

Press Release

28 October 2009
No. 11/09

High profitability at ASSA ABLOY, and stabilization on markets outside the USA

- Sales totaled SEK 8,425 M (8,722), a fall of 3%, comprising –13% organic growth, 2% acquired growth and exchange-rate effects of 8%.
- Asia returned to growth during the quarter and the downturn in Europe was less negative. The North American market continued to weaken.
- Continuing major efficiency benefits from restructuring programs and capacity adjustments throughout the Group contributed to good earnings and a very strong cash flow.
- Operating income (EBIT) amounted to SEK 1,346 M (1,435), a fall of 6%, representing a margin of 16.0% (16.5%).
- A new revision of the remaining production units has begun. The total cost is estimated at SEK 800 M (see details below).
- Net income amounted to SEK 888 M (709).
- Earnings per share amounted to SEK 2.36 (2.38), a decrease of 1%.

SALES AND INCOME

	Third quarter			January to September		
	2008	2009	Change	2008	2009	Change
Sales, SEK M	8,722	8,425	-3%	25,451	26,228	+3%
of which,						
Organic growth			-13%			-13%
Acquisitions			+2%			+3%
Exchange-rate effects	-133	783	+8%	-794	3,676	+13%
Operating income (EBIT), SEK M	1,435*	1,346	-6%	4,056*	4,014*	-1%
Operating margin (EBIT), %	16.5*	16.0		15.9*	15.3%*	
Income before tax, SEK M	1,227*	1,187	-3%	3,470*	3,486*	0%
Net income, SEK M	709	888	-	2,346	2,458	-
Operating cash flow, SEK M	1,189	2,125	+179%	2,852	4,547	+159%
Earnings per share (EPS), SEK	2.38*	2.36	-1%	6.76*	6.81*	+1%

* Excluding restructuring costs amounting to SEK 247 M in Q3 2008 and to SEK 109 M in Q1 2009.

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COMMENTS BY THE PRESIDENT AND CEO

"Positive trends during the quarter were that Asia returned to growth and that the downturn in Europe was less negative. However, the North American market continued to weaken as a result of falling non-residential construction activity," said Johan Molin, President and CEO.

"Especially pleasing are the sustained high level of profit and the extremely strong cash flow, which are the fruits of the rapid streamlining of production, working capital and our highly successful restructuring program.

"To exploit the power of rapid change and strengthen the Group's future competitiveness, I have initiated a new review of the production base this quarter, which will involve the reorganization or closing of a further 15 units.

"I am also very pleased that we have succeeded in carrying through the strategic acquisition of the Chinese company Pan Pan, which gives us a very good position for growth on the strongly expanding Chinese market.

"Our expectation remains that the fourth quarter of 2009 will be challenging for both sales and earnings, especially because the important US market is predicted to weaken further."

THIRD QUARTER

The Group's sales totaled SEK 8,425 M (8,722), a fall of 3% compared with 2008. Organic growth for comparable units was -13% (1), while acquired units contributed 2% (6). Exchange-rate effects had a positive impact of SEK 783 M on sales, i.e. 8% (-2).

Operating income before depreciation, EBITDA, excluding restructuring costs, amounted to SEK 1,584 M (1,669). The corresponding EBITDA margin was 18.8% (19.1). The Group's operating income, EBIT, amounted to SEK 1,346 M (1,435), a fall of 6%. The operating margin, excluding restructuring costs, was 16.0% (16.5).

Net financial items amounted to SEK 159 M (207), which corresponds to an average net interest rate of 4%. The Group's income before tax, excluding restructuring costs, amounted to SEK 1,187 M (1,227), representing a fall of 3%. Exchange-rate effects had a positive impact of SEK 187 M on the Group's income before tax. The profit margin, excluding restructuring costs, was 15.4% (14.1). The Group's tax charge totaled SEK 300 M (271). Earnings per share, excluding restructuring costs, amounted to SEK 2.36 (2.38), a decrease of 1%.

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THE PERIOD JANUARY TO SEPTEMBER

Sales for the period totaled SEK 26,228 M (25,451), which represents an increase of 3% compared with 2008. Organic growth was -13% (2). Acquired units contributed 3% (4). Exchange-rate effects affected sales positively by SEK 3,676 M, i.e. 13%, compared with 2008.

