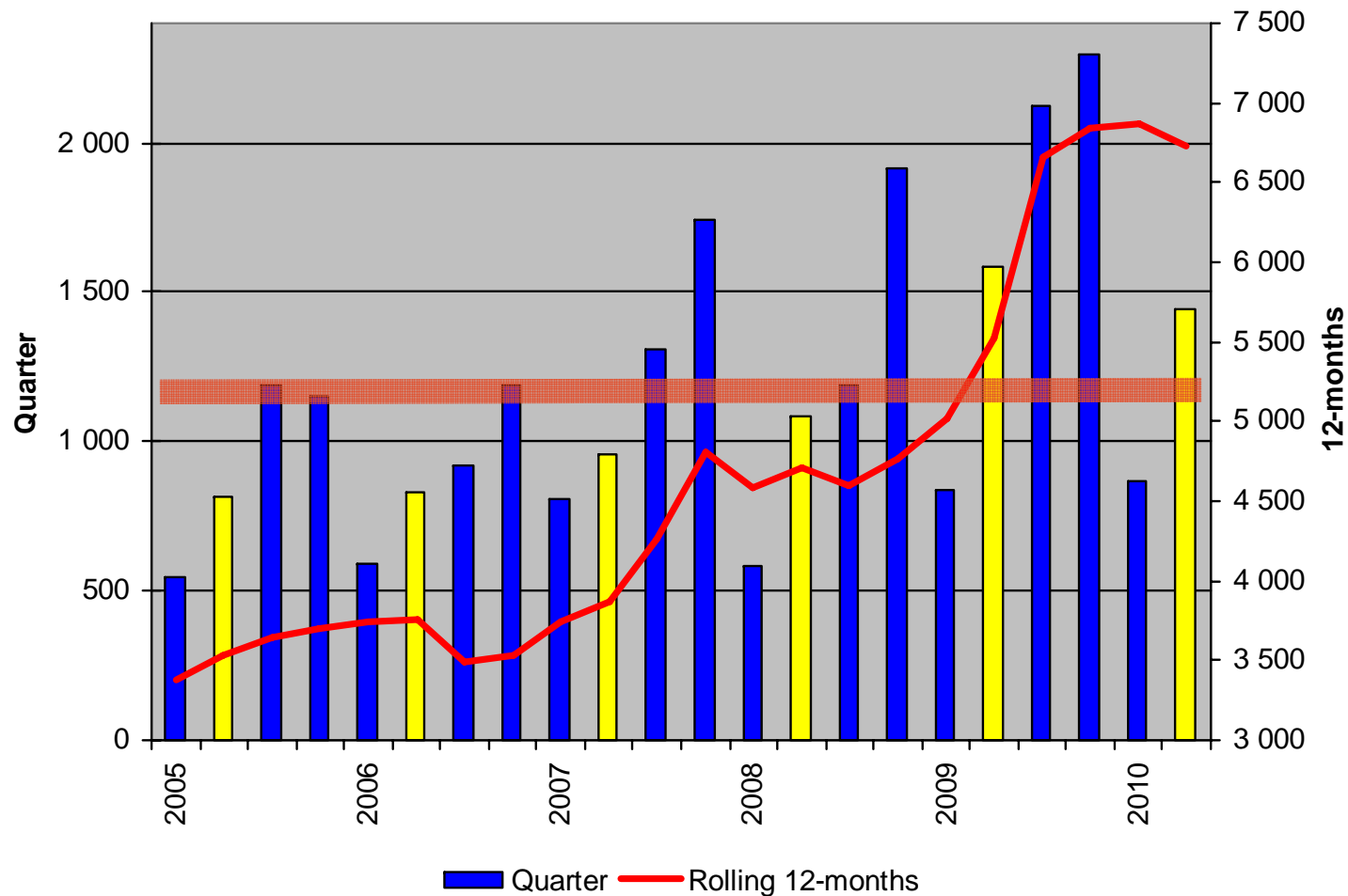
Q2 Year-on-Year

	2009	2010
■ Direct material	33.1%	33.5%
■ Conversion costs	<u>27.5%</u>	<u>26.3%</u>
■ Gross Margin	39.4%	40.2%
■ S, G & A	<u>24.3%</u>	<u>24.0%</u>
■ EBIT	15.1%	16.2%

