PRESS RELEASE

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INTERIM REPORT JANUARY-SEPTEMBER 2000

- Sales increased by 29% to SEK 9,747 M (7,532)
- Income before tax increased by 42% to SEK 980 M (688)
- Earnings per share increased by 22% to SEK 1.96 (1.61)
- Operating cash flow amounted to SEK 1,164 M (856)
- Organic growth for comparable units amounted to 5%
- The acquisition of Yale closed on August 25, Spanish Tesa will follow in a second step
- Acquisition of HID, world leader in cards and readers for access control

SALES AND EARNINGS JANUARY-SEPTEMBER 2000

Sales for the period January to September 2000 amounted to SEK 9,747 M (7,532), an increase of 29%. In local currency the increase amounted to 27%, of which the organic growth for comparable units amounted to 5%, while acquired units account for 22% of the period's volume growth. Exchange rate effects have affected sales positively by SEK 141 M.

The Group's income before tax increased by 42% to SEK 980 M (688). Translation of the foreign subsidiaries' net results has affected this figure positively by SEK 8 M, due to exchange rate changes. Earnings per share after tax and full conversion increased by 22% to SEK 1.96 (1.61). The increased tax burden and the full impact of last year's rights issue have affected the earnings per share.

Operating cash flow before tax and acquisitions amounted to SEK 1,164 M (856). Cash earnings per share after tax and full conversion (CEPS) amounted to SEK 3.85 (3.15).

Refund of pension premiums from SPP amounted to SEK 23 M and have been used to balance the Group's pension liabilities.

DEVELOPMENT OF THE SUBSIDIARIES

The Finnish units continue to show strong growth in all areas, domestic and export, and organic growth amounts to 17%. Sales to Russia are starting to show good growth again. In a recent brand recognition poll Abloy was voted the most respected brand in Finland among 300 Finnish and foreign brands of all kinds.

The Scandinavian units increased by 5%. The Swedish units continue to generate strong growth. A decision has been taken to move the Norwegian zinc die casting production of window and door hardware to Urbis, ASSA ABLOY's subsidiary in Romania, leading to a staff reduction in Norway of 100 employees under a 12-month period. Some non core sales related to this unit is being terminated. Denmark continues to increase sales after the slow start of the year.

The 7% growth for the German units continues market growth varies considerably between different geographical regions and market segments. Integration of the German units is proceeding according to plan, resulting in a clearly strengthened market-leading position.

The French units show good growth in the higher-security segments. The focus on profitability at the low end is being increased and some unprofitable products are being terminated. Margins are continuing to increase as a result of the ongoing integration.

Growth for the North American units increased in the third quarter and amounts to 5% for the nine months period. The outlook remains good with the strongest growth presently coming from electromechanical and traditional locks. All units continue to show good development and improved margins. The Mexican market continues to show good growth. Scovill is growing faster, benefiting from various cross-selling activities with sister companies.

In Australia, Lockwood is continuing its successful integration work. All business activities in Australia were in principle stopped during the Olympic Games. This resulted in the loss of two weeks' sales and brought organic growth close to zero. A number of Group projects are developing positively and the outlook for the company remains strong.

Growth in New Markets is increasing and amounts to 13% for the nine months period. The increase is particularly strong in Asia and Eastern Europe although growth in the Czech Republic is somewhat weaker at the moment.

Sales in the hotel segment have been picking up during the third quarter and growth for the year to date amounts to 4%. Europe and the marine segment continue to show good growth. Asia and the USA have started to increase. Elsafe continues to show good growth on all markets.

INTEGRATION OF YALE

The integration of the Yale Group is proceeding according to plan. Closing took place on August 25, including the immediate sale of the safes business. As a result of the regulatory discussions, the acquisition of the Spanish subsidiary Tesa will be closed in a second step as soon as the production of components for the Williams hotel lock business has been terminated.

Overall strategies and priorities for the next two years for the whole group have been agreed with the top 200 managers within ASSA ABLOY. The enthusiasm within the former Yale companies is obvious and the overall future perspective is well in line with expectations. The need for new products is however obvious. Such products are already available within the ASSA ABLOY Group, although such trends always take some time to turn. As in previous acquisitions products for the low end of the market are being evaluated and some unprofitable sales may be terminated.

ACQUISITION OF HID

Background

A traditional lock system is a mechanical access control system consisting of identification – the key – and the blocking mechanism – the lock. In an electronic access control system the identification is done through cards and readers and the blocking mechanism is the electromechanical lock.

