

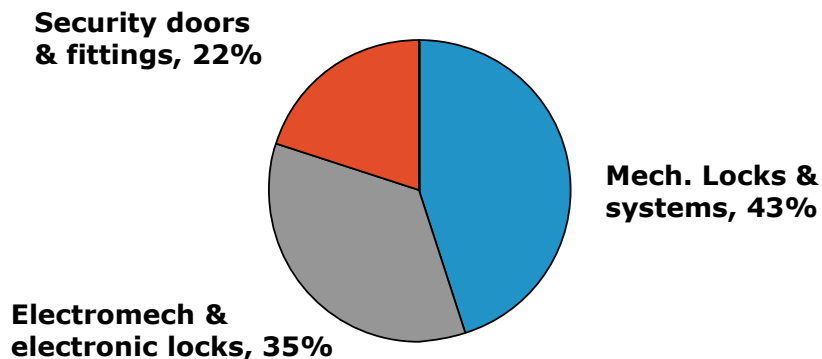


ASSA ABLOY overview

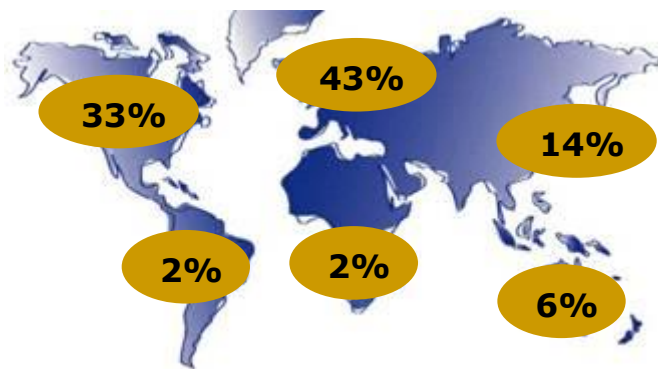
Financials (SEK bn)

Net sales	36.0
EBIT	5.8
Op cash flow	6.5
Net debt	10.9
Market cap	62

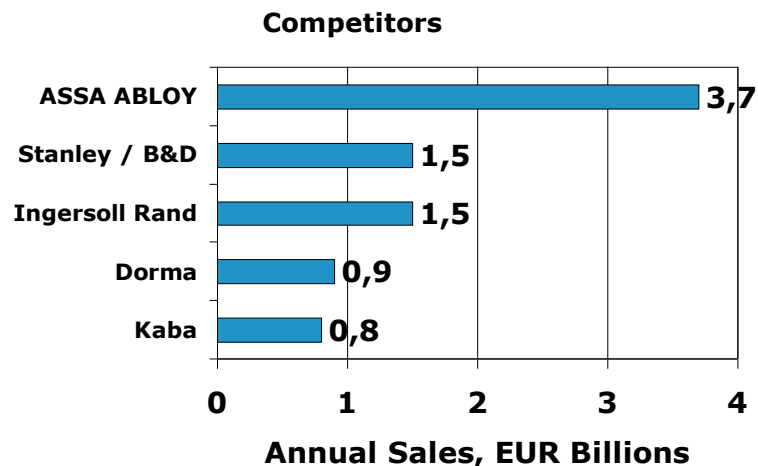
Sales by product group Sep 2010



Sales by region Sep 2010



Leading market positions



Financial highlights Q3 2010

- **Strong quarter in all parts**

- Very solid development (+26%) for Global Technologies
- Continued strong growth in APAC and South America
- EMEA and Americas bottomed and growing
- Margin expansion in all divisions
- Bid for ActivIdentity and stake in Agta Record

- **Sales** **9,474 MSEK** **+13%**

+6% organic, +10% acquired growth, -3% currency

- **EBIT** **1,630 MSEK** **+21%**

Currency effect -28 MSEK

- **EPS** **2.93 SEK** **+24%**

Reduced tax rate & depreciation of earn out

Financial highlights Jan-Sep 2010

- **Resumed organic growth and strong profit development**

▪ Sales	27,175 MSEK	+4%
2% organic, +7% acquired growth, -5% currency		
▪ EBIT	4,440 MSEK	+11%
Currency effect -191 MSEK		
▪ EPS	8.03 SEK	+18%
Reduced interest and tax rate		

Market highlights

- Good growth of electromechanical locks in all parts
- Strong customer interest for Cliq Remote
- WiFi locks increasingly popular in the USA
- Residential digital door locks introduced in Australia
- Secure delivery infrastructure introduced in October



