

# Press Release

13 February 2009  
No: 02/09

## **Record year for ASSA ABLOY despite weak market development**

### **Fourth quarter**

- Sales increased by 9% to SEK 9,468 M (8,721), with –4% organic growth, 4% acquired growth and exchange-rate effects of 9%.
- Operating income (EBIT) increased by 2% to SEK 1,469 M\* (1,440), representing a margin of 15.5%\* (16.5).
- Net income amounted to SEK 92 M\*\* (859).
- Earnings per share increased by 7% and amounted to SEK 2.45\* (2.30).
- There were considerable savings from restructuring and efficiency measures during the quarter that will continue to give positive effects.
- Operating cash flow rose by 10% to a record level of SEK 1,916 M (1,740).

### **Full year**

- Sales increased by 4% to SEK 34,918 M (33,550), with 0% organic growth, 4% acquired growth and exchange-rate effects of 0%.
- Operating income (EBIT) increased by 1% to SEK 5,526 M\* (5,458), representing a margin of 15.8%\* (16.3).
- Net income amounted to SEK 2,438 M\*\* (3,368).
- Earnings per share increased by 2% and amounted to SEK 9.21\* (9.02).
- Operating cash flow was unchanged, amounting to SEK 4,769 M (4,808).
- Major investments in product development were made during the year and will contribute positively to sales.
- The full cost of the new restructuring program, totaling SEK 1,180 M, was expensed during the third and fourth quarters. All projects are now underway, while the program initiated in 2006 will be completed in 2009.
- The board of directors proposes a dividend of SEK 3.60 per share (3.60).

\* Excluding restructuring and non-recurring costs in 2008 amounting to SEK 1,010 M for the quarter and SEK 1,257 M for the year.

\*\* Excluding restructuring and non-recurring costs, net income for the quarter is SEK 918 M and for the year SEK 3,451 M.

# Press Release

## SALES AND INCOME

	Fourth quarter			Full year		
	2007	2008	Change	2007	2008	Change
<b>Sales, SEK M</b>	<b>8,721</b>	<b>9,468</b>	<b>+9%</b>	<b>33,550</b>	<b>34,918</b>	<b>+4%</b>
of which,						
Organic growth			-4%			+0%
Acquisitions			+4%			+4%
Exchange-rate effects		+810	+9%		+16	+0%
<b>Operating income (EBIT), SEK M</b>	<b>1,440</b>	<b>1,469*</b>	<b>+2%</b>	<b>5,458</b>	<b>5,526*</b>	<b>+1%</b>
Operating margin (EBIT), %	16.5	15.5*		16.3	15.8*	
Income before tax, SEK M	1,168	1,286*	+10%	4,609	4,756*	+3%
Net income, SEK M	859	92**	-	3,368	2,438**	-
Operating cash flow, SEK M	1,740	1,916	+10%	4,808	4,769	-1%
<b>Earnings per share (EPS), SEK</b>	<b>2.30</b>	<b>2.45*</b>	<b>+7%</b>	<b>9.02</b>	<b>9.21*</b>	<b>+2%</b>

\* Excluding restructuring and non-recurring costs in 2008 amounting to SEK 1,010 M for the quarter and SEK 1,257 M for the year.

\*\* Excluding restructuring and non-recurring costs, net income for the quarter is SEK 918 M and for the year SEK 3,451 M.

## COMMENTS BY THE PRESIDENT AND CEO

"It is pleasing to report that ASSA ABLOY recorded its highest-ever sales and income in 2008, at the same time as investments in product development and market presence continued at a high level. Ongoing restructuring programs and other measures achieved valuable savings which counteracted the year's steadily weakening market. Acquisition activity maintained a continued high tempo, with 18 acquisitions completed.

However, everything indicates that 2009 will be a challenging year, since the financial crisis has had a strongly negative effect on investments in construction. Positive is that investments in product development are producing a good boost to sales, but are not expected to be sufficient to avoid a negative organic growth in 2009. Our focus will therefore be placed largely on cost control, profit margins and cash flow, while through our global and unique market presence we are active and ready to respond rapidly to opportunities on the market," says Johan Molin, President and CEO.

# Press Release

## **FOURTH QUARTER**

The Group's sales totaled SEK 9,468 M (8,721), representing growth of 9% compared with 2007. In local currencies the increase amounted to 0% (11), of which organic growth for comparable units was -4% (6) while acquired units accounted for 4% (5) of the increase. Exchange-rate effects had a positive impact of SEK 810 M (i.e. 9%) on sales.

