

Press Release

22 October 2008
No: 18/08

Good progress for ASSA ABLOY with continued growth

- The sales trend was positive and in comparable currencies sales rose by 7% in the third quarter.
- Growth in Western Europe and Australia remained weak, but was good in North America and on Asian, African and South American markets.
- Sales totaled SEK 8,722 M (8,274), with 1% organic growth, 6% acquired growth and exchange-rate effects of -2%.
- Operating income (EBIT) excluding restructuring costs amounted to SEK 1,435 M (1,404), representing a margin of 16.5% (17.0%).
- Net income amounted to SEK 709 M (884).
- Earnings per share amounted to SEK 2.38 (2.36) excluding restructuring costs.
- The quarter's costs attributable to the new restructuring program amounted to SEK 247 M.
- The acquisitions of Valli&Valli, Gardesa, Rockwood and Cheil were consolidated during the quarter. ASSA ABLOY has signed agreements for the acquisitions of ShenFei. The acquisition of Copiax was approved. ASSA ABLOY has made a public offer for the remainder of the minority shares in the Korean company iRevo.

SALES AND INCOME

	Third quarter			January to September		
	2007	2008	Change	2007	2008	Change
Sales, SEK M	8,274	8,722	+5 %	24,830	25,451	+3 %
of which,						
Organic growth			+1%			+2%
Acquisitions			+6%			+4%
Exchange-rate effects		-133	-2%		-794	-3%
Operating income (EBIT), SEK M	1,404	1,435*	+2 %	4,018	4,056*	+1 %
Operating margin (EBIT), %	17.0	16.5*		16.2	15.9*	
Income before tax, SEK M	1,211	1,227*	+1%	3,440	3,470*	+1%
Net income, SEK M	884	709	-20%	2,509	2,346	-6%
Operating cash flow, SEK M	1,306	1,189*	-9%	3,068	2,852*	-7%
Earnings per share (EPS), SEK	2.36	2.38*	+1 %	6.72	6.76*	+1 %

* Excluding restructuring costs in 2008 totaling SEK 247 M for both the quarter and the first nine months.

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COMMENTS BY THE PRESIDENT AND CEO

“Despite a continued slowdown on all mature markets, ASSA ABLOY showed good growth during the quarter. Development on the North American market was good while Europe, Australia and New Zealand continued to weaken. On emerging markets the positive trend continued, but at a lower level than before. The restructuring program from 2006 is entering its final phase and has been a great success. At the same time, work on the new program is underway and several projects were launched during the third quarter,” said Johan Molin, President and CEO.

THIRD QUARTER

The Group's sales totaled SEK 8,722 M (8,274), representing growth of 5% compared with 2007. In local currencies the increase amounted to 7% (11), of which organic growth for comparable units was 1% (7) while acquired units accounted for 6% (4) of the increase. Exchange-rate effects had a negative impact of SEK 133 M (i.e. 2%) on sales.

Operating income excluding restructuring costs and before depreciation, EBITDA, amounted to SEK 1,669 M (1,625), a rise of 3% compared with 2007. The EBITDA margin was 19.1% (19.6). The Group's operating income, EBIT, excluding restructuring costs amounted to SEK 1,435 M (1,404), a rise of 2%, after negative currency effects of SEK 27 M. The operating margin excluding restructuring costs was 16.5% (17.0).

Net financial items amounted to SEK 207 M (193), which corresponds to an average interest rate of just over 5%. The Group's income before tax and excluding restructuring costs amounted to SEK 1,227 M (1,211), which represents a rise of 1% on the previous year. After translation of subsidiaries' income statements, exchange-rate effects had a negative impact of SEK 21 M on the Group's income before tax. The profit margin excluding restructuring costs was 14.1% (14.6). The Group's tax charge totaled SEK 271 M (327), which represents an effective tax rate of 28% for the quarter. The underlying tax rate is still 27% and the reason for the increase is that some restructuring costs have been reported without claims for deferred tax. Earnings per share excluding restructuring costs amounted to SEK 2.38 (2.36), which represents a rise of 1%.

THE PERIOD JANUARY TO SEPTEMBER

Sales for the first nine months of 2008 totaled SEK 25,451 M (24,830), which represents an increase of 3% compared with 2007. Organic growth was 2% (7). Acquired units contributed 4% (5). Exchange-rate effects affected sales negatively by SEK 794 M, i.e. 3%, compared with the first nine months of 2007.