WiFi



***Residential DDL
Australia***



Electric strike

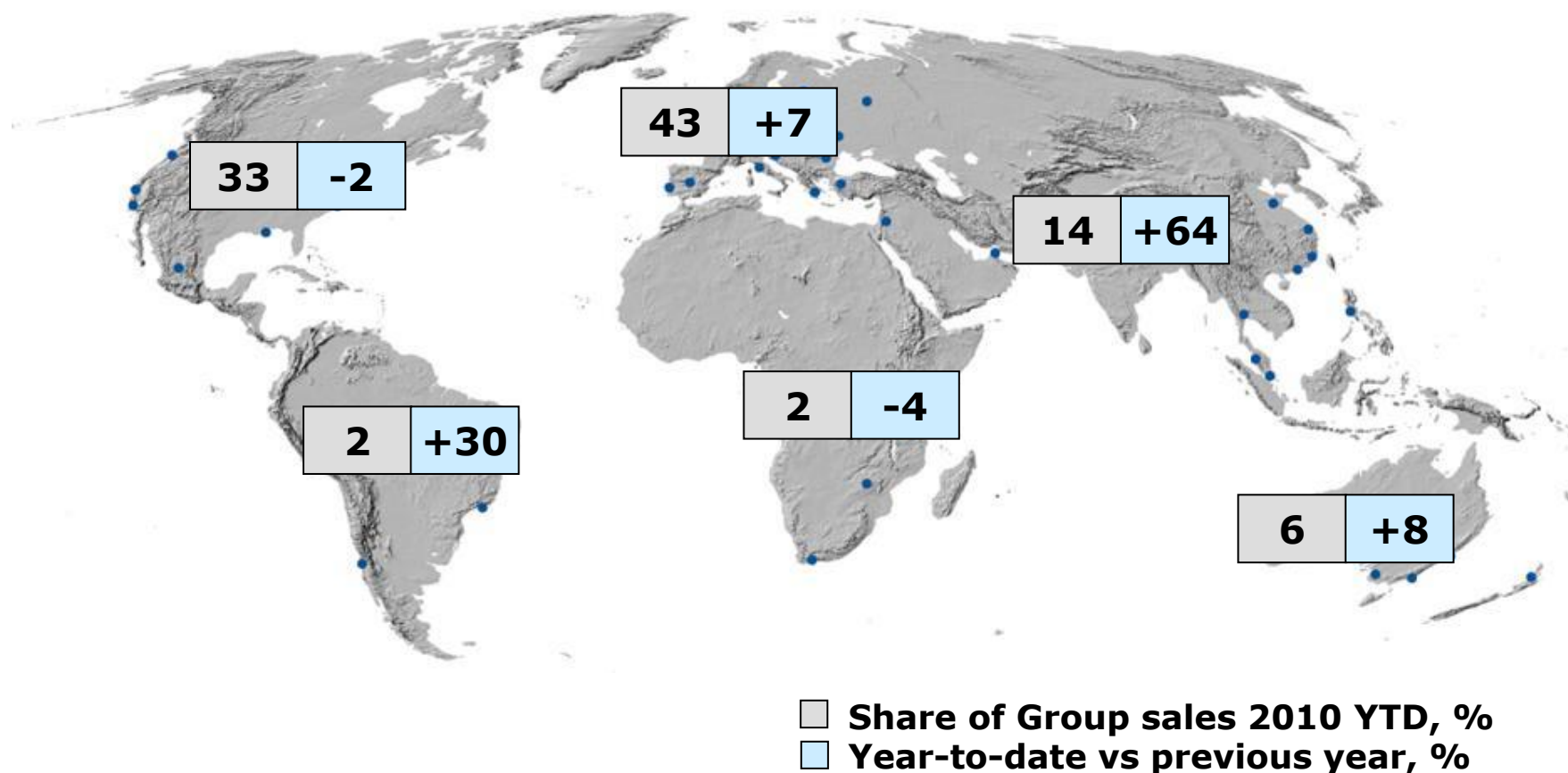
Secure delivery infrastructure

Launched October 2010

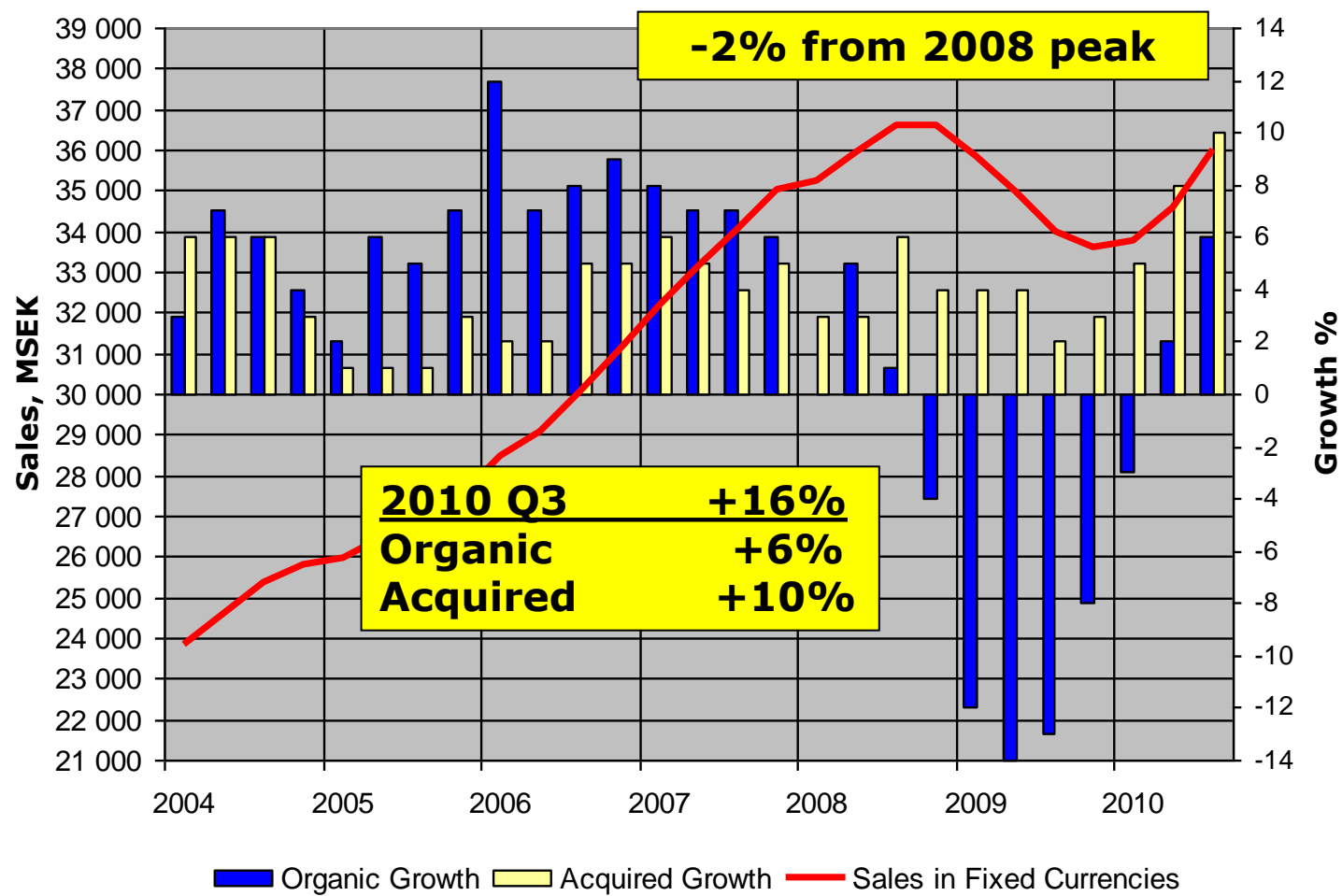
- Secure encrypted delivery of digital keys
 - Smart cards