Operating income before depreciation, EBITDA, excluding restructuring and non-recurring costs, amounted to SEK 1,703 M (1,670), a rise of 2% compared with 2007. The EBITDA margin was 18.0% (19.1). The Group's operating income, EBIT, excluding restructuring and non-recurring costs, amounted to SEK 1,469 M (1,440), a rise of 2%, after positive currency effects of SEK 155 M. The operating margin was 15.5% (16.5).

Net financial items amounted to SEK 184 M (271), which corresponds to an average interest rate of just over 5%. The Group's income before tax amounted to SEK 276 M (1,168). Adjusted for non-recurring and restructuring costs, income before tax was SEK 1,286 M, representing a rise of 3%. After translation of subsidiaries' income statements, exchange-rate effects had a positive impact of SEK 115 M on the Group's income before tax. The profit margin was 2.9% (13.4) and adjusted for restructuring and non-recurring costs, 13.6%. The Group's tax charge totaled SEK 184 M (309). The effective tax rate for the quarter was affected by the fact that deferred tax has not been considered on some restructuring items. The underlying tax rate was 27%. Earnings per share amounted to SEK 0.29 (2.30). Adjusted for restructuring and non-recurring costs, earnings per share were SEK 2.45.

## **FULL YEAR**

Sales for 2008 totaled SEK 34,918 M (33,550), which represents an increase of 4% compared with 2007. Organic growth was 0% (7). Acquired units contributed 4% (5). Exchange-rate effects affected sales positively by SEK 16 M.

Operating income before depreciation, EBITDA, amounted to SEK 6,447 M (6,366), excluding restructuring and non-recurring costs. The corresponding margin was 18.5% (19.0). The Group's operating income, EBIT, amounted to SEK 5,526 M (5,458), excluding restructuring and non-recurring costs, an increase of 1%. The corresponding operating margin (EBIT) was 15.8% (16.3).

Earnings per share increased by 2% to SEK 9.21 (9.02), excluding restructuring and non-recurring costs. Operating cash flow amounted to SEK 4,769 M (4,808).

# Press Release

## **RESTRUCTURING MEASURES**

Payments related to the two restructuring programs amounted to SEK 152 M during the quarter, making the total for the full year SEK 485 M. The restructuring program initiated in 2006 has been a great success and will be completed in 2009. The annual rate of savings is close to the target level of SEK 600 M, which will be achieved during 2009. More than 2,000 employees have left the Group as a result of the changes in the production structure.

The restructuring program initiated during the second half of 2008 was fully underway by year-end. The program comprises some 40 projects, is expected to cost SEK 1,180 M and affects 1,800 employees. The payback time is 2-3 years. The entire cost has been expensed in the third and fourth quarters.

## **COMMENTS BY DIVISION**

### **EMEA**

Sales in EMEA division during the quarter totaled SEK 3,629 M (3,519), with organic growth of -9%. The weakening on all West European markets continued. Only Germany showed an increase in sales; otherwise growth was negative. The weakening also continued on the growth markets in Africa and Eastern Europe. Acquired growth amounted to 6%. Operating income excluding restructuring and non-recurring costs amounted to SEK 562 M (602), which represents an operating margin (EBIT) of 15.5% (17.1). Return on capital employed excluding restructuring and non-recurring costs amounted to 17.5% (22.4). The return was diluted by lower income and a number of acquisitions during the year. Operating cash flow before interest paid totaled SEK 938 M (829).

### **AMERICAS**

Growth in Americas division weakened during the quarter but remained strong in the commercial segment, where the positive trend for the Security Doors business unit continued. The sales trend in the residential segment was negative. Total sales amounted to SEK 2,889 M (2,383), with 1% organic growth. Acquired growth amounted to 3%. The operating margin improved and amounted to 19.9% (19.3), excluding restructuring costs. Return on capital employed excluding restructuring costs amounted to 23.1% (21.6). Operating cash flow before interest paid totaled SEK 707 M (717).

### **ASIA PACIFIC**

Organic growth in Asia Pacific division turned negative in the fourth quarter. All business units in Australia and New Zealand, which represent half the division, showed negative growth. Weakening was also evident on the Chinese market. On the other Asian markets apart from China growth was weakly positive. The division's sales totaled SEK 881 M

# Press Release

(895), with –8% organic growth. Acquired growth amounted to 6%. Operating income excluding restructuring costs totaled SEK 92 M (115), which represents an operating margin (EBIT) of 10.4% (12.8). The quarter's return on capital employed excluding restructuring costs amounted to 13.8% (19.6). Operating cash flow before interest paid totaled SEK 194 M (90).