The electronic identification has so far been a missing link in ASSA ABLOY's product portfolio of mechanical and electromechanical locks. It has become increasingly interesting and important to take a leading position in this fast-growing segment too.

The progress being made in mobile communication technology and miniaturized electronics creates opportunities for the development of more intelligent locks, including remotely controlled locks. Radio-frequency identification technology lies at the core of any such development.

The acquisition

In 1991, Hughes Identification Devices (HID) was created in the USA as a subsidiary of Hughes Aircraft Company. HID was then part of a management buy-out in 1995, backed by Citicorp Venture Capital and led by former executives from IBM and Hughes.

HID has a world-leading position in contactless cards and readers for access control, based on Radio Frequency Identification Technology, RFID. 70% of all new access control systems sold in the world today are based on contactless reading, and HID's market share is 40%.

HID's sales are expected to reach USD 100 M after six years of impressively strong and profitable growth. The EBIT margin is well in line with the electromechanical companies that have recently been acquired by ASSA ABLOY. The electronic access control market is growing at 10-15% annually. HID has benefited from this growth and at the same time gained market share with its own technology. HID is expected to continue to show good growth from both existing and new products based on the company's RFID technology.

The acquisition price for a debt free company amounts to USD 250 M. An additional earn-out of USD 30 M will be paid dependent on the profit improvement next year. The goodwill has been calculated to USD 215 M. The acquisition is expected to be cash positive from the start. It will be neutral or slightly EPS delutive in 2001, and will contribute from 2002.

OUTLOOK FOR 2000

The development potential for ASSA ABLOY continues to be considerable. The strong position, security-driven growth and potential for continued rationalization as well as the ongoing consolidation of the lock industry create opportunities for continued good volume growth and profit development. The Yale acquisition including the effects of the recent rights issues is expected to be EPS neutral for the remainder of 2000 and next year.

Stockholm, November 13 2000

Carl-Henric Svanberg
President and CEO

Financial information

Financial information from ASSA ABLOY will be published as follows:

Year-end Report:	February 7, 2001
Annual Report 2000:	March 2001

The company auditor has not reviewed this Interim Report.

For further information, please contact
Carl-Henric Svanberg, President & CEO, tel: +46-8-506 48552 or +46-8-510 0551,
or Göran Jansson, CFO, tel. +46-8-506 485 72 or +46-70-698 8572

ASSA ABLOY AB (publ)
P.O. Box 70340, S-107 23 Stockholm
Tel: +46-8-506 485 00, Fax: +46-8-506 485 85
Visiting address: Klarabergsviadukten 90

www.assaabloy.com

The ASSA ABLOY Group is the world's leading manufacturer and supplier of locks and associated products, dedicated to satisfying end-user needs for security, safety and convenience. Current sales for the Group are in excess of 18 billion SEK (approximately 2 billion USD) and the number of employees is approximately 20,000.

FINANCIAL INFORMATION

INCOME STATEMENT	Jan-Sept 2000 EUR M[1]	Jan-Sept 2000 SEK M	Jan-Sept 1999 SEK M
Sales	1,156.2	9,747.2	7,532.3
Cost of goods sold	-696.0	-5,867.7	-4,702.9
Gross Income	**460.2**	**3,879.5**	**2,829.4**
Selling and administrative expenses	-294.9	-2,485.8	-1,834.7
Operating income before goodwill amortization	**165.3**	**1,393.7**	**994.7**
Goodwill amortization	-27.3	-230.4	-131.2
Operating income	**138.0**	**1,163.3**	**863.5**
Financial items	-23.0	-194.0	-185.8
Share in earnings of associated companies	1.2	10.2	10.8
Income before tax	**116.2**	**979.5**	**688.5**
Tax	-37.2	-314.0	-192.8
Minority interests	-2.4	-20.5	-4.1
Net income	**76.6**	**645.0**	**491.6**

CASH FLOW STATEMENT	Jan-Sept 2000 EUR M[1]	Jan-Sept 2000 SEK M	Jan-Sept 1999 SEK M
Cash flow from operating activities	133.6	1,126.0	956.8
Cash flow from investing activities	-505.8	-4,263.8	-1,056.0
Cash flow from financing activities	401.0	3,380.7	130.0
Cash flow	**28.8**	**242.9**	**30.8**