 - Mobile phones - NFC
 - ID and banking cards
- Online card security management
 - Card personalization service
 - Cradle to grave
- Secure issuance
 - Online HDP & DTC printers



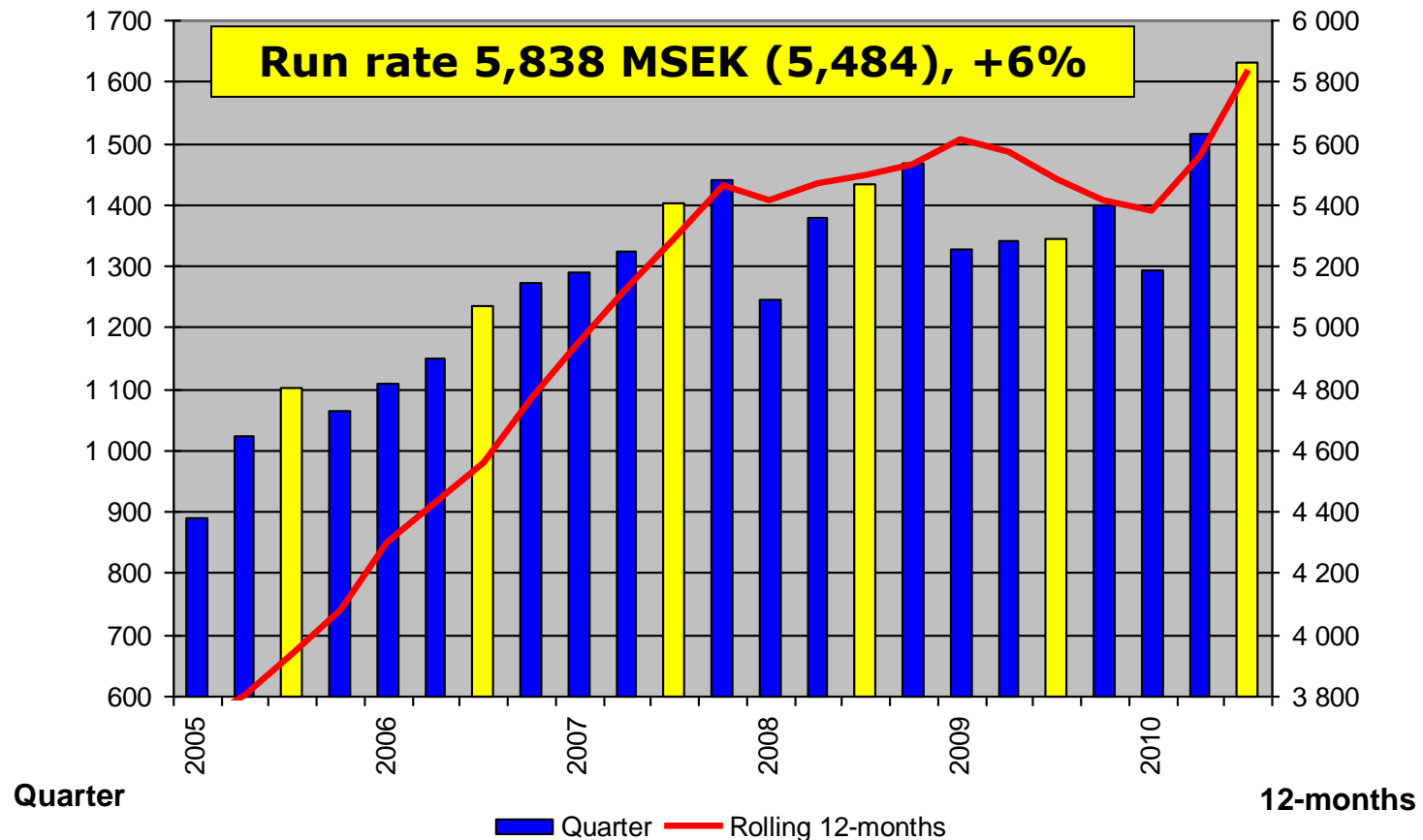
Group sales in local currencies Jan-Sep 2010



