

Press release from ASSA ABLOY AB

22nd February, 1995

Year-End Report, Year Ended 31st December, 1994

- Income before taxes MSEK 76 (forecast MSEK 70)
- Merger process completed and Boda divested
- IKON and Cardkey develop according to plan
- Continued success for VingCard

Sales and Income, Pro Forma* January-December, 1994

The sales of the ASSA ABLOY Group were MSEK 3 582 (3 372). Sales 1993 include MSEK 42 from a business divested in Finland, thus the increase is 8 per cent for comparable units. The increase is mainly due to the rapid expansion of VingCard and the good growth in the Nordic countries and the United Kingdom. Cardkey, however, notes decreasing volumes.

The Group's result before tax was MSEK 76, compared to the MSEK 70 forecast. The result includes restructuring costs of MSEK 30.

The effective tax rate for 1994 is MSEK 31, or 40 per cent of the result before taxes. This is due to the uneven spread of results within the Group and to the fact that the merger was carried out late in 1994. The new legal structure applying as of 1st January, 1995, in combination with increased results in units with loss deductions will result in a considerably lower efficient tax rate load as of 1995.

Merger Process Concluded and Divestiture of Boda Carried out

The creation of a group management, a joint culture and uniform financial reporting systems has been successful. This is well in line with the operational organization of the Group. At the end of November 1994, ASSA ABLOY AB signed a three-year loan agreement (Multi-Currency Revolving Credit) for a total of MUS\$ 100, with a syndicate of international banks. With this credit facility, ASSA ABLOY AB has secured flexible three-year financing.

According to the decision taken with the approval of the Swedish anti-trust authority, the lock cases business in Björkboda was divested as per 1st January, 1995. The buyers were a Finnish consortium consisting of the management of the company and a group of Finnish companies, none of the owning more than 18 per cent. The company divested had sales of MSEK 80 in 1994 and employed 130 persons. The future result of the Group will not be affected to any significant extent by the divestiture.

IKON and Cardkey Develop According to Plan

The turnaround of IKON is well on its way. The extensive restructuring process has been faster and smoother than expected. Sales increased somewhat towards the end of the year. The expectations on IKON to achieve positive results in 1996 still hold.

Cardkey has been refocused on development, marketing and installation. The inhouse manufacture has been closed. Further cost cuts are being made. Positive results are expected to be within reach for Cardkey in 1996.

Expectations for 1995

After several years of diminishing markets, increases are now being experienced. The Group is also considered as having improved its market shares in the Nordic countries and the UK. Primarily, the retrofit market is increasing, while new construction continues to be weak in most markets. For 1995 continued volume increases are foreseen. That and the work with Cardkey and IKON and the ongoing restructuring and development in the Nordic countries, is expected to entail a considerably improved result for 1995, compared to that booked for 1994.

More information will be given at the General Shareholders' Meeting on 12th May, and in the interim statement for January-June, 1995, to be published on 16th August, 1995.

Further, the Board intends to apply for official listing of its series B share on the Stockholm Stock Exchange. However, a prerequisite for approval is wider ownership spread.

Convertible Debenture Loan to ASSA ABLOY Employees

At the board meeting it was decided to examine the possibilities to issue a convertible debenture loan to employees in the ASSA ABLOY Group, as was indicated in the prospectus for the listing on the Stock Exchange in 1994. If the prerequisites exist, the board will present a proposal to this effect to the General Shareholders' Meeting.

Shareholders' Meeting and Dividend

The Annual General Shareholders' Meeting will be held in Stockholm, on Friday, 12th May, 1995, at 15.00 hours. Due to the short financial year*, the Board proposes that no dividend is paid for 1994. The Annual Report will be distributed during week 16.

* The legal accounts for the Group for the financial year 1st July-31st December, 1994 covering the Securitas part for the period 1st July,-31st December, 1994 and the Abloy part from the acquisition date 8th November, 1994, will be given in ASSA ABLOY AB's Annual Report.

Further information may be obtained from Messrs Carl-Henric Svanberg, President and CEO, tel GSM 070-510 05 51, or Johan Fant, CFO, tel GSM 070-540 40 11, through Thursday 23rd Feb., 1995, and thereafter at Int+46-8 698 85 70

Encl Consolidated Income Statement and Balance Sheet, Financial Key Data

CONSOLIDATED INCOME STATEMENT

MSEK	1994	1993	1992
Sales	3 581.6	3 371.5	3 090.1
Operating costs	- 3 227.4	- 2 984.3	-2 786.9
Operating income before depreciation	354.2	387.2	303.2
Depreciation according to plan	-198.4	-189.9	-179.6
Total financial items	-79.4	-80.0	-74.6
Income before taxes	76.4	117.3	49.0
Group contribution	--	-72.9	28.1
Taxes	-30.8	-28.1	-19.7
Net income for the year, MSEK	45.6	16.3	57.4

CONSOLIDATED BALANCE SHEET

MSEK	1994	1993	1992
Liquid assets	199.9	145.6	222.6
Receivables	583.0	523.5	467.1
Inventories	628.8	668.1	657.4
Goodwill	79.6	110.2	128.9
Fixed assets	1 141.1	1 165.2	1 107.2
Other assets	217.9	289.1	279.0
Total assets	2 850.3	2 901.7	2 862.2
Interest-bearing current liabilities	87.5	215.5	71.4
Other current liabilities	711.4	793.1	637.2
Interest-bearing long-term liabilities	1 167.2	1 081.5	1 367.0
Other long-term liabilities	95.2	120.2	124.8
Minority interests	13.2	15.2	15.8
Shareholders' equity	775.8	676.2	646.0
Total liabilities and shareholders' equity	2 850.3	2 901.7	2 862.2

SALES PER MARKET

MSEK	1994	1993	1992
Sweden, ASSA/Abloy/SOLID	764	704	654
Finland, Abloy	655	542	536
Denmark, Ruko	252	222	205
Norway, TrioVing	234	204	195
Germany, IKON	606	594	631
United Kingdom, ASSA/Abloy	147	128	104
USA, Arrow	289	280	268
Access control, Cardkey	530	599	453
Hotel locking systems, VingCard	446	272	220
Total	3 582	3 372	3 090

KEY DATA

	1994	1993	1992
Cash flow, MSEK	139	251	-32
Gross margin, %	9.9	11.5	9.8
Profit margin, %	2.1	3.5	1.6
Net investments, MSEK	139	189	190
Equity, MSEK	776	676	646
Net borrowings, MSEK	1 055	1 151	1 216
Capital employed, MSEK	2 047	1 990	2 100
Equity ratio, %	27.2	23.3	22.6
Interest cover	4.0	3.7	2.6
Net borrowings/equity	1.4	1.7	1.9
Return on capital employed, %	8.2	10.9	7.9
Return on shareholders' equity, after tax, %	7.4	12.4	5.3
Profit per share after tax, SEK	1.00	1.53	0.64
Shareholders' equity per share, SEK	14.48	n/a	n/a
Number of shares (1 000's)	53 592	n/a	n/a
Average number of employees	4 703	4 639	4 858