BALANCE SHEET	30 Sept 2000 EUR M[2]	30 Sept 2000 SEK M	31 Dec 1999 SEK M
Intangible fixed assets	1,486.4	12,663.9	3,388.1
Tangible fixed assets	538.5	4,587.9	2,955.4
Financial fixed assets	53.5	456.2	854.8
Inventories	318.2	2,710.9	1,564.7
Receivables	399.8	3,406.1	1,796.2
Other non-interest bearing current assets	85.2	725.7	283.0
Interest bearing current assets	133.7	1139.8	447.2
Total assets	**3,015.3**	**25,690.5**	**11,289.4**
Shareholders' equity	1,225.4	10,440.3	5,337.0
Minority interests	71.7	610.9	266.8
Interest bearing provisions	106.5	907.4	606.6
Non interesting bearing provisions	39.2	334.2	333.7
Interest bearing long term liabilities	982.9	8,374.2	2,597.5
Non interest bearing long term liabilities	0.5	4.0	2.8
Interest bearing current liabilities	130.0	1,107.8	77.9
Non interest bearing current liabilities	459.1	3,911.7	2,067.1
Total shareholders' equity and liabilities	**3,015.3**	**25,690.5**	**11,289.4**

[1] Translated using an average rate during the year of 8.43
[2] Translated using a closing rate as at 30 June 2000 of 8.52

SALES PER ORGANIZATIONAL UNIT

		Jan-Sept 2000	Jan-Sept 1999	00/99 % 3)
Scandinavia	SEK M	1,388	1,301	5
Finland	FIM M	542	417	17
Germany	DEM M	189	104	7
France	FRF M	1,012	904	1
United Kingdom	GBP M	23,5	15.3	6
USA	USD M	389	338	5
Hotel locks, VingCard/Timelox	NOK M	742	660	4
Australia	AUD M	106	72	0
New markets	SEK M	767	254	13
Total	**SEK M**	**9,747** 4)	**7,532**	**5**

3) Organic growth, calculated from comparable units after adjustment for acqusitions and currency effects.
4) Whereof the Yale Group SEK 462 M

OPERATING CASH FLOW

	Jan-Sept 2000 EUR M 1)	Jan-Sept 2000 SEK M	Jan-Dec 1999 SEK M
Cash flow from operating activities	133.6	1,126.0	1,410.9
Net capital expenditure re.tangible fixed assets	-34.7	-292.2	-390.2
Adjustments for tax paid	39.1	330.0	197.8
Operating cash flow	**138.0**	**1,163.8**	**1,218.5**

CHANGE IN NET DEBT

Net debt as at January 1 2)	355.6	2,997.7	4,237.3
Cash flow impact on net debt	221.1	1,863.9	-1,803.9
Net debt in acquired subsidiaries	490.6	4,135.9	514.9
Translation differences and other	29.9	252.1	49.4
Net debt as at March 31 2)	**1,097.2**	**9,249.6**	**2,997.7**

KEY DATA	Jan-Sept 2000	Jan-Sept 1999	Jan-Dec 1999
Sales, SEK M	9,747	7,532	10,277
Organic growth, %	5	4	5
Gross margin (EBITDA), %	18.6	17.9	18.1
Operating margin before goodwill amortization (EBITA), %	14.3	13.2	13.5
Operating margin (EBIT), %	11.9	11.5	11.6
Income before tax, SEK M	980	688	981
Profit margin (EBT), %	10.0	9.1	9.5
Operating cash flow, SEK M	1,164	856	1,218
Operating cash flow / Income before tax	1.19	1.24	1.24
Net capital expenditure, SEK M	292	271	391
Depreciation and amortization, SEK M	646	481	667
Total assets, SEK M	25,691	10,938	11,289
Shareholders' equity, SEK M	10,440	5,134	5,337
Net debt, SEK M	9,250	3,099	2,998
Capital employed, SEK M	20,301	8,665	8,602
Equity ratio, %	43.0	49.1	49.6
Interest coverage ratio, times	6.4	4.5	5.3
Net debt/equity ratio, times	0.89	0.60	0.56
Return on shareholders' equity, %	13.4	16.7	16.1
Return on capital employed before goodwill amortization, %	31.9	25.5	28.5
Return on capital employed, %	15.2	15.0	15.5
Earnings per share after tax and full conversion, SEK*	1.96	1.61	2.22
Cash earnings per share after tax and full conversion, SEK*	3.85	3.15	4.32
Shareholders' equity per share after full conversion, SEK*	29.98	16.56	17.15
Number of shares, thousands	352,453	314,335	314,409
Number of shares after full conversion, thousands	356,712	324,200	324,200
Average number of employees	14,717	12,365	12,654

*Comparative figures are adjusted for the rights issue, with the adjustment factor 0.987