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Operating income before depreciation, EBITDA, amounted to SEK 4,744 M (4,697) excluding restructuring costs for the period. The corresponding margin was 18.6% (18.9). The Group's operating income, EBIT, excluding restructuring costs amounted to SEK 4,056 M (4,018), representing a small increase after negative exchange-rate effects of SEK 151 M. The corresponding operating margin (EBIT) was 15.9% (16.2).

Earnings per share for the period increased to SEK 6.76 (6.72), excluding restructuring costs. Operating cash flow amounted to SEK 2,852 M (3,068).

RESTRUCTURING MEASURES

Payments related to the restructuring program amounted to SEK 83 M during the quarter, bringing the total for the first nine months of the year to SEK 291 M. Savings during the quarter resulting from measures carried out amount to SEK 40 M compared with the same period last year. The quarterly rate of savings from the start of the program now amounts to SEK 125 M.

So far 1,934 out of the total of a little over 2,000 employees affected by the restructuring program have left the Group. The whole program is expected to have reached completion by the end of the year and the savings effects will be materialized progressively during 2009.

The review of production structures in high-cost countries announced last quarter is now underway. The review covers those units that have not yet been converted from full production to assembly. About thirty projects will be carried out. The total cost is estimated to be SEK 800 M, with a payback time in line with the current restructuring plan of around two to three years. The entire cost of the program is expected to be expensed against income in 2008.

A proportion of the projects were announced and put in hand during the third quarter. The total cost during the quarter amounted to SEK 247 M.

COMMENTS BY DIVISION

EMEA

Sales in EMEA division during the quarter totaled SEK 3,308 M (3,144), with organic growth of -2%. The weakening on most West European markets continued. The emerging markets in Africa and exports to the Middle East, Asia and South America grew strongly. Acquired growth amounted to 6%. Operating income excluding restructuring costs amounted to SEK 552 M (543), which represents an operating margin (EBIT) of 16.7% (17.3). Return on capital employed excluding restructuring costs amounted to 19.6% (20.0). Operating cash flow before interest paid totaled SEK 543 M (559).

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AMERICAS

Growth in the commercial segment in Americas division during the quarter was strong, with the Security Doors business unit showing especially good progress. The sales trend in the residential segment was negative for the fourth successive quarter. Total sales amounted to SEK 2,737 M (2,621), with 6% organic growth. Acquired growth amounted to 3%. The operating margin improved further from an already good level and amounted to 20.6% (20.3) excluding restructuring costs. Return on capital employed excluding restructuring costs amounted to 26.7% (24.0). Operating cash flow before interest paid totaled SEK 593 M (595).

ASIA PACIFIC

Sales in Asia Pacific division weakened during the third quarter, but with substantial regional differences. In China growth was positive despite the interruption for the Olympic Games. Korea also showed strong sales improvement, while there was a weak negative trend in Australia and New Zealand. The division's sales totaled SEK 892 M (696), with 2% organic growth. Acquired growth amounted to 29%. Operating income excluding restructuring costs totaled SEK 107 M (93), which represents an operating margin (EBIT) of 12.0% (13.4). The quarter's return on capital employed excluding restructuring costs amounted to 16.4% (17.6). Operating cash flow before interest paid totaled SEK 141 M (100).

GLOBAL TECHNOLOGIES

Global Technologies division reported continued growth overall, but with variations between the business units. HID and Hospitality had strong growth, whereas ITG had a negative sales trend as the program to phase out unprofitable segments continued and delays arose on some customer projects. Total sales in the third quarter were SEK 1,254 M (1,254), of which organic growth accounted for 3%. Acquired growth amounted to 0% as a net figure between acquisitions (+2%) and disposals (-2%). Operating income excluding restructuring costs for the division amounted to SEK 208 M (203), giving an operating margin (EBIT) of 16.6% (16.2). The operating margin continued to improve for HID, remained stable for Hospitality and decreased for ITG. Return on capital employed excluding restructuring costs amounted to 15.7% (15.8). Operating cash flow before interest paid totaled SEK 173 M (221).