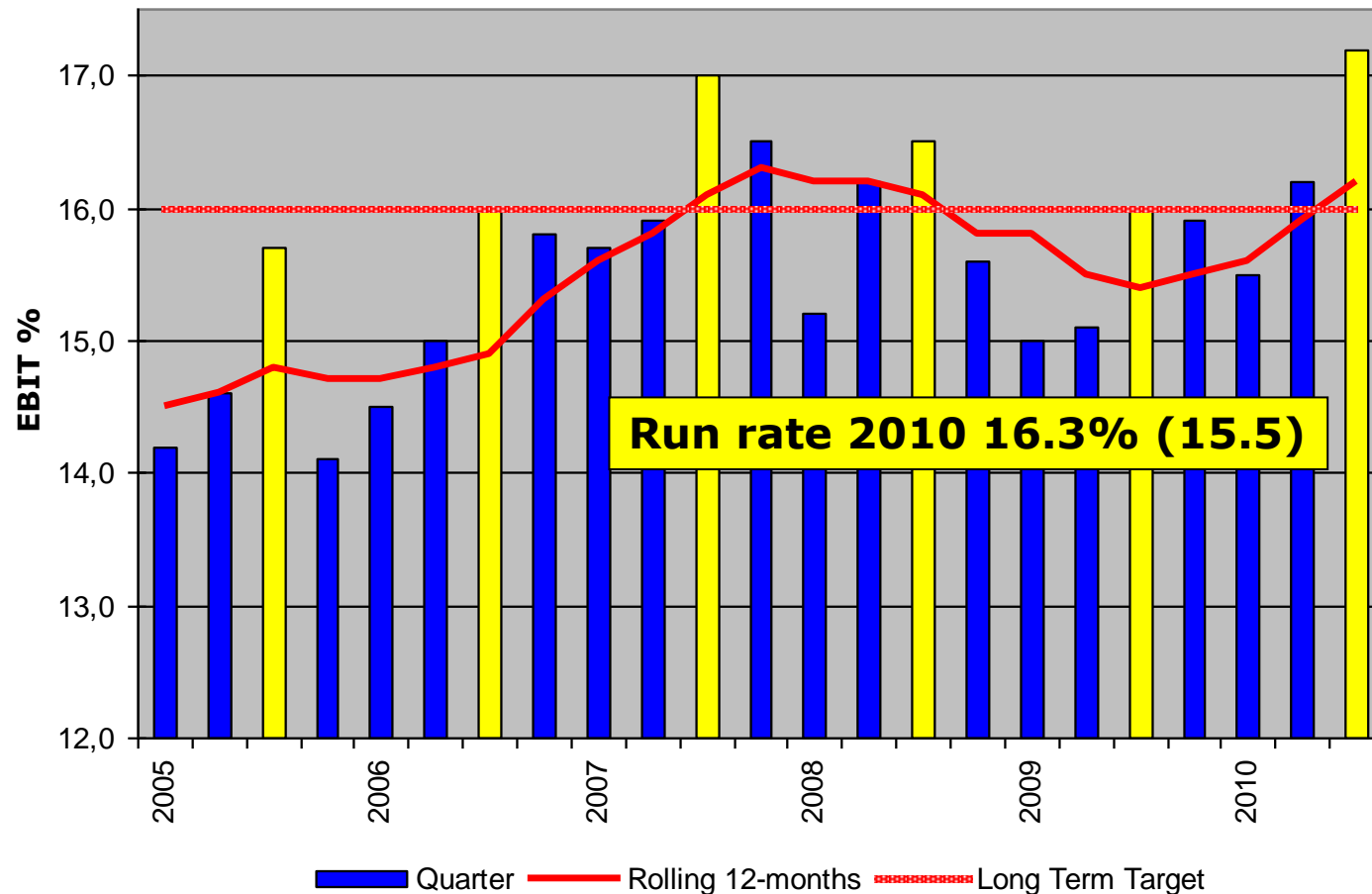
Sales growth Q3 2010 - Currency adjusted