## **GLOBAL TECHNOLOGIES**

Global Technologies division reported negative organic growth for the quarter. The weakened market situation affected all business units. At ITG the program to phase out unprofitable segments continued while some customer projects were postponed. Total sales in the fourth quarter were SEK 1,315 M (1,328), with organic growth of –8%. Acquired growth amounted to –3%. The division's operating income excluding restructuring costs amounted to SEK 203 M (219), giving an operating margin (EBIT) of 15.4% (16.5). Return on capital employed excluding restructuring costs amounted to 13.8% (16.9). Operating cash flow before interest paid totaled SEK 275 M (293).

## **ENTRANCE SYSTEMS**

Entrance Systems division reported sales of SEK 952 M (823) in the fourth quarter, representing organic growth of 3%, the same figure as for the corresponding quarter last year. Acquired growth amounted to 6%. Demand from the retailing sector weakened but was counteracted by some expansion of demand from the hospital and healthcare sector and a positive trend on the service side. Operating income excluding restructuring costs amounted to SEK 150 M (130), giving an operating margin (EBIT) of 15.8% (15.7). Return on capital employed excluding restructuring costs amounted to 18.1% (16.3). Operating cash flow before interest paid totaled SEK 104 M (177).

## **ACQUISITIONS**

The major acquisition completed and consolidated during the fourth quarter was that of Copiax in Sweden. Information about Copiax has been published on several occasions, most recently in the Interim Report for the third quarter of 2008. Adding smaller acquisitions, a total of 20 companies have been consolidated during the year of which two concerned the final acquisition of the minority shares in iRevo, which is already being consolidated in the Group since 2007 (see below). The combined acquisition price for the 20 companies amounts to SEK 2,013 M, and preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to about SEK 1,460 M. The acquisition price is adjusted for acquired net debt and estimated earn-outs.

# Press Release

During the fall Asia Pacific division made a public offer for the outstanding 49% of shares in the South Korean company iRevo. More than 90% of the total number of outstanding shares are now owned by ASSA ABLOY and the Korean stock exchange has approved the company's request for delisting. The first 51% of iRevo was acquired by ASSA ABLOY 2007 and the company has been consolidated in the Group since 1 October 2007.

The previously announced acquisition of the Chinese company Shenfei has now been approved by the authorities.

The competition authority in Germany has rejected the company's application concerning the acquisition of the German company SimonsVoss. ASSA ABLOY has lodged a formal appeal and is currently considering the next step in the process.

## **SUSTAINABLE DEVELOPMENT**

ASSA ABLOY's units all over the world are working purposefully to reduce the emission of greenhouse gases. This applies to units on both mature and new markets and to both existing and newly acquired companies. ASSA ABLOY's largest production unit in North America, Sargent Manufacturing, has made an investment in a combined-heat-and-power plant. By using the plant both to generate power and for heating, efficiency has been raised from 40% to 90%, which has significantly reduced energy consumption and the emission of greenhouse gases. Furthermore the investment has a financial payback time of only two years.

The 2008 Sustainability Report, reporting on the Group's 20-point program and giving other information about sustainable development, will be published at the time of the Annual General Meeting in April 2009.

## **OTHER EVENTS**

The operating costs for 2008 for EMEA division include a non-recurring item of SEK 77 M relating to the provision of supplementary lock protection in the Swedish operation.



# Press Release

## **PARENT COMPANY**

'Other operating income' for the Parent company ASSA ABLOY AB totaled SEK 1,775 M (1,641) for the full year. Income before tax amounted to SEK 1,590 M (2,351). Investments in tangible and intangible assets totaled SEK 0 M (496). Liquidity is good and the equity ratio was 39.8% (47.1).

## **DIVIDEND AND ANNUAL GENERAL MEETING**

The Board of Directors proposes a dividend of SEK 3.60 (3.60) per share for the 2008 financial year. The Annual General Meeting will be held on 23 April 2009.

## **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.

# Press Release

**OUTLOOK\***Long-term 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.

Outlook for the year

2009 will be a challenging year since the financial crisis has had a strongly negative effect on investments in construction, and negative organic growth for the year is therefore expected for ASSA ABLOY.

*\* The long-term outlook is unchanged while the outlook for 2009 is new. No outlook for 2009 has previously been published.*

Stockholm, 13 February 2009

Johan Molin

President and CEO



# Press Release

The Year-End Report has not been reviewed by the Company's Auditor.

## **Financial information**

The Interim Report for the first quarter will be published on 22 April 2009. The Annual General Meeting will be held at Moderna Museet (the Museum of Modern Art) in Stockholm on 23 April.