ENTRANCE SYSTEMS

Entrance Systems division reported sales of SEK 766 M (747) in the third quarter, representing organic growth of 1%. Acquired growth amounted to 3%. Sales of new installations on the mature markets of Europe, North America, Australia and New Zealand were weak because demand from the retail sector diminished. Sales in China were affected negatively by the Olympic Games. On the service side, however, several major contracts

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were received, mostly in the USA. Operating income excluding restructuring costs amounted to SEK 110 M (109), giving an operating margin (EBIT) of 14.3% (14.6). Operating income was positively effected by price increases made, but diminished by a growing price pressure on larger orders. Return on capital employed excluding restructuring costs amounted to 13.5% (13.7). Operating cash flow before interest paid totaled SEK 61 M (41).

ACQUISITIONS

The major acquisitions completed and consolidated during the third quarter were those of Cheil in Korea and Valli&Valli and Gardesa, both in Italy. Information about Cheil was published on 30 July, information about Valli&Valli was published on 18 January and 7 July, and information about Gardesa was published on 9 June. Adding smaller acquisitions, a total of eleven acquisitions were consolidated during the first nine months of the year. The combined acquisition price for these eleven acquisitions amounts to SEK 1,255 M and preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to about SEK 835 M. The acquisition price is adjusted for acquired net debt and estimated earn-outs.

On 15 October Asia Pacific division made a public offer for the outstanding 49% of shares in the Korean company iRevo. The first 51% were acquired by ASSA ABLOY in September 2007 and the company has been consolidated into the Group since 1 October 2007.

On 17 October it was announced that Asia Pacific division has signed a contract for the acquisition of the Chinese company ShenFei. ShenFei is a leading manufacturer of door closers with 1,100 employees and annual sales of SEK 180 M. The acquisition requires the approval of the appropriate authorities and is expected to be completed in the fourth quarter of the year.

EMEA division's acquisition of Copiax has now been approved by the Swedish authorities and will be completed during the fourth quarter.

The competition authority in Germany is continuing to consider the acquisition of SimonsVoss by Global Technologies division.

During the quarter the company Bar Code Systems in Australia, which belonged to the HID business unit of Global Technologies division, was sold off.

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SUSTAINABLE DEVELOPMENT

In China ASSA ABLOY Wangli has been certified according to ISO 14001:2004 for its security doors, fire resistant doors and anti-theft locks businesses. ASSA ABLOY Wangli is the first Chinese company manufacturing security doors that has been certified as such. This is an important step in our efforts for a sustainable development for the Group in China, which is one of the most important growth markets in the world. More information about this and other information about sustainable development and the Group's sustainability program can be found at www.assaabloy.com.

PARENT COMPANY

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 1,231 M (888) for the first nine months. Income before tax amounted to SEK 1,361 M (2,037). Investments in tangible and intangible assets totaled SEK 0 M (2). Liquidity is good and the equity ratio was 47.1% (49.6).

ACCOUNTING PRINCIPLES

ASSA ABLOY applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. Significant accounting and valuation principles are detailed on pages 67-71 of the 2007 Annual Report. New or revised IFRS effective after 31 December 2007 have had no material effect on the consolidated income statements or balance sheets. The Group's Interim Reports are prepared in accordance with IAS 34. The Parent company applies RFR 2.1.

TRANSACTIONS WITH RELATED PARTIES

No transactions that significantly affected the company's position and income have taken place between ASSA ABLOY and related parties.

RISKS AND UNCERTAINTY FACTORS

As an international Group with a wide geographic spread, ASSA ABLOY is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. The financial risks are related to such factors as exchange rates, interest rates, liquidity, the giving of credit, raw materials and financial instruments. Risk management in ASSA ABLOY aims to identify, control and reduce risks. This work begins with an assessment of the probability of risks occurring and their potential effect on the Group. For a more detailed description of risks and risk management refer to the 2007 Annual Report. No significant risks other than the risks described there are judged to have occurred.

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OUTLOOK *)

Long term, ASSA ABLOY expects an increase in security-driven demand. Focus on end-user value and innovation as well as leverage on ASSA ABLOY's strong position will accelerate growth and increase profitability.

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

For 2008 the organic growth is expected to be positive, but can be lower than 3% depending on the development of the business cycle.

**) The Outlook is unchanged from the latest published in the Interim Report dated 30 July 2008.*

Stockholm October 22, 2008

Johan Molin

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REVIEW

This report has not been reviewed by the company's auditors.

FINANCIAL INFORMATION

The Year-End Report and Quarterly Report for the fourth quarter will be published on 13 February 2009.