Operating income before depreciation, EBITDA, excluding restructuring costs, amounted to SEK 4,779 M (4,744). The corresponding margin was 18.2% (18.6). The Group's operating income, EBIT, excluding restructuring costs, amounted to SEK 4,014 M (4,056). The corresponding operating margin (EBIT) was 15.3% (15.9).

Earnings per share, excluding restructuring costs, amounted to SEK 6.81 (6.76). Operating cash flow amounted to SEK 4,547 M (2,852).

RESTRUCTURING MEASURES

Payments related to the two restructuring programs amounted to SEK 147 M in the quarter.

Progress of the 2006 and 2008 restructuring programs

The two restructuring programs launched in 2006 and 2008 have surpassed the expected cost savings and have led to reductions in personnel of respectively 2,583 and 1,657 people since the projects began, a total of 4,240 people. A further 925 people will leave by the end of 2010. A sum of SEK 955 M has been set aside in the balance sheet to cover the whole remainder of the program.

The forthcoming 2009 restructuring to exploit positive momentum

The two restructuring programs of 2006 and 2008 have been highly successful and have resulted in substantial savings. A new revision of the Group's remaining units has been initiated. Its aim is to convert the remaining production units in the Group to assembly or to dispose of them completely. The preliminary estimate of the total cost is SEK 800 M and 15 plants will be involved. Half of these will be closed and the rest converted to final assembly plants. The program is expected to start during the fourth quarter of 2009 and to achieve a reduction of 1,100 employees in high-cost countries. The cost is expected to be expensed in its entirety during the fourth quarter of 2009.

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Total personnel reductions

The world economy began to weaken towards the end of 2007 and adjustments of the workforce were initiated at that time. From the fourth quarter of 2007 through the third quarter of 2009 a total of 7,692 people (including 3,415 people during the first three quarters of 2009) – that is, 24% of the total number of employees – left the Group as a result of the capacity changes made and the restructuring programs carried out. Of the 7,692, 3,205 arose from the restructuring programs described above and 4,487 from other efficiency programs and ongoing capacity changes.

COMMENTS BY DIVISION

EMEA

Sales in EMEA division during the quarter totaled SEK 3,169 M (3,308), with organic growth of –11%. The recession slowed on the most important markets in north and central Europe but continued in Italy, Spain and eastern Europe. Acquired growth amounted to 1%. Operating income amounted to SEK 476 M (552), which represents an operating margin (EBIT) of 15.0% (16.7). The effects of the restructuring programs and other efficiency measures compensated for many of the effects of the falling sales volume. Return on capital employed, excluding restructuring and non-recurring costs, amounted to 16.5% (19.6). The return was impacted chiefly by the lower income. Operating cash flow before interest paid totaled SEK 779 M (543).

AMERICAS

The quarter's sales in Americas division totaled SEK 2,418 M (2,737), with –22% organic growth. All units were impacted by the downturn in the economy and the reduced activity in the construction sector. Canada, Mexico and South America were affected to a lesser extent than the units in the USA. Acquired growth amounted to 1%. By means of restructuring and capacity changes, the operating margin was maintained at a very strong level and amounted to 19.7% (20.6). Operating income amounted to SEK 475 M (563). Return on capital employed, excluding restructuring costs, amounted to 21.7% (26.7). Operating cash flow before interest paid totaled SEK 789 M (593).

ASIA PACIFIC

Sales for the quarter totaled SEK 1,023 M (892), with 0% organic growth. The market units in Australia and New Zealand showed stabilization, while there was positive growth on the Chinese market. Production for export to Europe and North America decreased significantly. Acquired growth amounted to 3%. Operating income totaled SEK 139 M (107), which represents an operating margin (EBIT) of 13.6% (12.0). The quarter's return on capital employed, excluding restructuring costs, amounted to 19.6% (16.4). Operating cash flow before interest paid totaled SEK 124 M (141).