## **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 **10.00 today**  
at Klarabergsviadukten 90 in Stockholm.

The analysts' meeting can also be followed on the Internet at [www.assaabloy.com](http://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 13 February.*

# Press Release

## FINANCIAL INFORMATION - GROUP

INCOME STATEMENT	Jan-Dec 2007 SEK M	Jan-Dec 2008 SEK M	Oct-Dec 2007 SEK M	Oct-Dec 2008 SEK M
Sales	33,550	34,918	8,721	9,468
Cost of goods sold	-19,751	-21,532	-5,134	-6,354
<b>Gross Income</b>	<b>13,799</b>	<b>13,386</b>	<b>3,587</b>	<b>3,114</b>
Selling and administrative expenses	-8,351	-9,129	-2,149	-2,656
Share in earnings of associated companies	9	12	2	3
<b>Operating income</b>	<b>5,458</b>	<b>4,269</b>	<b>1,440</b>	<b>460</b>
Financial items	-849	-770	-271	-184
<b>Income before tax</b>	<b>4,609</b>	<b>3,499</b>	<b>1,168</b>	<b>276</b>
Tax	-1,240	-1,061	-309	-184
<b>Net income</b>	<b>3,368</b>	<b>2,438</b>	<b>859</b>	<b>92</b>
<i>Allocation of net income:</i>				
Shareholders in ASSA ABLOY AB	3,358	2,413	854	84
Minority interests	10	25	5	9

EARNINGS PER SHARE	Jan-Dec 2007 SEK	Jan-Dec 2008 SEK	Oct-Dec 2007 SEK	Oct-Dec 2008 SEK
Earnings per share after tax and before dilution <sup>1)</sup>	9.18	6.60	2.34	0.23
Earnings per share after tax and before dilution <sup>2)</sup>	9.02	6.55	2.30	0.29
Earnings per share after tax and dilution, excl items affecting comparability <sup>2)</sup>	9.02	9.21	2.30	2.45

CASH FLOW STATEMENT	Jan-Dec 2007 SEK M	Jan-Dec 2008 SEK M	Oct-Dec 2007 SEK M	Oct-Dec 2008 SEK M
Cash flow from operating activities	3,871	4,369	1,343	1,813
Cash flow from investing activities	-2,127	-2,648	-646	-796
Cash flow from financing activities	-1,568	-1,311	-390	-747
<b>Cash flow</b>	<b>176</b>	<b>410</b>	<b>307</b>	<b>270</b>

# Press Release

**BALANCE SHEET**

	<b>31 Dec 2007 SEK M</b>	<b>31 Dec 2008 SEK M</b>
Intangible fixed assets	18,708	22,662
Tangible fixed assets	5,345	5,952
Financial fixed assets	1,089	1,112
Inventories	4,399	5,383
Trade receivables	5,537	6,372
Other non-interest-bearing current assets	1,221	1,213
Interest-bearing current assets	1,433	2,266
<b>Total assets</b>	<b>37,732</b>	<b>44,960</b>
Equity	15,668	18,838
Interest-bearing non-current liabilities	9,205	8,948
Non-interest-bearing non-current liabilities	863	1,660
Interest-bearing current liabilities	5,285	7,588
Non-interest-bearing current liabilities	6,711	7,926
<b>Total equity and liabilities</b>	<b>37,732</b>	<b>44,960</b>

**CHANGE IN EQUITY**

	<b>Jan-Dec 2007 SEK M</b>	<b>Jan-Dec 2008 SEK M</b>
<b>Opening balance 1 January</b>	<b>13,645</b>	<b>15,668</b>
Dividend	-1,189	-1,317
Minority interest, net	135	-82
Exchange difference for the period	-291	2,131
Net Income	3,368	2,438
<b>Closing balance at end of period</b>	<b>15,668</b>	<b>18,838</b>

**KEY DATA**

	<b>Jan-Dec 2007</b>	<b>Jan-Dec 2008</b>
Return on capital employed excl items affecting comparability, %	18.4	17.2
Return on capital employed incl items affecting comparability, %	18.4	13.3
Return on shareholders' equity, %	21.0	12.8
Equity ratio, %	41.5	41.9
Interest coverage ratio, times	7.4	5.7
Interest on convertible debentures net after tax, SEK M	55.0	81.0
Number of shares, thousands	365,918	365,918
Number of shares after dilution, thousands	380,713	380,713
Weighted average number of shares after dilution, thousands	378,533	380,713
Average number of employees	32,267	32,723

# Press Release

## FINANCIAL INFORMATION - PARENT COMPANY

### INCOME STATEMENT

	Jan-Dec 2007 SEK M	Jan-Dec 2008 SEK M
Operating income	760	992
Income before tax	2,351	1,589
Net income	2,154	1,154

