

Press release from ASSA ABLOY AB (publ)

No. 4, 14th February, 1996

Year-End Report, Year Ended 31st December, 1995

- Income before taxes amounted to 212 MSEK (76)
- Cash flow amounted to 344 MSEK (139)
- Profits per share after taxes and full conversion were 2.67 SEK (1.00)
- The Board proposes a dividend of 1.00 SEK (0.00) for the financial year 1995

Sales and income, January-December, 1995

The sales of the ASSA ABLOY Group were 3 504 MSEK (3 582). Sales 1994 include 635 MSEK from businesses divested in Finland and Germany, and Cardkey. Cardkey is included for 1995 up to and including 31st July, with 266 MSEK. For comparable units, therefore, the increase is 10 per cent. The increase also includes positive foreign exchange rate effects of approx 2 per cent. The increase is due to good growth in all markets except Germany.

The Group's income before taxes amounted to 212.2 MSEK (76.4), corresponding to an increase of 178 per cent.

Cash flow after capital expenditures and taxes paid was 344 MSEK (139). The cash flow included non-recurrent items of 110 MSEK related to the divestiture of Cardkey and Boda and the final purchase sum paid for an industrial property in Germany. The cash flow also included positive effects from foreign exchange rate differences amounting to 45 MSEK.

The return on capital employed was 15.6 per cent (8.2).

Important events

The integration within ASSA ABLOY has developed very well. The rate of restructuring and improvement is high. The coordination of certain production lines in the Nordic units has been carried out. The IKON Group in Germany is undergoing a thorough step by step restructuring process.

Cardkey was divested as per 31st July, 1995. The sales price was equivalent to the

booked value of the Group.

In December, an agreement was reached on the acquisition of the US lock group ESSEX Holdings for a purchase sum of 170 MUSD. ESSEX' turnover in 1995 was approx 250 MUSD. Through the acquisition, which was carried out on 18th January, 1996, ASSA ABLOY obtains a leading position in the US market and assumes a global leading role.

Dividend

The Board proposes a dividend of 1.00 SEK (0.00) per share for the financial year 1995. The Ordinary General Shareholders' Meeting will be held on 6th May, 1996, at 16.00 hrs in Stockholm.

Expectations for 1996

ASSA ABLOY has a strong Nordic basis continuing to develop, IKON in Germany being well on the way of turning around, VingCard continuing to grow strongly, and new growth projects among other in Asia and Russia. We have acquired ESSEX in the USA with all its opportunities but also risks. The product portfolio is strong, the trend towards higher security clear in all our markets, and in spite of the weaker economic cycle, we expect further increase in volumes. All in all we foresee a continued good result development for ASSA ABLOY during 1996.

Stockholm, 14th February, 1996

Carl-Henric Svanberg
President and CEO

ASSA ABLOY is one of the world's leading lock groups with sales amounting to over 5 000 MSEK. The number of employees is approximately 6 000. ASSA ABLOY develops, manufactures and markets mechanical, industrial, electromechanical and electronic locks and hotel locks. The group has market leading positions in Sweden, Finland, Denmark, Norway, Germany and in the United States.

Further information may be obtained from Mr Carl-Henric Svanberg, President and CEO, or Mr Johan Fant, CFO, tel.+46 8 698 85 70

ASSA ABLOY AB (publ)
P O Box 70340, S-107 23 Stockholm
Tel Int+46 - 8 698 85 70, Fax: Int+46 - 8 698 85 85
Visiting address: Klarabergsviadukten 90

FINANCIAL INFORMATION

(Comparative figures for 1994 and 1993, pro forma)

CONSOLIDATED INCOME STATEMENT

MSEK	01/01/1995- -31/12/1995	01/01/1994- -31/12/1994	01/01/1993- -31/12/1993
Sales	3 504.2	3 581.6	3 371.5
Operating costs	-3 070.3	-3 227.4	-2 984.3
Operating income before depreciation	433.9	354.2	387.2
Depreciation according to plan	-184.4	-198.4	-189.9
Total financial items	-46.9	-79.8	-82.5
Share of result in associated companies	9.6	0.4	2.5
Income after financial items	212.2	76.4	117.3
Group contribution	---	---	-72.9
Taxes	-67.9	-30.8	-28.1
Minority interest	---	---	-0.3
Net income of the year	144.3	45.6	16.0

CONSOLIDATED BALANCE SHEET

MSEK	31/12/1995	31/12/1994	31/12/1993
Liquid assets	118.1	199.9	145.6
Receivables	424.2	583.0	523.5
Inventories	562.2	628.8	668.1
Other current liabilities, non-interest bearing	102.6	127.1	171.5
Goodwill	79.3	79.6	110.2
Other fixed assets	1 183.6	1 231.2	1 282.8
Total assets	2 470.0	2 849.6	2 901.7
Interest-bearing current liabilities	126.7	87.5	215.5
Other non-interest bearing current liabilities	672.2	710.6	793.1
Interest-bearing long-term liabilities	650.2	1 167.2	1 081.5
Other non-interest bearing long-term liabilities	83.9	95.3	120.2
Minority interests	8.9	13.2	15.2
Shareholders' equity	928.1	775.8	676.2
Total liabilities and shareholders' equity	2 470.0	2 849.6	2 901.7

SALES PER MARKET

MSEK	01/01/1995- -31/12/1995	01/01/1994- -31/12/1994	01/01/1993- -31/12/1993
Sweden, ASSA/Abloy/FAS/FIX/SOLID	760	703	657
Finland, Abloy	634	655	542
Denmark, Ruko	285	252	222
Norway, TrioVing	241	234	204
Germany, IKON	590	606	594
United Kingdom, ASSA/Abloy	151	147	128
USA, Arrow / ASSA / Abloy	284	289	280
Cardkey*	266	530	599
VingCard	525	446	272
Elimination for internal sales	-232	-280	-126
Total	3 504	3 582	3 372

* Divested per July 31, 1995

KEY DATA

MSEK	01/01/1995- -31/12/1995	01/01/1994- -31/12/1994	01/01/1993- -31/12/1993
Cash flow, MSEK	344	139	62
Gross margin, %	12.4	9.9	11.5
Profit margin, %	6.1	2.1	3.5
Net investments, MSEK	187	139	189
Equity, MSEK	928	776	676
Net borrowings, MSEK	659	1 055	1 151
Capital employed, MSEK	1 714	2 047	1 990
Equity ratio, %	37.6	27.2	23.3
Interest cover	5.3	4.0	3.6
Net borrowings/equity	0.7	1.4	1.7
Return on capital employed, %	15.6	8.2	10.9
Return on shareholders' equity, after tax, %	16.9	7.4	12.4
Profit per share after tax and full conversion, SEK	2.67	1.00	1.53
Shareholders' equity per share after full conversion	18.17	14.48	n/a
Number of shares (1000's)	53 592	53 592	n/a
Number of shares after full conversion (1000's)	55 421	53 592	n/a
Average number of employees	4 274	4 703	4 639