Further information can be obtained from:

Johan Molin, President and CEO, Tel: +46 8 506 485 42

Tomas Eliasson, Chief Financial Officer, Tel: +46 8 506 485 72

ASSA ABLOY is holding an **analysts' meeting** at **10.30 today** at Salénhuset, Norrlandsgatan 15, Stockholm.

The analysts' meeting can also be followed on the Internet at www.assaabloy.com. It is possible to submit questions by telephone on **+46 8 5052 0270, +44 208 817 9301 or +1 718 354 1226**.

This information is that which ASSA ABLOY is required to disclose under the Swedish Securities Exchange and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. The information is released for publication at 08.30 on 22 October.

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FINANCIAL INFORMATION - GROUP

INCOME STATEMENT	Jan-Dec 2007 SEK M	Jan-Sep 2007 SEK M	Jan-Sep 2008 SEK M	Jul-Sep 2007 SEK M	Jul-Sep 2008 SEK M
Sales	33,550	24,830	25,451	8,274	8,722
Cost of goods sold	-19,751	-14,617	-15,178	-4,869	-5,379
Gross Income	13,799	10,213	10,273	3,405	3,343
Selling and administrative expenses	-8,351	-6,202	-6,473	-2,003	-2,157
Share in earnings of associated companies	9	7	10	2	2
Operating income	5,458	4,018	3,809	1,404	1,188
Financial items	-849	-578	-586	-193	-207
Income before tax	4,609	3,440	3,223	1,211	980
Tax	-1,240	-931	-877	-327	-271
Net income	3,368	2,509	2,346	884	709
Allocation of net income:					
Shareholders in ASSA ABLOY AB	3,358	2,504	2,330	882	700
Minority interests	10	5	16	2	8

EARNINGS PER SHARE	Jan-Dec 2007 SEK	Jan-Sep 2007 SEK	Jan-Sep 2008 SEK	Jul-Sep 2007 SEK	Jul-Sep 2008 SEK
Earnings per share after tax and before dilution ¹⁾	9.18	6.84	6.37	2.41	1.91
Earnings per share after tax and before dilution ²⁾	9.02	6.72	6.27	2.36	1.89
Earnings per share after tax and dilution, excl restructuring costs ²⁾	9.02	6.72	6.76	2.36	2.38

CASH FLOW STATEMENT	Jan-Dec 2007 SEK M	Jan-Sep 2007 SEK M	Jan-Sep 2008 SEK M	Jul-Sep 2007 SEK M	Jul-Sep 2008 SEK M
Cash flow from operating activities	3,871	2,528	2,556	1,178	1,141
Cash flow from investing activities	-2,127	-1,481	-1,852	-561	-915
Cash flow from financing activities	-1,568	-1,178	-564	-1,143	-82
Cash flow	176	-131	140	-526	144

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BALANCE SHEET

	31 Dec 2007 SEK M	30 Sep 2007 SEK M	30 Sep 2008 SEK M
Intangible fixed assets	18,708	18,239	20,404
Tangible fixed assets	5,345	5,063	5,563
Financial fixed assets	1,089	1,287	1,134
Inventories	4,399	4,293	5,241
Trade receivables	5,537	5,570	6,286
Other non-interest-bearing current assets	1,221	1,099	1,073
Interest-bearing current assets	1,433	1,240	1,667
Total assets	37,732	36,791	41,367
Equity	15,668	14,742	17,527
Interest-bearing non-current liabilities	9,205	9,214	8,670
Non-interest-bearing non-current liabilities	863	202	554
Interest-bearing current liabilities	5,285	5,679	7,096
Non-interest-bearing current liabilities	6,711	6,954	7,520
Total equity and liabilities	37,732	36,791	41,367

CHANGE IN EQUITY

	Jan-Dec 2007 SEK M	Jan-Sep 2007 SEK M	Jan-Sep 2008 SEK M
Opening balance 1 January	13,645	13,645	15,668
Dividend	-1,189	-1,189	-1,317
Minority interest, net	135	-8	-
Exchange difference for the period	-291	-215	830
Net Income	3,368	2,509	2,346
Closing balance at end of period	15,668	14,742	17,527

KEY DATA

	Jan-Dec 2007	Jan-Sep 2007	Jan-Sep 2008
Return on capital employed excl restructuring, %	18.4	18.4	17.3
Return on capital employed incl restructuring, %	18.4	18.4	16.2
Return on shareholders' equity, %	21.0	21.4	17.0
Equity ratio, %	41.5	40.1	42.4
Interest coverage ratio, times	7.4	7.4	7.0
Interest on convertible debentures net after tax, SEK M	55.0	44.2	58.3
Number of shares, thousands	365,918	365,918	365,918
Number of shares after dilution, thousands	380,713	380,713	380,713
Weighted average number of shares after dilution, thousands	378,533	377,799	380,713
Average number of employees	32,267	31,821	33,051