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GLOBAL TECHNOLOGIES

Sales for the quarter totaled SEK 1,117 M (1,254), with organic growth of –19%. The division was affected to an increasing extent by the downturn in construction on the North American market, and all units reported negative growth. The net effect of acquisitions and disposals amounted to 0%. The division's operating income amounted to SEK 187 M (208), giving an operating margin (EBIT) of 16.7% (16.6). Return on capital employed, excluding restructuring costs, amounted to 12.8% (15.7). Operating cash flow before interest paid totaled SEK 321 M (173).

ENTRANCE SYSTEMS

Entrance Systems division reported sales of SEK 896 M (766) for the quarter, representing organic growth of –2%. Continued good sales on the service side compensated for much of the reduction in new-product sales. Acquired growth amounted to 12%. Operating income amounted to SEK 135 M (110), giving an operating margin (EBIT) of 15.0% (14.3). Return on capital employed, excluding restructuring costs, amounted to 14.6% (13.5). Operating cash flow before interest paid totaled SEK 101 M (61).

ACQUISITIONS

During the first nine months of the year five acquisitions were consolidated and payment was made for the last minority shares in iRevo in Korea. The combined acquisition price for these acquisitions amounts to nearly SEK 900 M, and preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to SEK 600 M. The acquisition price is adjusted for acquired net debt and estimated earn-outs.

A contract has been signed for the acquisition of the Chinese company Pan Pan – see separate release. Pan Pan is expected to have sales of SEK 1,200 M in 2009 and has more than 4,000 employees. The acquisition will be completed during the fourth quarter of 2009.

SUSTAINABLE DEVELOPMENT

ASSA ABLOY's US subsidiary CURRIES in Iowa has won the 2008 Governor's Environmental Excellence Award in special recognition of its energy efficiency and use of renewable energy.

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The Governor's Environmental Excellence Awards are Iowa's highest environmental honor and are given to organizations, companies and individuals who have shown leadership, innovation and environmental awareness in using natural resources responsibly.

CURRIES has introduced a new process for drying door panels that achieves a 33 percent reduction in the plant's annual consumption of natural gas. As a result, 349 tons less carbon dioxide are now emitted each year.

PARENT COMPANY

'Other operating income' for the Parent company ASSA ABLOY AB totaled SEK 834 M (1,231) for the nine-month period. Income before tax amounted to SEK 1,209 M (1,361). Investments in tangible and intangible assets totaled SEK 1 M (0). Liquidity is good and the equity ratio was 58.3% (47.1).

ORGANIZATION

During the quarter Jonas Persson was appointed Executive Vice President and Head of Asia Pacific division and a member of the Executive Team. Jonas moves from the Swedish company Scancoin and his career includes posts at Nolato and Alfa Laval.

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 56-60 of the 2008 Annual Report. ASSA ABLOY has implemented the revised International Accounting Standard IAS 1, which came into force on 1 January 2009. The change means that additional items are now included in total income in the Group's income statement. These items were previously reported in changes to shareholders' equity. ASSA ABLOY has also implemented IFRS 8, which contains rules about segment reporting. ASSA ABLOY reports the same operating segments as before. The Group's Interim Reports are prepared in accordance with IAS 34. The Parent company applies RFR 2.2.

TRANSACTIONS WITH RELATED PARTIES

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

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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, see pages 41-43 of the 2008 Annual Report. No significant risks other than the risks described there are judged to have occurred.

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.

Stockholm, 28 October 2009

Johan Molin
President and CEO

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AUDIT

This Report has not been reviewed by the Company's Auditor.

FINANCIAL INFORMATION

ASSA ABLOY is holding a capital markets day in London on 24 November 2009. See invitation on the Company's website www.assaabloy.com.

The Year-end Report and Quarterly Report for the fourth quarter will be published on 12 February 2010. An analysts' meeting will be held on the same day at ASSA ABLOY's head office in Stockholm.

FURTHER INFORMATION CAN BE OBTAINED FROM:

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

Tomas Eliasson, CFO and Executive Vice President, 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.

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 28 October.