### BALANCE SHEET

	31 Dec 2007 SEK M	31 Dec 2008 SEK M
Non-current assets	16,439	19,274
Current assets	14,881	15,329
<b>Total assets</b>	<b>31,320</b>	<b>34,603</b>
Equity	14,753	13,776
Provisions	91	58
Non-current liabilities	6,454	5,145
Current liabilities	10,022	15,624
<b>Total equity and liabilities</b>	<b>31,320</b>	<b>34,603</b>

# Press Release

## QUARTERLY INFORMATION - GROUP

### THE GROUP IN SUMMARY

(All amounts in SEK M if not noted otherwise)

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Full Year 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Full Year 2008
Sales	8,227	8,329	8,274	8,721	33,550	8,203	8,526	8,722	9,468	34,918
Organic growth <sup>3)</sup>	8%	7%	7%	6%	7%	0%	5%	1%	-4%	0%
<b>Gross income excl items affecting comparability</b>	<b>3,383</b>	<b>3,425</b>	<b>3,405</b>	<b>3,587</b>	<b>13,799</b>	<b>3,383</b>	<b>3,547</b>	<b>3,590</b>	<b>3,898</b>	<b>14,418</b>
Gross income / Sales	41.1%	41.1%	41.2%	41.1%	41.1%	41.2%	41.6%	41.2%	41.2%	41.3%
<b>Operating income before depreciation (EBITDA) excl items affecting comparability</b>	<b>1,518</b>	<b>1,554</b>	<b>1,625</b>	<b>1,670</b>	<b>6,366</b>	<b>1,476</b>	<b>1,599</b>	<b>1,669</b>	<b>1,703</b>	<b>6,447</b>
Gross margin (EBITDA)	18.5%	18.7%	19.6%	19.1%	19.0%	18.0%	18.8%	19.1%	18.0%	18.5%
Depreciation	-229	-229	-221	-230	-909	-232	-222	-234	-233	-921
<b>Operating income (EBIT) excl items affecting comparability</b>	<b>1,289</b>	<b>1,325</b>	<b>1,404</b>	<b>1,440</b>	<b>5,458</b>	<b>1,244</b>	<b>1,378</b>	<b>1,435</b>	<b>1,469</b>	<b>5,526</b>
Operating margin (EBIT)	15.7%	15.9%	17.0%	16.5%	16.3%	15.2%	16.2%	16.5%	15.5%	15.8%
Items affecting comparability <sup>10)</sup>	-	-	-	-	-	-	-	-247	-1,010	-1,257
<b>Operating income (EBIT)</b>	<b>1,289</b>	<b>1,325</b>	<b>1,404</b>	<b>1,440</b>	<b>5,458</b>	<b>1,244</b>	<b>1,378</b>	<b>1,188</b>	<b>460</b>	<b>4,269</b>
Financial items	-188	-197	-193	-271	-849	-189	-190	-207	-184	-770
<b>Income before tax</b>	<b>1,101</b>	<b>1,128</b>	<b>1,211</b>	<b>1,168</b>	<b>4,609</b>	<b>1,055</b>	<b>1,188</b>	<b>980</b>	<b>276</b>	<b>3,499</b>
Profit margin (EBT)	13.4%	13.5%	14.6%	13.4%	13.7%	12.9%	13.9%	11.2%	2.9%	10.0%
Tax	-298	-306	-327	-309	-1,240	-283	-323	-271	-184	-1,061
<b>Net income</b>	<b>803</b>	<b>822</b>	<b>884</b>	<b>859</b>	<b>3,368</b>	<b>772</b>	<b>865</b>	<b>709</b>	<b>92</b>	<b>2,438</b>
<b>Allocation of net income:</b>										
Share holders in ASSA ABLOY AB	803	820	882	854	3,358	772	857	700	84	2,413
Minority interests	1	2	2	5	10	0	8	8	9	25

### OPERATING CASH FLOW

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Full Year 2007	Q1 2008	Q 2 2008	Q3 2008	Q4 2008	Full Year 2008
Operating income (EBIT)	1,289	1,325	1,404	1,440	5,458	1,244	1,378	1,188	460	4,269
Restructuring costs	-	-	-	-	-	-	-	247	933	1,180
Depreciation	229	229	221	230	909	232	222	234	233	921
Net capital expenditure	-101	-218	-220	-212	-751	-164	-173	-199	-293	-829
Change in working capital	-469	-159	53	550	-25	-581	-113	-111	801	-5
Paid and received interest	-124	-216	-149	-245	-734	-162	-206	-134	-217	-718
Adjustment for non-cash items	-19	-4	-3	-23	-49	14	-26	-36	-1	-49
<b>Operating cash flow <sup>4)</sup></b>	<b>805</b>	<b>957</b>	<b>1,306</b>	<b>1,740</b>	<b>4,808</b>	<b>583</b>	<b>1,081</b>	<b>1,189</b>	<b>1,916</b>	<b>4,769</b>
Operating cash flow / Income before tax <sup>4)</sup>	0.73	0.85	1.08	1.49	1.04	0.55	0.91	0.97	1.49	1.02