Operating income (EBIT), MSEK

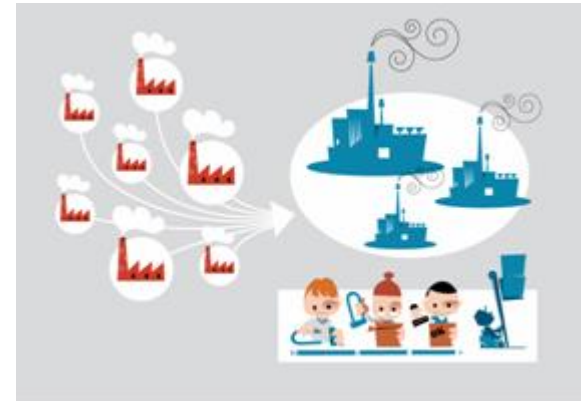


Operating margin (EBIT), %



Manufacturing footprint

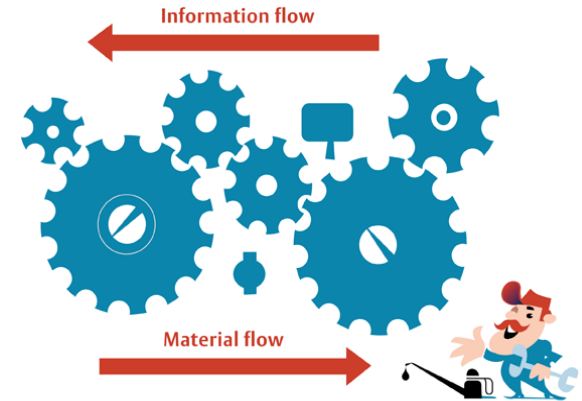
- Conversion to assembly or closures in high cost countries
 - 37 factories closed to date, 14 to go
 - 34 factories converted to assembly, 19 to go
 - 19 offices closed, 6 to go
 - Consolidation of core production to China and Eastern Europe
 - Personnel reduction 5,179p, +16% to plan
 - 1,236 more to go
- 1,106 MSEK remains at the end of the third quarter for all three programs



Margin highlights Q3 2010

EBIT margin 17.2% (16.0)

- Volume increase of 5%, Price 1%
- No acquisition dilution
- Negative mix effect due to growth in emerging markets -0.2%
- + Manufacturing footprint gives good contribution
- + S, G & A cost declining, 23.4% (24.1)



Acquisitions 2010

- **Fully active on acquisitions**

- Growing pipeline with target 5% growth

- **11 acquisitions completed in 2010**

→ **Annualized 2 300 MSEK, +7%**

→ **New acquisitions Q3**

- **ActivIdentity 400 MSEK, public offer**
- **33% stake in Agta Record**



ActivIdentity, USA

- Strengthens HID's offering in logical access
- Products centered around establishing a person's identity when interacting digitally
- Strong authentication and card management systems
- 2,500 customers worldwide, 38% software
- 220 employees and 400 MSEK
- Slightly dilutive 2011



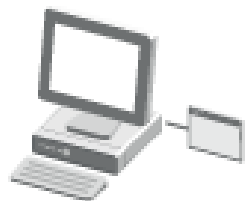
driver's license



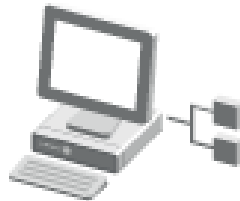
healthcare card



travel



application access



LAN access



web access



WLAN access



VPN access



password management

Agta Record, Switzerland



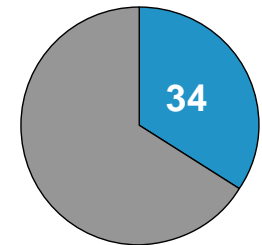
- Same business model as AA Entrance System with end-user focus and service
- Reinforces leadership in door automatics
- Very complementary with main strength in France and CH
- Good synergies within sales, service, products and infrastructure
- HQ in Switzerland
- 1,700 employees and 2,000 MSEK sales
- Ambition to acquire over time



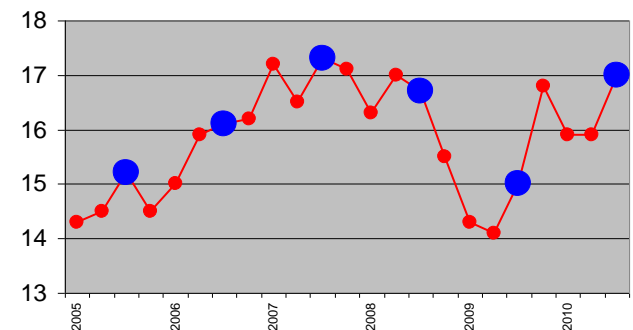
Division - EMEA

- Slow recovery in all parts
 - Weak quarter in Eastern Europe, France, Denmark and the Netherlands
 - Good growth in Finland, Germany, Italy and Spain
 - Good effect from manufacturing footprint
 - Strong efficiency gain from seamless flow
-
- Operating margin (EBIT)
 - + Volume 1%
 - + Good response to new products
 - + Strong efficiency gains
 - Raw materials increasing