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FINANCIAL INFORMATION - GROUP

INCOME STATEMENT

	Jan-Dec 2008 SEK M	Jan-Sep 2008 SEK M	Jan-Sep 2009 SEK M	Jul-Sep 2008 SEK M	Jul-Sep 2009 SEK M
Sales	34,918	25,451	26,228	8,722	8,425
Cost of goods sold	-21,532	-15,178	-15,632	-5,379	-4,965
Gross Income	13,386	10,273	10,596	3,343	3,460
Selling and administrative expenses	-9,129	-6,473	-6,699	-2,157	-2,117
Share in earnings of associated companies	12	10	9	2	3
Operating income	4,269	3,809	3,905	1,188	1,346
Financial items	-770	-586	-528	-207	-159
Income before tax	3,499	3,223	3,377	980	1,187
Tax	-1,061	-877	-919	-271	-300
Net income	2,438	2,346	2,458	709	888
Allocation of net income:					
Shareholders in ASSA ABLOY AB	2,413	2,330	2,434	700	876
Minority interests	25	16	24	8	12

EARNINGS PER SHARE

	Jan-Dec 2008 SEK	Jan-Sep 2008 SEK	Jan-Sep 2009 SEK	Jul-Sep 2008 SEK	Jul-Sep 2009 SEK
Earnings per share after tax and before dilution ¹⁾	6.60	6.37	6.65	1.91	2.39
Earnings per share after tax and dilution ²⁾	6.55	6.27	6.52	1.89	2.36
Earnings per share after tax and dilution excl items affecting comparability ^{2) 11)}	9.21	6.76	6.81	2.38	2.36

COMPREHENSIVE INCOME

	Jan-Dec 2008 SEK M	Jan-Sep 2008 SEK M	Jan-Sep 2009 SEK M	Jul-Sep 2008 SEK M	Jul-Sep 2009 SEK M
Profit for the period	2,438	2,346	2,458	709	888
Other comprehensive income					
Exchange differences on translating foreign operations	2,131	831	-1,284	1,323	-1,477
Total comprehensive income for the period	4,569	3,177	1,174	2,032	-589
Total comprehensive income in:					
-Parent company shareholders	4,525	3,167	1,168	2,009	-584
-Minority interest	44	10	6	23	-6

CASH FLOW STATEMENT

	Jan-Dec 2008 SEK M	Jan-Sep 2008 SEK M	Jan-Sep 2009 SEK M	Jul-Sep 2008 SEK M	Jul-Sep 2009 SEK M
Cash flow from operating activities	4,369	2,556	3,807	1,141	2,075
Cash flow from investing activities	-2,648	-1,852	-1,312	-915	-610
Cash flow from financing activities	-1,311	-564	-1,164	-82	-1,982
Cash flow	410	140	1,331	144	-517
Cash and cash equivalents at beginning of period	1,338	1,338	1,931	1,304	3,790
Cash flow	410	140	1,331	144	-517
Effect of exchange-rate differences	183	94	-85	124	-96
Cash and cash equivalents at end of period	1,931	1,572	3,177	1,572	3,177

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BALANCE SHEET

	31 Dec 2008 SEK M	30 Sep 2008 SEK M	30 Sep 2009 SEK M
Intangible fixed assets	22,662	20,404	21,774
Tangible fixed assets	5,952	5,563	5,597
Financial fixed assets	1,112	1,134	1,069
Total non-current assets	29,726	27,100	28,440
Inventories	5,383	5,241	4,536
Trade receivables	6,372	6,286	5,732
Other non-interest-bearing current assets	1,213	1,073	1,329
Interest-bearing current assets	2,266	1,667	3,292
Total current assets	15,234	14,267	14,889
Total assets	44,960	41,367	43,329
Equity before minority interest	18,675	17,317	18,526
Minority interest	163	211	149
Total equity	18,838	17,527	18,675
Interest-bearing non-current liabilities	8,948	8,670	11,565
Non-interest-bearing non-current liabilities	1,660	554	1,047
Total non-current liabilities	10,608	9,224	12,612
Interest-bearing current liabilities	7,588	7,096	4,395
Non-interest-bearing current liabilities	7,926	7,520	7,647
Total current liabilities	15,514	14,616	12,042
Total equity and liabilities	44,960	41,367	43,329

CHANGE IN EQUITY

	Jan-Dec 2008 SEK M	Jan-Sep 2008 SEK M	Jan-Sep 2009 SEK M
Opening balance	15,668	15,668	18,838
Total comprehensive income for the year	4,569	3,176	1,174
Dividend	-1,317	-1,317	-1,317
Minority interest net	-82	-	-20
Closing balance	18,838	17,527	18,675