ASSA ABLOY AB (publ)  
Box 70340  
SE-107 23 Stockholm, Sweden  
Visiting address:  
Klarabergsviadukten 90

Tel: +46 (0)8 506 485 00  
Fax: +46 (0)8 506 485 85  
[www.assaabloy.com](http://www.assaabloy.com)

ASSA ABLOY is the global  
leader in door opening solutions,  
dedicated to satisfying  
end-user needs for security,  
safety and convenience.

# Press Release

## CHANGE IN NET DEBT

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Full Year 2007	Q1 2008	Q 2 2008	Q3 2008	Q4 2008	Full Year 2008
Net debt at beginning of the period	13,560	13,799	14,534	13,456	13,560	12,953	12,414	13,549	14,010	12,953
Operating cash flow	-805	-957	-1,306	-1,740	-4,808	-583	-1,081	-1,189	-1,916	-4,769
Restructuring payment	44	81	90	209	424	111	97	126	152	485
Tax paid	173	433	258	400	1,264	127	251	81	283	742
Acquisitions	509	92	341	434	1,376	126	473	717	503	1,819
Dividend	-	1,189	-	-	1,189	-	1,317	-	-	1,317
Translation differences	318	-103	-461	194	-52	-320	78	726	981	1,466
<b>Net debt at end of period</b>	<b>13,799</b>	<b>14,534</b>	<b>13,456</b>	<b>12,953</b>	<b>12,953</b>	<b>12,414</b>	<b>13,549</b>	<b>14,010</b>	<b>14,013</b>	<b>14,013</b>
Net debt / Equity, times	0.94	1.02	0.91	0.83	0.83	0.79	0.87	0.80	0.74	0.74

## NET DEBT

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q 2 2008	Q3 2008	Q4 2008
Long-term interest-bearing receivables	-139	-161	-197	-105	-102	-83	-89	-256
Short-term interest-bearing investments	-79	-119	-261	-220	-332	-191	-133	-688
Cash and bank balances	-998	-1,549	-979	-1,212	-953	-1,221	-1,534	-1,579
Pension provisions	1,337	1,239	1,213	1,156	1,151	1,150	1,131	1,182
Other long-term interest-bearing liabilities	7,392	8,218	8,002	8,050	7,707	7,683	7,539	7,766
Short-term interest-bearing liabilities	6,285	6,906	5,678	5,284	4,943	6,212	7,096	7,589
<b>Total</b>	<b>13,799</b>	<b>14,534</b>	<b>13,456</b>	<b>12,953</b>	<b>12,414</b>	<b>13,549</b>	<b>14,010</b>	<b>14,013</b>

## CAPITAL EMPLOYED AND FINANCING

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q 2 2008	Q3 2008	Q4 2008
Capital employed	28,535	28,822	28,198	28,621	28,116	29,045	31,538	32,850
- of which goodwill	17,375	17,237	17,077	17,270	16,508	17,068	18,851	20,669
Net debt	13,799	14,534	13,456	12,953	12,414	13,549	14,010	14,013
Minority interest	59	56	56	201	181	188	211	163
Shareholders' equity (excl minority interest)	14,677	14,232	14,686	15,467	15,521	15,308	17,317	18,674

## DATA PER SHARE

	Q1 2007 SEK	Q2 2007 SEK	Q3 2007 SEK	Q4 2007 SEK	Full Year 2007 SEK	Q1 2008 SEK	Q 2 2008 SEK	Q3 2008 SEK	Q4 2008 SEK	Full Year 2008 SEK
Earnings per share after tax and before dilution <sup>1)</sup>	2.19	2.24	2.41	2.34	9.18	2.11	2.34	1.91	0.23	6.60
Earnings per share after tax and dilution <sup>2)</sup>	2.16	2.20	2.36	2.30	9.02	2.08	2.30	1.89	0.29	6.55
Earnings per share after tax and dilution excl items affecting comparability <sup>2)</sup>	2.16	2.20	2.36	2.30	9.02	2.08	2.30	2.38	2.45	9.21
Shareholders' equity per share after dilution <sup>2)</sup>	42.46	43.68	44.68	46.76	46.76	46.64	46.13	51.61	55.91	55.91

ASSA ABLOY AB (publ)  
Box 70340  
SE-107 23 Stockholm, Sweden  
Visiting address:  
Klarabergsviadukten 90

Tel: +46 (0)8 506 485 00  
Fax: +46 (0)8 506 485 85  
[www.assaabloy.com](http://www.assaabloy.com)

ASSA ABLOY is the global leader in door opening solutions, dedicated to satisfying end-user needs for security, safety and convenience.