SALES
share of
Group total %



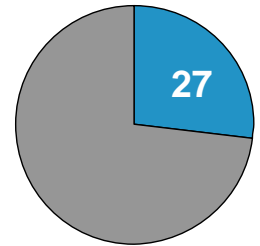
EBIT %



Division - Americas

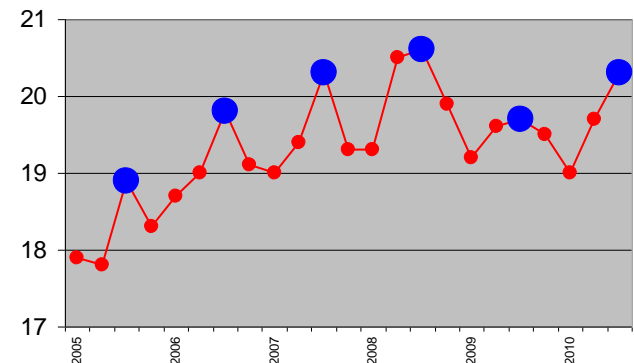
- South America, Mexico and Canada in good growth
- Electromechanics developing well
- Residential growing for first time since H1 2008
- Security doors continued to decline
- Strong EBIT performance in all parts

SALES
share of
Group total %



- Operating margin (EBIT)
 - + Volume +2%
 - + Strong efficiency improvement
 - Raw materials increasing

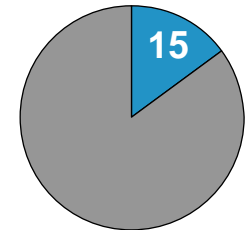
EBIT %



Division - Asia Pacific

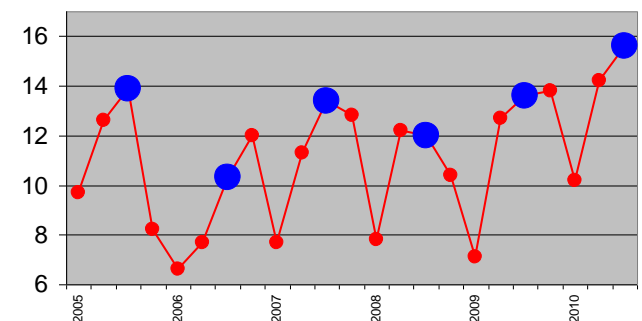
- China sales strong on the back of 3rd tier cities
- Korean market continued well
- South Asia and especially India is strong
- Good growth and solid profit in the Pacific
- Good efficiency development

SALES
share of
Group total %



- Operating margin (EBIT)
 - + Volume +15%
 - + Currency effects
 - Raw materials increasing

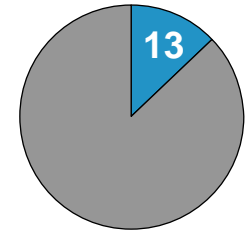
EBIT %



Division - Global Technologies

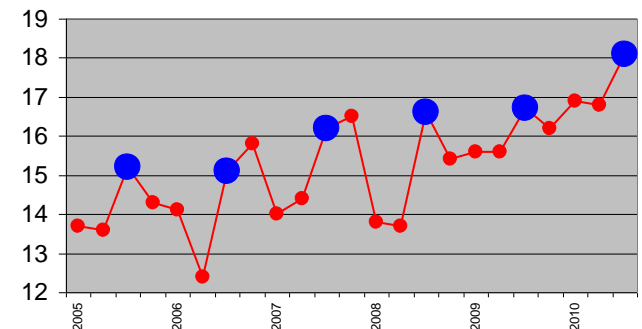
- Fantastic evolution in HID
 - Access control growing in all parts of the world
 - Secure issuance benefitting from new printers
 - Identification solutions in strong demand
- Hospitality, first quarter of growth since 2008
 - Renovation market is back
 - New RFID systems increasingly popular
 - Savings and move to China supports profit

SALES
share of
Group total %



- Operating margin (EBIT)
 - + Volume +26%
 - + All business units doing well

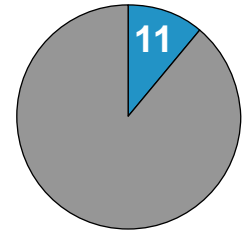
EBIT %



Division - Entrance Systems

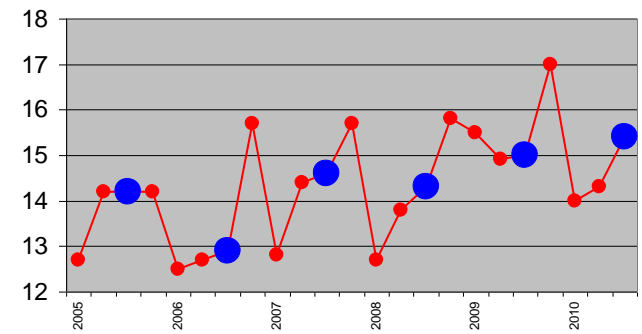
- Quotation levels and orders are slightly growing
- Service and service contracts growing
- Retail coming back, health care weak
- Ditec sales stabilised but dilutive by 1.0%