KEY DATA

	Jan-Dec 2008	Jan-Sep 2008	Jan-Sep 2009
Return on capital employed excl items affecting comparability, %	17.2	17.3	15.8
Return on capital employed incl items affecting comparability, %	13.3	16.2	15.4
Return on shareholders' equity, %	12.8	17.0	15.9
Equity ratio, %	41.9	42.4	43.1
Interest coverage ratio, times	5.7	7.0	8.4
Interest on convertible debentures net after tax, SEK M	81.0	58.3	29.1
Number of shares, thousands	365,918	365,918	365,918
Number of shares after dilution, thousands	380,713	380,713	372,931
Weighted average number of shares after dilution, thousands	380,713	380,713	377,748
Average number of employees	32,723	33,051	29,614

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FINANCIAL INFORMATION - PARENT COMPANY

INCOME STATEMENT	Jan-Dec 2008 SEK M	Jan-Sep 2008 SEK M	Jan-Sep 2009 SEK M
Operating income	992	685	228
Income before tax	1,589	1,361	1,209
Net income	1,154	1,367	1,213

BALANCE SHEET	31 Dec 2008 SEK M	30 Sep 2008 SEK M	30 Sep 2009 SEK M
Non-current assets	19,274	16,755	19,133
Current assets	15,329	14,775	4,183
Total assets	34,603	31,530	23,316
Equity	13,776	14,845	13,582
Provisions	58	65	5
Non-current liabilities	5,145	5,369	5,679
Current liabilities	15,624	11,251	4,050
Total equity and liabilities	34,603	31,530	23,316

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QUARTERLY INFORMATION - GROUP

THE GROUP IN SUMMARY

All amounts in SEK M if not noted otherwise.

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Jan-Sep 2008	Full Year 2008	Q1 2009	Q2 2009	Q3 2009	Jan-Sep 2009	12 month rolling
Sales	8,203	8,526	8,722	9,468	25,451	34,918	8,881	8,921	8,425	26,228	35,695
Organic growth ³⁾	0%	5%	1%	-4%	2%	0%	-12%	-14%	-13%	-13%	
Gross income	3,383	3,547	3,590	3,898	10,519	14,418	3,646	3,599	3,460	10,705	14,603
excl items affecting comparability											
Gross income / Sales	41.2%	41.6%	41.2%	41.2%	41.3%	41.3%	41.0%	40.3%	41.1%	40.8%	40.9%
Operating income before depreciation (EBITDA)	1,476	1,599	1,669	1,703	4,744	6,447	1,594	1,601	1,584	4,779	6,482
excl items affecting comparability											
Gross margin (EBITDA)	18.0%	18.8%	19.1%	18.0%	18.6%	18.5%	17.9%	17.9%	18.8%	18.2%	18.2%
Depreciation	-232	-222	-234	-233	-688	-921	-266	-261	-237	-764	-997
Operating income (EBIT)	1,244	1,378	1,435	1,469	4,056	5,526	1,328	1,340	1,346	4,014	5,483
excl items affecting comparability											
Operating margin (EBIT)	15.2%	16.2%	16.5%	15.5%	15.9%	15.8%	15.0%	15.0%	16.0%	15.3%	15.4%
Items affecting comparability ¹⁾	-	-	-247	-1,010	-247	-1,257	-109	-	-	-109	-1,119
Operating income (EBIT)	1,244	1,378	1,188	460	3,809	4,269	1,219	1,340	1,346	3,905	4,365
Financial items	-189	-190	-207	-184	-586	-770	-205	-165	-159	-528	-713
Income before tax	1,055	1,188	980	276	3,223	3,499	1,015	1,176	1,187	3,377	3,654
Profit margin (EBT)	12.9%	13.9%	11.2%	2.9%	12.7%	10.0%	11.4%	13.2%	14.1%	12.9%	10.2%
Tax	-283	-323	-271	-184	-877	-1,061	-296	-323	-300	-919	-1,103
Net income	772	865	709	92	2,346	2,438	718	852	888	2,458	2,550
Allocation of net income:											
Shareholders in ASSA ABLOY AB	772	857	700	84	2,330	2,413	716	843	876	2,434	2,519
Minority interests	0	8	8	9	16	25	3	9	12	24	33