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FINANCIAL INFORMATION - PARENT COMPANY

INCOME STATEMENT

	Jan-Dec 2007 SEK M	Jan-Sep 2007 SEK M	Jan-Sep 2008 SEK M
Operating income	760	418	685
Income before tax	2,351	2,037	1,361
Net income	2,154	2,043	1,367

BALANCE SHEET

	31 Dec 2007 SEK M	30 Sep 2007 SEK M	30 Sep 2008 SEK M
Non-current assets	16,439	15,740	16,755
Current assets	14,881	14,844	14,775
Total assets	31,320	30,584	31,530
Equity	14,753	15,179	14,845
Provisions	91	91	65
Non-current liabilities	6,454	6,038	5,369
Current liabilities	10,022	9,276	11,251
Total equity and liabilities	31,320	30,584	31,530

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QUARTERLY INFORMATION - GROUP

THE GROUP IN SUMMARY

(All amounts in SEK M if not noted otherwise)

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Jan-Sep 2007	Full Year 2007	Q1 2008	Q2 2008	Q3 2008	Jan-Sep 2008	12 month rolling
Sales	8,227	8,329	8,274	8,721	24,830	33,550	8,203	8,526	8,722	25,451	34,172
Organic growth ³⁾	8%	7%	7%	6%	7%	7%	0%	5%	1%	2%	
Gross income excl restructuring costs	3,383	3,425	3,405	3,587	10,213	13,799	3,383	3,547	3,590	10,519	14,107
Gross income / Sales	41.1%	41.1%	41.2%	41.1%	41.1%	41.1%	41.2%	41.6%	41.2%	41.3%	41.3%
Operating income before depreciation (EBITDA) excl restructuring costs	1,518	1,554	1,625	1,670	4,697	6,366	1,476	1,599	1,669	4,744	6,414
Gross margin (EBITDA)	18.5%	18.7%	19.6%	19.1%	18.9%	19.0%	18.0%	18.8%	19.1%	18.6%	18.8%
Depreciation	-229	-229	-221	-230	-679	-909	-232	-222	-234	-688	-918
Operating income (EBIT) excl restructuring costs	1,289	1,325	1,404	1,440	4,018	5,458	1,244	1,378	1,435	4,056	5,497
Operating margin (EBIT)	15.7%	15.9%	17.0%	16.5%	16.2%	16.3%	15.2%	16.2%	16.5%	15.9%	16.1%
Restructuring costs	-	-	-	-	-	-	-	-	-247	-247	-247
Operating income (EBIT)	1,289	1,325	1,404	1,440	4,018	5,458	1,244	1,378	1,188	3,809	5,250
Financial items	-188	-197	-193	-271	-578	-849	-189	-190	-207	-586	-857
Income before tax	1,101	1,128	1,211	1,168	3,440	4,609	1,055	1,188	980	3,223	4,391
Profit margin (EBT)	13.4%	13.5%	14.6%	13.4%	13.9%	13.7%	12.9%	13.9%	11.2%	12.7%	12.8%
Tax	-298	-306	-327	-309	-931	-1,240	-283	-323	-271	-877	-1,186
Net income	803	822	884	859	2,509	3,368	772	865	709	2,346	3,205
Allocation of net income:											
Share holders in ASSA ABLOY AB	803	820	882	854	2,504	3,358	772	857	700	2,330	3,183
Minority interests	1	2	2	5	5	10	0	8	8	16	21

OPERATING CASH FLOW

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Jan-Sep 2007	Full Year 2007	Q1 2008	Q 2 2008	Q3 2008	Jan-Sep 2008	12 month rolling
Operating income (EBIT)	1,289	1,325	1,404	1,440	4,018	5,458	1,244	1,378	1,188	3,809	5,250
Restructuring costs	-	-	-	-	-	-	-	-	247	247	247
Depreciation	229	229	221	230	679	909	232	222	234	688	918
Net capital expenditure	-101	-218	-220	-212	-539	-751	-164	-173	-199	-537	-748
Change in working capital	-469	-159	53	550	-575	-25	-581	-113	-111	-806	-255
Paid and received interest	-124	-216	-149	-245	-489	-734	-162	-206	-134	-501	-747
Adjustment for non-cash items	-19	-4	-3	-23	-26	-49	14	-26	-36	-48	-71
Operating cash flow ⁴⁾	805	957	1,306	1,740	3,068	4,808	583	1,081	1,189	2,852	4,594
Operating cash flow / Income before tax ⁴⁾	0.73	0.85	1.08	1.49	0.89	1.04	0.55	0.91	0.97	0.82	1.05