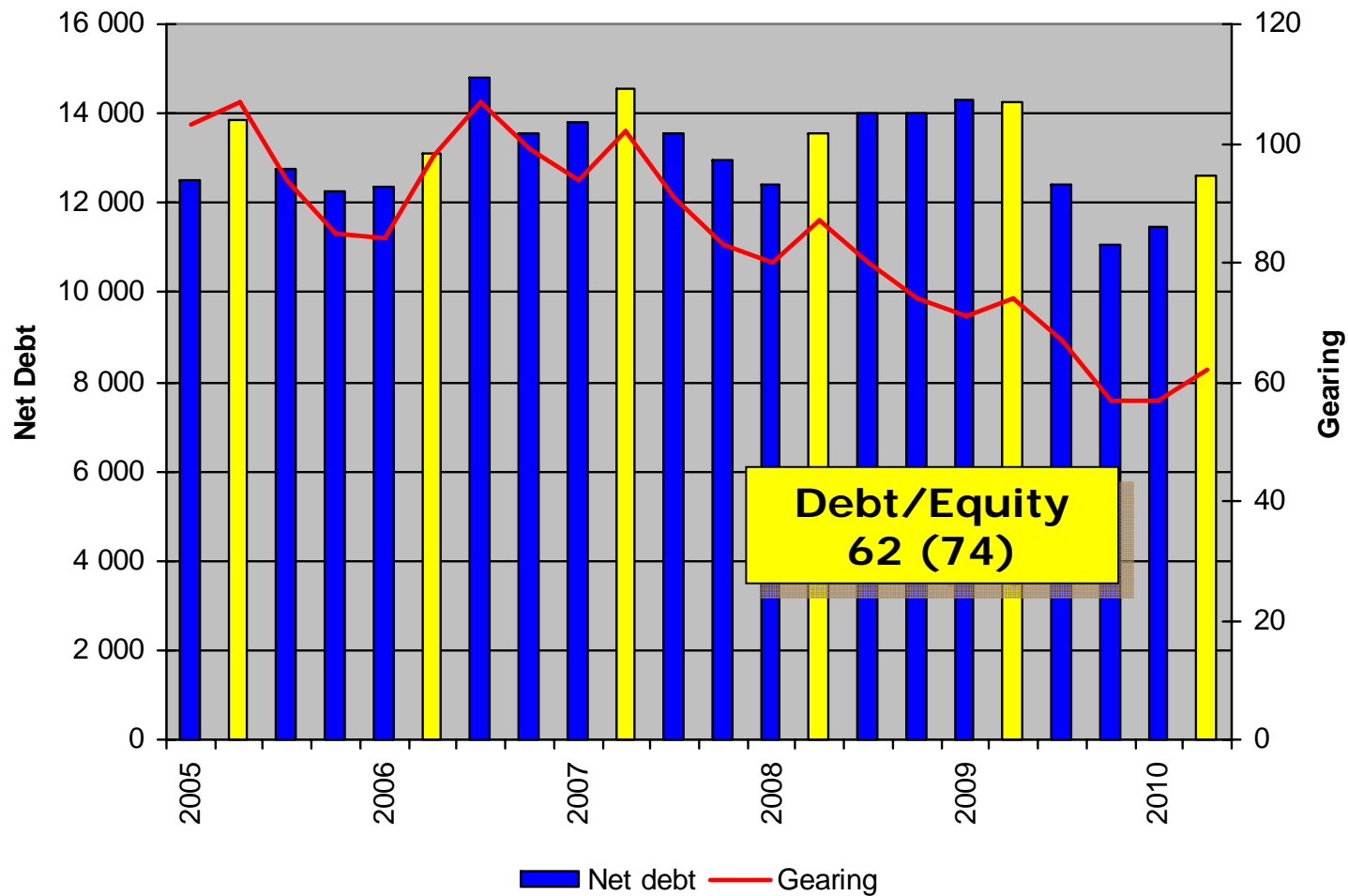
Bridge Analysis – Apr-Jun 2010

MSEK	2009 Apr-Jun	Acq/Div	Currency	Organic	2010 Apr-Jun
		8%	-5%	2%	5%
Revenues	8 899	680	-379	156	9 356
EBIT	1 340	95	-66	146	1 515
%	15.1%	14.0%	17.4%	93.4%	16.2%

Operating Cash Flow, MSEK



Gearing % and Net Debt MSEK



Conclusion H1 2010

- Excellent performance and record profit
- Resumed investment in market coverage
- Strong cash flow
- Total growth H1 by 5%

Outlook

Long Term

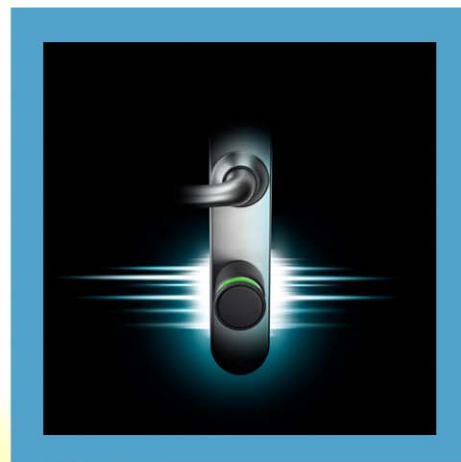
- Organic sales growth is expected to continue at a good rate
- The operating margin (EBIT) and operating cash flow are expected to develop well

Outlook for 2010

- Organic growth is expected to be slightly positive

ASSA ABLOY

Q&A



Conclusions

- Excellent performance and record profit
- Resumed investment in market coverage
- Strong cash flow
- Total growth H1 by 5%
- Organic growth 2010 is expected to be slightly positive