# Press Release

## RESULTS BY DIVISION

SEK M	EMEA <sup>5)</sup>		Americas <sup>6)</sup>		Asia Pacific <sup>7)</sup>		Global Technologies <sup>8)</sup>		Entrance Systems		Other		Total	
Oct - Dec and 31 Dec respectively	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Sales, external	3,414	3,544	2,368	2,879	830	809	1,298	1,295	812	940			8,721	9,468
Sales, intragroup	106	85	15	10	65	72	30	20	11	11	-226			
<b>Sales</b>	<b>3,519</b>	<b>3,629</b>	<b>2,383</b>	<b>2,889</b>	<b>895</b>	<b>881</b>	<b>1,328</b>	<b>1,315</b>	<b>823</b>	<b>952</b>	<b>-226</b>	<b>-198</b>	<b>8,721</b>	<b>9,468</b>
Organic growth <sup>3)</sup>	4%	-9%	5%	1%	15%	-8%	10%	-8%	3%	3%			6%	-4%
<b>Operating income (EBIT)</b>	<b>602</b>	<b>562</b>	<b>460</b>	<b>574</b>	<b>115</b>	<b>92</b>	<b>219</b>	<b>203</b>	<b>130</b>	<b>150</b>	<b>-86</b>	<b>-111</b>	<b>1,440</b>	<b>1,469</b>
Operating margin (EBIT)	17.1%	15.5%	19.3%	19.9%	12.8%	10.4%	16.5%	15.4%	15.7%	15.8%			16.5%	15.5%
Items affecting comparability <sup>10)</sup>	-	-789	-	-6	-	-32	-	-86	-	-97	-	-	-	-1,010
<b>Operating income (EBIT) incl items affecting comparability</b>	<b>602</b>	<b>-226</b>	<b>460</b>	<b>568</b>	<b>115</b>	<b>60</b>	<b>219</b>	<b>116</b>	<b>130</b>	<b>53</b>	<b>-86</b>	<b>-111</b>	<b>1,440</b>	<b>460</b>
Capital employed	10,055	12,306	8,595	9,639	2,520	2,768	5,181	6,112	3,149	3,425	-879	-1,400	28,621	32,850
- of which goodwill	4,926	5,766	4,928	6,236	1,211	1,628	3,640	4,275	2,566	2,763			17,270	20,669
Return on capital employed excl items affecting comparability	22.4%	17.5%	21.6%	23.1%	19.6%	13.8%	16.9%	13.8%	16.3%	18.1%			18.5%	17.8%
Operating income (EBIT)	602	-226	460	568	115	60	219	116	130	53	-86	-111	1,440	460
Restructuring costs	-	712	-	6	-	32	-	86	-	97	-	-	-	933
Depreciation	109	123	49	54	20	22	38	27	9	9	3	-2	230	233
Net capital expenditure	-141	-121	-14	-75	-12	-27	-27	-40	-9	-8	-6	-21	-212	-293
Movement in working capital	259	450	222	153	-33	107	63	85	47	-47	-8	51	550	801
<b>Cash flow <sup>4)</sup></b>	<b>829</b>	<b>938</b>	<b>717</b>	<b>707</b>	<b>90</b>	<b>194</b>	<b>293</b>	<b>275</b>	<b>177</b>	<b>104</b>			<b>2,008</b>	<b>2,134</b>
Adjustment for non-cash items											-23	-1	-23	-1
Paid and received interest											-245	-217	-245	-217
<b>Operating cash flow <sup>4)</sup></b>													<b>1,740</b>	<b>1,916</b>