SALES
share of
Group total %



- Operating margin (EBIT)
 - Volume -1%
 - + Efficiency gains

EBIT %



Financial highlights Q3 2010

MSEK	3rd Quarter			Nine months		
	2009	2010	Change	2009	2010	Change
Sales	8,405	9,474	+13%	26,163	27,175	+4%
<i>Whereof</i>						
Organic growth			+6%			+2%
Acquired growth			+10%			+7%
FX-differences		-216	-3%		-1,240	-5%
Operating income (EBIT)	1,346	1,630	+21%	4,014*	4,440	+11%
EBIT-margin (%)	16.0	17.2		15.3*	16.3	
Operating cash flow	2,125	1,890	-11%	4,547	4,200	-8%
EPS (SEK)*	2.36	2.93	+24%	6.81	8.03	+18%

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

Finance net

- Interest net on net debt going down 20%
- New rules: Earnouts to be discounted

MSEK	Jan-Sep 2009	Jan-Sep 2010
Interest net	-403	-320
Exchange effects and other	-74	-14
Defined benefit pensions	-51	-111
Discounted earnouts	<u>n/a</u>	<u>-34</u>
Total other	-125	-159
Total	-528	-479

P&L – Components as % of sales

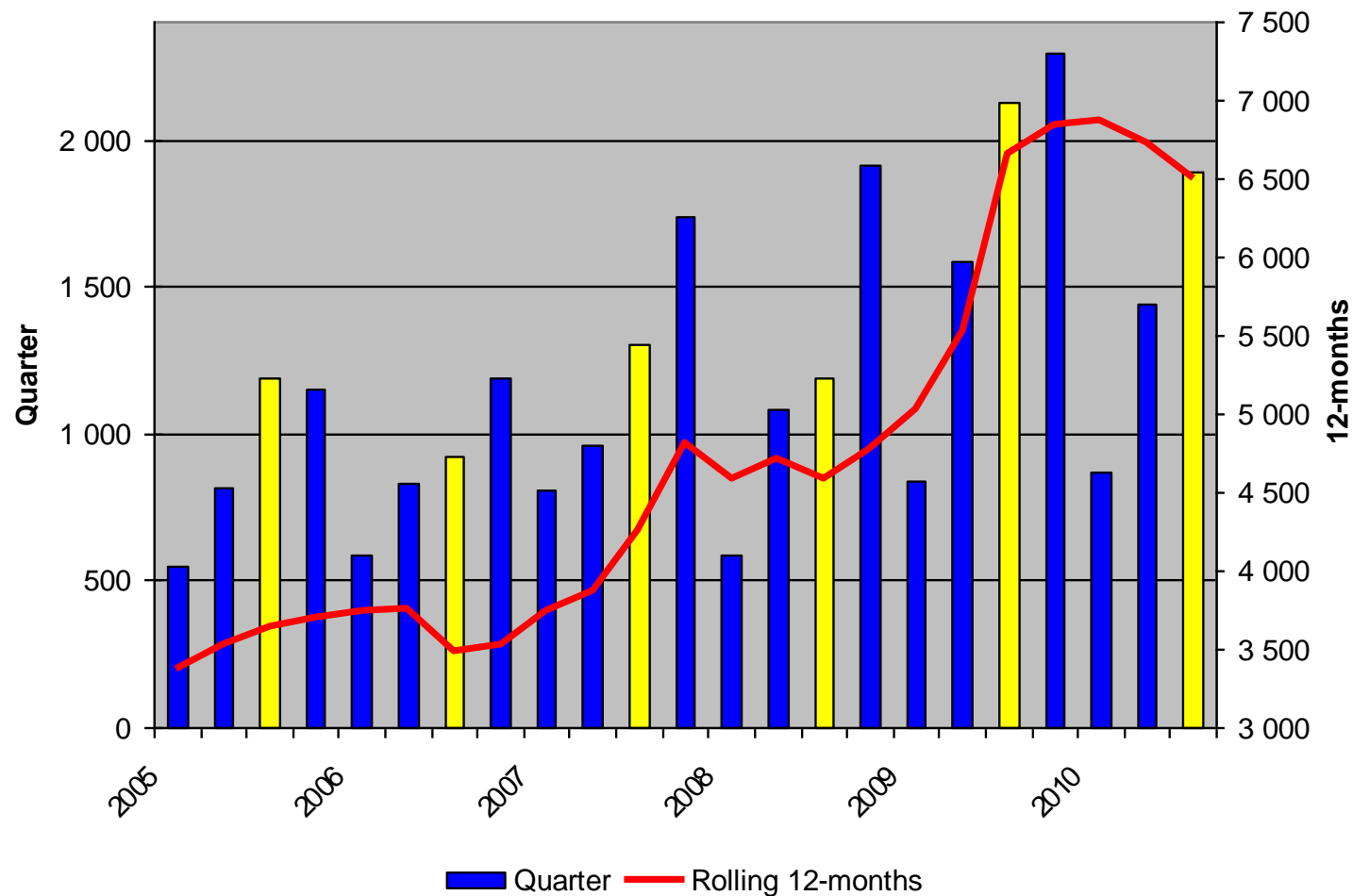
Q3 Year-on-Year

	2009	2010
■ Direct material	33.0%	35.0%
■ Conversion costs	<u>26.9%</u>	<u>24.4%</u>
■ Gross Margin	40.1%	40.6%
■ S, G & A	<u>24.1%</u>	<u>23.4%</u>
■ EBIT	16.0%	17.2%