OPERATING CASH FLOW

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Jan-Sep 2008	Full Year 2008	Q1 2009	Q2 2009	Q3 2009	Jan-Sep 2009	12 month rolling
Operating income (EBIT)	1,244	1,378	1,188	460	3,809	4,269	1,219	1,340	1,346	3,905	4,365
Restructuring costs	-	-	247	933	247	1,180	109	0	0	109	1,042
Depreciation	232	222	234	233	688	921	266	261	237	764	997
Net capital expenditure	-164	-173	-199	-293	-537	-829	-187	-186	-99	-472	-765
Change in working capital	-581	-113	-111	801	-806	-5	-316	346	612	642	1,443
Paid and received interest	-162	-206	-134	-217	-501	-718	-193	-157	-38	-388	-605
Adjustment for non-cash items	14	-26	-36	-1	-48	-49	-60	-20	67	-13	-14
Operating cash flow ⁴⁾	583	1,081	1,189	1,916	2,852	4,769	838	1,584	2,125	4,547	6,463
Operating cash flow / Income before tax ⁴⁾	0.55	0.91	0.97	1.49	0.82	1.02	0.75	1.35	1.79	1.30	1.35

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CHANGE IN NET DEBT

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Jan-Sep 2008	Full Year 2008	Q1 2009	Q2 2009	Q3 2009	Jan-Sep 2009
Net debt at beginning of the period	12,953	12,414	13,549	14,010	12,953	12,953	14,013	14,317	14,239	14,013
Operating cash flow	-583	-1,081	-1,189	-1,916	-2,852	-4,769	-838	-1,584	-2,125	-4,547
Restructuring payment	111	97	126	152	333	485	144	224	147	515
Tax paid	127	251	81	283	459	742	298	397	2	697
Acquisitions	126	473	717	503	1,316	1,819	263	66	511	840
Dividend	-	1,317	-	-	1,317	1,317	-	1,317	-	1,317
Translation differences	-320	78	726	981	484	1,466	437	-498	-341	-402
Net debt at end of period	12,414	13,549	14,010	14,013	14,010	14,013	14,317	14,239	12,432	12,432
Net debt / Equity, times	0.79	0.87	0.80	0.74	0.80	0.74	0.71	0.74	0.67	0.67

NET DEBT

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009
Long-term interest-bearing receivables	-102	-83	-89	-256	-269	-256	-236
Short-term interest-bearing investments	-332	-191	-133	-688	-2,632	-2,250	-1,989
Cash and bank balances	-953	-1,221	-1,534	-1,579	-1,280	-1,800	-1,303
Pension provisions	1,151	1,150	1,131	1,182	1,222	1,200	1,093
Other long-term interest-bearing liabilities	7,707	7,683	7,539	7,766	8,659	11,227	10,471
Short-term interest-bearing liabilities	4,943	6,212	7,096	7,589	8,617	6,117	4,395
Total	12,414	13,549	14,010	14,013	14,317	14,239	12,432

CAPITAL EMPLOYED AND FINANCING

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009
Capital employed	28,116	29,045	31,538	32,850	34,540	33,494	31,108
- of which other intangibles & fixed assets	6,480	6,572	7,116	7,945	8,214	7,972	7,379
- of which shares in associates	39	40	43	38	55	54	52
- of which goodwill	16,508	17,068	18,851	20,669	21,443	20,857	19,992
Net debt	12,414	13,549	14,010	14,013	14,317	14,239	12,432
Minority interest	181	188	211	163	163	152	149
Shareholders' equity (excl minority interest)	15,521	15,308	17,317	18,674	20,060	19,110	18,526