SEK M	EMEA <sup>5)</sup>		Americas <sup>6)</sup>		Asia Pacific <sup>7)</sup>		Global Technologies <sup>8)</sup>		Entrance Systems		Other		Total	
Jan - Dec and 31 Dec respectively	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Sales, external	13,073	13,578	10,166	10,426	2,558	3,031	4,805	4,748	2,949	3,135			33,550 <sup>9)</sup>	34,918 <sup>9)</sup>
Sales, intragroup	405	410	54	41	222	290	117	136	38	39	-836	-915		
<b>Sales</b>	<b>13,477</b>	<b>13,988</b>	<b>10,220</b>	<b>10,467</b>	<b>2,780</b>	<b>3,321</b>	<b>4,922</b>	<b>4,884</b>	<b>2,987</b>	<b>3,173</b>	<b>-836</b>	<b>-915</b>	<b>33,550</b>	<b>34,918</b>
Organic growth <sup>3)</sup>	7%	-2%	5%	4%	10%	0%	11%	0%	6%	3%			7%	0%
<b>Operating income (EBIT)</b>	<b>2,295</b>	<b>2,289</b>	<b>1,995</b>	<b>2,101</b>	<b>322</b>	<b>357</b>	<b>754</b>	<b>729</b>	<b>432</b>	<b>453</b>	<b>-340</b>	<b>-404</b>	<b>5,458</b>	<b>5,526</b>
Operating margin (EBIT)	17.0%	16.4%	19.5%	20.1%	11.6%	10.8%	15.3%	14.9%	14.4%	14.3%			16.3%	15.8%
Items affecting comparability <sup>10)</sup>	-	-863	-	-77	-	-65	-	-149	-	-103	-	-	-	-1,257
<b>Operating income (EBIT) incl items affecting comparability</b>	<b>2,295</b>	<b>1,426</b>	<b>1,995</b>	<b>2,024</b>	<b>322</b>	<b>293</b>	<b>754</b>	<b>580</b>	<b>432</b>	<b>350</b>	<b>-340</b>	<b>-404</b>	<b>5,458</b>	<b>4,269</b>
Capital employed	10,055	12,306	8,595	9,639	2,520	2,768	5,181	6,112	3,149	3,425	-879	-1,400	28,621	32,850
- of which goodwill	4,926	5,766	4,928	6,236	1,211	1,628	3,640	4,275	2,566	2,763			17,270	20,669
Return on capital employed excl items affecting comparability	21.9%	19.9%	22.7%	24.5%	13.8%	13.2%	14.7%	12.7%	13.7%	13.8%			18.4%	17.2%
Operating income (EBIT)	2,295	1,426	1,995	2,024	322	293	754	580	432	350	-340	-404	5,458	4,269
Restructuring costs	-	786	-	77	-	65	-	149	-	103	-	-	-	1,180
Depreciation	433	455	218	205	69	80	138	136	38	37	12	8	909	921
Net capital expenditure	-351	-328	-141	-214	-56	-98	-164	-129	-14	-31	-22	-29	-751	-829
Movement in working capital	-111	82	140	5	-40	120	-29	-64	41	-60	-27	-88	-25	-5
<b>Cash flow <sup>4)</sup></b>	<b>2,267</b>	<b>2,421</b>	<b>2,211</b>	<b>2,097</b>	<b>294</b>	<b>460</b>	<b>699</b>	<b>672</b>	<b>497</b>	<b>399</b>			<b>5,591</b>	<b>5,536</b>
Adjustment for non-cash items											-49	-49	-49	-49
Paid and received interest											-734	-718	-734	-718
<b>Operating cash flow <sup>4)</sup></b>													<b>4,808</b>	<b>4,769</b>
Average number of employees	12,493	11,903	9,428	8,573	5,445	7,065	2,650	2,811	2,137	2,260	113	111	32,267	32,723

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

<sup>2)</sup> Number of shares, thousands, used for calculation: Oct-Dec: 380,713 (380,713); Jan-Dec: 380,713 (378,533).

<sup>3)</sup> Organic growth concern comparable units after adjustment for acquisitions and currency effects.

<sup>4)</sup> Excluding restructuring items.

<sup>5)</sup> Europe, Middle East and Africa.

<sup>6)</sup> North, Central and South America.

<sup>7)</sup> Asia, Australia and New Zealand.

<sup>8)</sup> ASSA ABLOY Hospitality and HID Global.

<sup>9)</sup> Sales Jan-Dec 2008 (2007) by Geography: Europe 16,219 (15,924), North America 12,787 (12,503), Central and South America 632 (583), Africa 560 (506), Asia 2,890 (2,127), Pacific 1,829 (1,908).

<sup>10)</sup> Items affecting comparability consist of restructuring costs and non-recurring charges. The non-recurring charges relate to EMEA and amount to SEK 77 M, both for Q4 and the full year.

ASSA ABLOY AB (publ)  
Box 70340  
SE-107 23 Stockholm, Sweden  
Visiting address:  
Klarabergsviadukten 90

Tel: +46 (0)8 506 485 00  
Fax: +46 (0)8 506 485 85  
www.assaabloy.com

ASSA ABLOY is the global leader in door opening solutions, dedicated to satisfying end-user needs for security, safety and convenience.