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CHANGE IN NET DEBT

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Jan-Sep 2007	Full Year 2007	Q1 2008	Q 2 2008	Q3 2008	Jan-Sep 2008
Net debt at beginning of the period	13,560	13,799	14,534	13,456	13,560	13,560	12,953	12,414	13,549	12,953
Operating cash flow	-805	-957	-1,306	-1,740	-3,068	-4,808	-583	-1,081	-1,189	-2,852
Restructuring payment	44	81	90	209	215	424	111	97	126	333
Tax paid	173	433	258	400	864	1,264	127	251	81	459
Acquisitions	509	92	341	434	942	1,376	126	473	717	1,316
Dividend	-	1,189	-	-	1,189	1,189	-	1,317	-	1,317
Translation differences	318	-103	-461	194	-246	-52	-320	78	726	484
Net debt at end of period	13,799	14,534	13,456	12,953	13,456	12,953	12,414	13,549	14,010	14,010
Net debt / Equity, times	0.94	1.02	0.91	0.83	0.91	0.83	0.79	0.87	0.80	0.80

NET DEBT

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q 2 2008	Q3 2008
Long-term interest-bearing receivables	-139	-161	-197	-105	-102	-93	-89
Short-term interest-bearing investments	-79	-119	-261	-220	-332	-191	-133
Cash and bank balances	-998	-1,549	-979	-1,212	-953	-1,221	-1,534
Pension provisions	1,337	1,239	1,213	1,156	1,151	1,150	1,131
Other long-term interest-bearing liabilities	7,392	8,218	8,002	8,050	7,707	7,683	7,539
Short-term interest-bearing liabilities	6,285	6,906	5,678	5,284	4,943	6,212	7,096
Total	13,799	14,534	13,456	12,953	12,414	13,549	14,010

CAPITAL EMPLOYED AND FINANCING

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q 2 2008	Q3 2008
Capital employed	28,535	28,822	28,198	28,621	28,116	29,045	31,538
- of which goodwill	17,375	17,237	17,077	17,270	16,508	17,068	18,851
Net debt	13,799	14,534	13,456	12,953	12,414	13,549	14,010
Minority interest	59	56	56	201	181	188	211
Shareholders' equity (excl minority interest)	14,677	14,232	14,686	15,467	15,521	15,308	17,317

DATA PER SHARE

	Q1 2007 SEK	Q2 2007 SEK	Q3 2007 SEK	Q4 2007 SEK	Jan-Sep 2007 SEK	Full Year 2007 SEK	Q1 2008 SEK	Q 2 2008 SEK	Q3 2008 SEK	Jan-Sep 2008 SEK	12 month rolling SEK
Earnings per share after tax and before dilution ¹⁾	2.19	2.24	2.41	2.34	6.84	9.18	2.11	2.34	1.91	6.37	8.70
Earnings per share after tax and dilution ²⁾	2.16	2.20	2.36	2.30	6.72	9.02	2.08	2.30	1.89	6.27	8.57
Earnings per share after tax and dilution excl restructuring costs ²⁾	2.16	2.20	2.36	2.30	6.72	9.02	2.08	2.30	2.38	6.76	9.06
Shareholders' equity per share after dilution ²⁾	42.46	43.68	44.68	46.76	44.68	46.76	46.64	46.13	51.61	51.61	