DATA PER SHARE

	Q1 2008 SEK	Q2 2008 SEK	Q3 2008 SEK	Q4 2008 SEK	Jan-Sep 2008 SEK	Full Year 2008 SEK	Q1 2009 SEK	Q2 2009 SEK	Q3 2009 SEK	Jan-Sep 2009 SEK	12 month rolling SEK
Earnings per share after tax and before dilution ¹⁾	2.11	2.34	1.91	0.23	6.37	6.60	1.96	2.30	2.39	6.65	6.88
Earnings per share after tax and dilution ²⁾	2.08	2.30	1.89	0.29	6.27	6.55	1.92	2.25	2.36	6.52	6.82
Earnings per share after tax and dilution excl items affecting comparability ^{2) 11)}	2.08	2.30	2.38	2.45	6.76	9.21	2.20	2.25	2.36	6.81	9.26
Shareholders' equity per share after dilution ²⁾	46.64	46.13	51.61	55.91	51.61	55.91	59.55	54.28	53.47	52.79	

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Press Release

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	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Sales, external	3,204	3,086	2,728	2,405	810	955	1,223	1,094	757	886			8,722 ⁹⁾	8,425 ⁹⁾
Sales, intragroup	104	83	9	13	82	68	31	22	9	10	-235	-197		
Sales	3,308	3,169	2,737	2,418	892	1,023	1,254	1,117	766	896	-235	-197	8,722	8,425
Organic growth ³⁾	-2%	-11%	6%	-22%	2%	0%	3%	-19%	1%	-2%			1%	-13%
Operating income (EBIT)	552	476	563	475	107	139	208	187	110	135	-105	-65	1,435	1,346
Operating margin (EBIT)	16.7%	15.0%	20.6%	19.7%	12.0%	13.6%	16.6%	16.7%	14.3%	15.0%			16.5%	16.0%
Items affecting comparability ¹¹⁾	-74	-	-71	-	-32	-	-63	-	-6	-	-	-	-247	-
Operating income (EBIT) incl items affecting comparability	478	476	492	475	75	139	145	187	103	135	-105	-65	1,188	1,346
Capital employed	11,321	10,534	8,786	8,184	2,613	2,811	5,440	5,493	3,388	3,946	-10	140	31,538	31,108
- of which other intangibles & fixed assets	3,090	3,130	1,727	1,793	852	889	1,140	1,149	177	289	129	129	7,116	7,379
- of shares in associates	35	37	2	2	6	13	-	-	-	-	-	-	43	52
- of which goodwill	5,405	5,437	5,681	5,691	1,208	1,581	3,816	3,970	2,741	3,314			18,851	19,992
Return on capital employed excl items affecting comparability	19.6%	16.5%	26.7%	21.7%	16.4%	19.6%	15.7%	12.8%	13.5%	14.6%			18.3%	15.5%
Operating income (EBIT)	478	476	492	475	75	139	145	187	103	135	-105	-65	1,188	1,346
Restructuring costs	74	-	71	-	32	-	63	-	6	-	-	-	247	-
Depreciation	110	109	53	56	19	23	39	38	10	9	4	3	234	237
Net capital expenditure	-86	-35	-48	-18	-24	-12	-35	-21	-8	-11	0	-3	-199	-99
Movement in working capital	-33	230	25	275	38	-26	-39	117	-51	-31	-50	48	-111	612
Cash flow ⁴⁾	543	779	593	789	141	124	173	321	61	101			1,359	2,097
Adjustment for non-cash items											-36	67	-36	67
Paid and received interest											-134	-38	-134	-38
Operating cash flow ⁴⁾													1,189	2,125