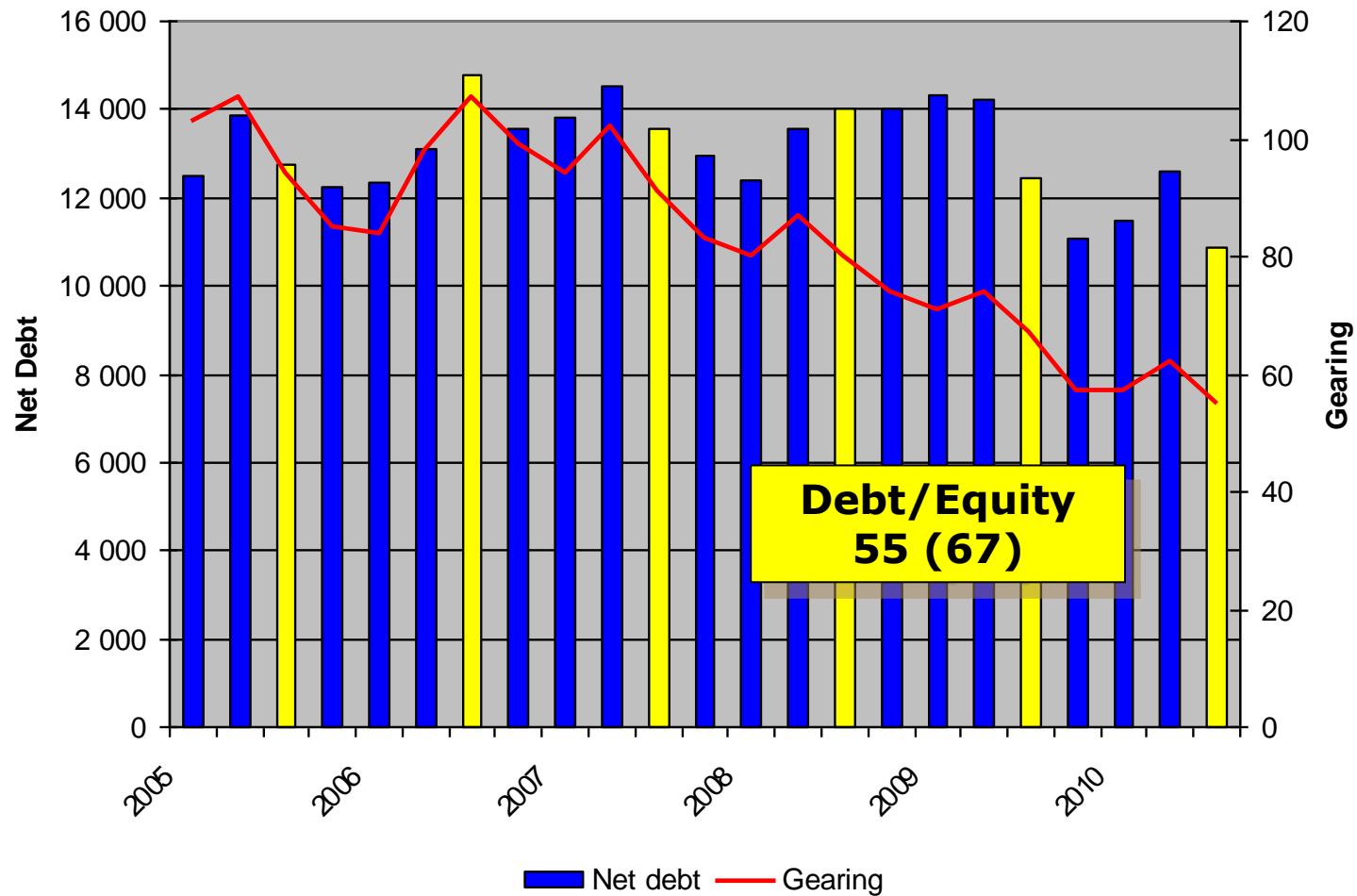
Bridge Analysis – Jul-Sep 2010

MSEK	2009 Jul-Sep	Acq/Div	Currency	Organic	2010 Jul-Sep
		10%	-3%	6%	13%
Revenues	8,405	798	-216	488	9,474
EBIT	1,346	127	-28	184	1,630
%	16.0%	16.0%	12.8%	37.7%	17.2%

Operating cash flow, MSEK



Gearing % and net debt MSEK



Conclusions Q3 2010

- 6% organic growth and 16% total growth in Q3
- Many new exciting products
- Margin expansion in all parts
- Strong cash flow
- Good activity on acquisitions with ActivIdentity and Agta Record

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