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RESULTS BY DIVISION

SEK M	EMEA ⁵⁾		Americas ⁶⁾		Asia Pacific ⁷⁾		Global Technologies ⁸⁾		Entrance Systems		Other		Total	
Jul - Sep and 30 Sep respectively	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Sales, external	3,047	3,204	2,608	2,728	645	810	1,233	1,223	740	757			8,274	8,722
Sales, intragroup	97	104	13	9	51	82	21	31	7	9	-190	-235		
Sales	3,144	3,308	2,621	2,737	696	892	1,254	1,254	747	766	-190	-235	8,274	8,722
Organic growth ³⁾	6%	-2%	5%	6%	10%	2%	11%	3%	7%	1%			7%	1%
Operating income (EBIT)	543	552	533	563	93	107	203	208	109	110	-76	-105	1,404	1,435
Operating margin (EBIT)	17.3%	16.7%	20.3%	20.6%	13.4%	12.0%	16.2%	16.6%	14.6%	14.3%			17.0%	16.5%
Restructuring costs	-	-74	-	-71	-	-32	-	-63	-	-6	-	-	-	-247
Operating income (EBIT) incl restructuring costs	543	478	533	492	93	75	203	145	109	103	-76	-105	1,404	1,188
Capital employed	9,967	11,321	8,428	8,786	2,082	2,613	5,102	5,440	3,186	3,388	-567	-10	28,198	31,538
- of which goodwill	4,777	5,405	5,060	5,681	956	1,208	3,745	3,816	2,539	2,741			17,077	18,851
Return on capital employed excl restructuring costs	20.0%	19.6%	24.0%	26.7%	17.6%	16.4%	15.8%	15.7%	13.7%	13.5%			18.9%	18.3%
Operating income (EBIT)	543	478	533	492	93	75	203	145	109	103	-76	-105	1,404	1,188
Restructuring costs	-	74	-	71	-	32	-	63	-	6	-	-	-	247
Depreciation	102	110	55	53	16	19	35	39	9	10	3	4	221	234
Net capital expenditure	-108	-86	-43	-48	-13	-24	-43	-35	-6	-8	-5	0	-220	-199
Movement in working capital	22	-33	50	25	4	38	26	-39	-71	-51	-22	-50	53	-111
Cash flow ⁴⁾	559	543	595	593	100	141	221	173	41	61			1,458	1,359
Adjustment for non-cash items											-3	-36	-3	-36
Paid and received interest											-149	-134	-149	-134
Operating cash flow ⁴⁾													1,306	1,189

SEK M	EMEA ⁵⁾		Americas ⁶⁾		Asia Pacific ⁷⁾		Global Technologies ⁸⁾		Entrance Systems		Other		Total	
Jan - Sep and 30 Sep respectively	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Sales, external	9,659	10,033	7,798	7,547	1,728	2,223	3,507	3,453	2,137	2,194			24,830 ⁹⁾	25,451 ⁹⁾
Sales, intragroup	299	325	39	31	157	218	87	116	27	27	-610	-718		
Sales	9,958	10,358	7,837	7,578	1,885	2,441	3,594	3,570	2,164	2,222	-610	-718	24,830	25,451
Organic growth ³⁾	8%	0%	5%	5%	8%	5%	11%	3%	8%	3%			7%	2%
Operating income (EBIT)	1,693	1,727	1,535	1,527	207	265	535	527	302	303	-254	-293	4,018	4,056
Operating margin (EBIT)	17.0%	16.7%	19.6%	20.2%	11.0%	10.9%	14.9%	14.8%	14.0%	13.6%			16.2%	15.9%
Restructuring costs	-	-74	-	-71	-	-32	-	-63	-	-6	-	-	-	-247
Operating income (EBIT) incl restructuring costs	1,693	1,653	1,535	1,456	207	233	535	464	302	297	-254	-293	4,018	3,809
Capital employed	9,967	11,321	8,428	8,786	2,082	2,613	5,102	5,440	3,186	3,388	-567	-10	28,198	31,538
- of which goodwill	4,777	5,405	5,060	5,681	956	1,208	3,745	3,816	2,539	2,741			17,077	18,851
Return on capital employed excl restructuring costs	21.3%	20.6%	23.3%	24.8%	13.2%	13.5%	14.0%	13.1%	12.8%	12.3%			18.4%	17.3%
Operating income (EBIT)	1,693	1,653	1,535	1,456	207	233	535	464	302	297	-254	-293	4,018	3,809
Restructuring costs	-	74	-	71	-	32	-	63	-	6	-	-	-	247
Depreciation	325	332	167	150	48	59	100	108	29	28	9	10	679	688
Net capital expenditure	-210	-207	-127	-140	-44	-71	-137	-89	-5	-23	-16	-7	-539	-537
Movement in working capital	-370	-368	-81	-148	-7	13	-92	-149	-6	-13	-17	-141	-575	-806
Cash flow ⁴⁾	1,437	1,484	1,494	1,389	205	267	406	397	320	294			3,583	3,401
Adjustment for non-cash items											-26	-48	-26	-48
Paid and received interest											-489	-501	-489	-501
Operating cash flow ⁴⁾													3,068	2,852
Average number of employees	12,484	12,039	9,603	8,702	4,942	7,127	2,565	2,808	2,114	2,261	113	114	31,821	33,051