SEK M	EMEA ⁵⁾		Americas ⁶⁾		Asia Pacific ⁷⁾		Global Technologies ⁸⁾		Entrance Systems		Other		Total	
Jan - Sep and 30 Sep respectively	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Sales, external	10,033	9,846	7,547	7,749	2,223	2,531	3,453	3,553	2,194	2,549			25,451 ⁹⁾	26,228 ⁹⁾
Sales, intragroup	325	255	31	32	218	215	116	82	27	32	-718	-614		
Sales	10,358	10,101	7,578	7,780	2,441	2,746	3,570	3,634	2,222	2,581	-718	-614	25,451	26,228
Organic growth ³⁾	0%	-15%	5%	-18%	5%	-5%	3%	-12%	3%	-3%			2%	-13%
Operating income (EBIT)	1,727	1,461	1,527	1,514	265	316	527	580	303	391	-293	-246	4,056	4,014
Operating margin (EBIT)	16.7%	14.5%	20.2%	19.5%	10.9%	11.5%	14.8%	16.0%	13.6%	15.1%			15.9%	15.3%
Items affecting comparability ¹¹⁾	-74	-109	-71	-	-32	-	-63	-	-6	-	-	-	-247	-109
Operating income (EBIT) incl items affecting comparability	1,653	1,352	1,456	1,514	233	316	464	580	297	391	-293	-246	3,809	3,905
Capital employed	11,321	10,534	8,786	8,184	2,613	2,811	5,440	5,493	3,388	3,946	-10	140	31,538	31,108
- of which other intangibles & fixed assets	3,090	3,130	1,727	1,793	852	889	1,140	1,149	177	289	129	129	7,116	7,379
- of shares in associates	35	37	2	2	6	13	-	-	-	-	-	-	43	52
- of which goodwill	5,405	5,437	5,681	5,691	1,208	1,581	3,816	3,970	2,741	3,314			18,851	1,992
Return on capital employed excl items affecting comparability	20.6%	15.7%	24.8%	21.3%	13.5%	14.6%	13.1%	13.2%	12.3%	13.9%			17.3%	15.7%
Operating income (EBIT)	1,653	1,352	1,456	1,514	233	316	464	580	297	391	-293	-246	3,809	3,905
Restructuring costs	74	109	71	-	32	-	63	-	6	-	-	-	247	109
Depreciation	332	362	150	178	59	70	108	117	28	29	10	8	688	764
Net capital expenditure	-207	-184	-140	-113	-71	-55	-89	-88	-23	-28	-7	-5	-537	-472
Movement in working capital	-368	79	-148	553	13	48	-149	36	-13	99	-141	-172	-806	642
Cash flow ⁴⁾	1,484	1,718	1,389	2,132	267	379	397	644	294	491			3,401	4,949
Adjustment for non-cash items											-48	-13	-48	-13
Paid and received interest											-501	-388	-501	-388
Operating cash flow ⁴⁾													2,852	4,547
Average number of employees	12,039	10,302	8,702	7,038	7,127	7,475	2,808	2,463	2,261	2,223	114	113	33,051	29,614

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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	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 ¹⁰⁾	34,918 ¹⁰⁾
Sales, intragroup	405	410	54	41	222	290	117	136	38	39	-836	-915		
Sales	13,477	13,988	10,220	10,467	2,780	3,321	4,922	4,884	2,987	3,173	-836	-915	33,550	34,918
Organic growth ⁹⁾	7%	-2%	5%	4%	10%	0%	11%	0%	6%	3%			7%	0%
Operating income (EBIT)	2,295	2,289	1,995	2,101	322	357	754	729	432	453	-340	-404	5,458	5,526
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 ¹¹⁾	-	-863	-	-77	-	-65	-	-149	-	-103	-	-	-	-1,257
Operating income (EBIT) incl items affecting comparability	2,295	1,426	1,995	2,024	322	293	754	580	432	350	-340	-404	5,458	4,269
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 other intangibles & fixed assets	2,924	3,450	1,631	1,944	809	914	1,115	1,282	171	207	132	148	6,782	7,945
- of shares in associates	32	31	2	2	5	5	-	-	-	-	-	-	39	38
- 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
Cash flow ⁴⁾	2,267	2,421	2,211	2,097	294	460	699	672	497	399			5,591	5,536
Adjustment for non-cash items											-49	-49	-49	-49
Paid and received interest											-734	-718	-734	-718
Operating cash flow ⁴⁾													4,808	4,769
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

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 372,931 (380,713), Jan-Sep: 377,748 (380,713), Jan-Dec 2008: 380,713.

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 Global.

⁹⁾ Sales Jan-Sep 2009 (2008) by Geography: Europe 11,748 (11,953), North America 9,728 (9,160), Central and South America 470 (481), Africa 496 (421), Asia 2,470 (2,028), Pacific 1,317 (1,408).

¹⁰⁾ 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).

¹¹⁾ Items affecting comparability consist of restructuring costs and non-recurring costs. The non-recurring costs 2008 relate to EMEA and amounted SEK 77 M, both for Q4 2008 and the full year 2008.

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