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SEK M	EMEA ⁵⁾		Americas ⁶⁾		Asia Pacific ⁷⁾		Global Technologies ⁸⁾		Entrance Systems		Other		Total	
Jan - Dec and 31 Dec respectively	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
Sales, external	12,165	13,073	10,104	10,166	2,082	2,558	4,108	4,805	2,678	2,949			31,137 ¹⁰⁾	33,550 ¹⁰⁾
Sales, intragroup	344	405	38	54	227	222	112	117	37	38	-758	-836		
Sales	12,509	13,477	10,142	10,220	2,309	2,780	4,220	4,922	2,715	2,987	-758	-836	31,137	33,550
Organic growth ³⁾	8%	7%	10%	5%	4%	10%	12%	11%	11%	6%			9%	7%
Operating income (EBIT)	1,972	2,295	1,945	1,995	213	322	612	754	368	432	-339	-340	4,771	5,458
Operating margin (EBIT)	15.8%	17.0%	19.2%	19.5%	9.2%	11.6%	14.5%	15.3%	13.6%	14.4%			15.3%	16.3%
Restructuring costs	-1,059	-	-169	-	-93	-	-152	-	-1	-	-	-	-1,474	-
Operating income (EBIT) incl restructuring costs	913	2,295	1,776	1,995	120	322	460	754	367	432	-339	-340	3,297	5,458
Capital employed	9,183	10,055	8,545	8,595	1,974	2,520	4,911	5,181	3,121	3,149	-529	-879	27,205	28,621
- of which goodwill	4,631	4,926	5,076	4,928	955	1,211	3,568	3,640	2,453	2,566			16,683	17,270
Return on capital employed excl restructuring costs	19.1%	21.9%	22.3%	22.7%	10.8%	13.8%	15.5%	14.7%	11.5%	13.7%			17.1%	18.4%
Operating income (EBIT)	913	2,295	1,776	1,995	120	322	460	754	367	432	-339	-340	3,297	5,458
Restructuring costs	1,059	-	169	-	93	-	152	-	1	-	-	-	1,474	-
Depreciation	468	433	231	218	64	69	87	138	39	38	9	12	898	909
Net capital expenditure	-251	-351	-199	-141	-109	-56	-127	-164	-30	-14	-23	-22	-739	-751
Movement in working capital	-290	-111	-253	140	-56	-40	-146	-29	-45	41	86	-27	-704	-25
Cash flow ⁴⁾	1,899	2,267	1,724	2,211	112	294	426	699	332	497			4,226	5,591
Adjustment for non-cash items											10	-49	10	-49
Paid and received interest											-708	-734	-708	-734
Operating cash flow ⁴⁾													3,528	4,808
Average number of employees	12,283	12,493	9,641	9,428	5,099	5,445	2,183	2,650	1,926	2,137	111	113	31,243	32,267

¹⁾ Number of shares, thousands, used for the calculation amount to 365,918 for all periods.

²⁾ Number of shares, thousands, used for calculation: Jul-Sep: 380,713 (380,713); Jan-Sep: 380,713 (377,799); Jan-Dec 2007: 378,533.

³⁾ Organic growth concern comparable units after adjustment for acquisitions and currency effects.

⁴⁾ Excluding restructuring items.

⁵⁾ Europe, Middle East and Africa.

⁶⁾ North, Central and South America.

⁷⁾ Asia, Australia and New Zealand.

⁸⁾ ASSA ABLOY Hospitality and HID Group.

⁹⁾ Sales Jan-Sep 2008 (2007) by Geography: Europe 11,953 (11,736), North America 9,160 (9,540), Central and South America 481 (419), Africa 421 (371), Asia 2,028 (1,379), Pacific 1,408 (1,385).

¹⁰⁾ Sales Jan-Dec 2007 (2006) by Geography: Europe 15,924 (14,834) North America 12,503 (12,155), Central and South America 583 (510), Africa 506 (457), Asia 2,127 (1,579), Pacific 1,908 (1,602).

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