

# Press Release

7 February 2011  
No. 04/11

## **A strong finish to 2010**

### **Fourth quarter**

- Sales totaled SEK 9,648 M (8,799), representing an increase of 10%, made up of 6% organic growth, 9% acquired growth and exchange-rate effects of –5%.
- Asia and South America recorded strong growth and North America good growth while Europe showed subdued growth.
- Operating income (EBIT) amounted to SEK 1,606 M (1,398\*), representing an increase of 15%. At the same time the operating margin increased to 16.6% (15.9\*). Adjusted for one-offs in connection with the Cardo acquisition the operating income amounted to 1,638 MSEK (1,398\*) corresponding to an operating margin of 17.0% (15.9\*).
- Net income amounted to SEK 1,071 M (200\*\*).
- Earnings per share rose by 19% to SEK 2.86 (2.41\*).
- Bid for Cardo and acquisitions of LaserCard and Swesafe.
- Continued investments in product development and market coverage.
- Strong operating cash flow amounting to SEK 2,085 M (2,296).

### **Full year**

- Sales increased by 5% and totaled SEK 36,823 M (34,963), made up of 3% organic growth, 8% acquired growth and exchange-rate effects of –6%.
- Operating income (EBIT) amounted to SEK 6,046 M (5,413\*), representing an increase of 12%. The operating margin was 16.4% (15.5\*).
- Net income amounted to SEK 4,080 M (2,659\*\*).
- Earnings per share rose by 18% to SEK 10.89 (9.22\*).
- Strong operating cash flow amounting to SEK 6,285 M (6,843).
- The Board of Directors proposes a dividend of SEK 4.00 per share (3.60).

\* Excluding restructuring and non-recurring costs in 2009 amounting to SEK 930 M for the quarter and SEK 1,039 M for the year.

\*\* In 2009, net income for the quarter was SEK 905 M and for the year was SEK 3,474 M, excluding restructuring and non-recurring costs.

# Press Release

## SALES AND INCOME

|                                       | Fourth quarter |              |               | Full year     |               |               |
|---------------------------------------|----------------|--------------|---------------|---------------|---------------|---------------|
|                                       | 2009           | 2010         | Change        | 2009          | 2010          | Change        |
| <b>Sales, SEK M</b>                   | <b>8,799</b>   | <b>9,648</b> | <b>+ 10 %</b> | <b>34,963</b> | <b>36,823</b> | <b>+ 5 %</b>  |
| of which,                             |                |              |               |               |               |               |
| Organic growth                        |                |              | +6 %          |               |               | +3 %          |
| Acquisitions                          |                |              | +9 %          |               |               | +8 %          |
| Exchange-rate effects                 |                | -385         | -5 %          |               | -1,626        | -6 %          |
| <b>Operating income (EBIT), SEK M</b> | <b>1,398*</b>  | <b>1,606</b> | <b>+ 15 %</b> | <b>5,413*</b> | <b>6,046</b>  | <b>+ 12 %</b> |
| Operating margin (EBIT), %            | 15.9*          | 16.6         |               | 15.5*         | 16.4          |               |
| Income before tax, SEK M              | 1,292*         | 1,405        | +9 %          | 4,779*        | 5,366         | +12 %         |
| Net income, SEK M                     | 200**          | 1,071        | -             | 2,659**       | 4,080         | -             |
| Operating cash flow, SEK M            | 2,296          | 2,085        | -9 %          | 6,843         | 6,285         | -8 %          |
| <b>Earnings per share (EPS), SEK</b>  | <b>2.41*</b>   | <b>2.86</b>  | <b>+ 19 %</b> | <b>9.22*</b>  | <b>10.89</b>  | <b>+ 18 %</b> |

\* Excluding restructuring and non-recurring costs in 2009 amounting to SEK 930 M for the quarter and SEK 1,039 M for the year.

\*\* In 2009, net income for the quarter was SEK 905 M and for the year was SEK 3,474 M, excluding restructuring and non-recurring costs.

## COMMENTS BY THE PRESIDENT AND CEO

"During the second half of the year growth returned, and total sales for the year increased by a good 5% in spite of negative exchange-rate effects of 6%," says Johan Molin, President and CEO. "Organic growth for the full year was 3%, with Asia and South America recording strong growth and North America showing good and increasing growth. Europe began the year well but growth gradually slowed down. Acquired units contributed an additional 8% growth.

"Investments in product development continued at an accelerated rate and a number of new products were launched. In addition, the Group's market leadership was further strengthened by continued investments in the marketing organisation which have laid the foundation for continuing growth.

"Operating income for the full year rose by 12%, which was highly satisfying. Completed efficiency improvements and the ongoing reorganization of production made strong contributions.

# Press Release

“Activity in the acquisition field remained high and it is with great pleasure that I welcome our bid for the Swedish company Cardo, the largest acquisition that the Group has yet made. In addition, the bid for LaserCard in the USA was announced in December and the acquisition of ActivIdentity in the USA was completed. These companies complement our strategic development in the areas of entrance automation, secure identification of ID credentials and identification for logical and physical access.

“Looking forward to 2011, we expect continued good growth on emerging markets and cautious recovery on mature markets. The underlying economic trend is positive, but budgetary constraints may affect those market segments that are dependent on public financing.”

## FOURTH QUARTER

The Group's sales totaled SEK 9,648 M (8,799), an increase of 10% compared with 2009. Organic growth for comparable units was 6% (–8). Acquired units contributed 9% (3). Exchange-rate effects had a negative impact of SEK 385 M on sales, that is –5% (–2).

Operating income before depreciation, EBITDA, excluding restructuring costs, amounted to SEK 1,851 M (1,648). The corresponding EBITDA margin was 19.2% (18.7). The Group's operating income, EBIT, amounted to SEK 1,606 M (1,398), an increase of 15%. The operating margin was 16.6% (15.9).

Net financial items amounted to SEK 201 M (106). The Group's income before tax, excluding restructuring costs, amounted to SEK 1,405 M (1,292), an improvement of 9% compared with the previous year. Exchange-rate effects had a negative impact of SEK 67 M on the Group's income before tax. The profit margin was 14.6% (14.7). The Group's tax charge totaled SEK 334 M (162). Earnings per share amounted to SEK 2.86 (2.41), an increase of 19%.

## FULL YEAR

Sales for 2010 totaled SEK 36,823 M (34,963), which represented an increase of 5% compared with 2009. Organic growth was 3% (–12). Acquired units contributed 8% (3). Exchange-rate effects affected sales negatively by SEK 1,626 M.

Operating income before depreciation, EBITDA, amounted to SEK 7,041 M (6,426). The corresponding margin was 19.1% (18.4). The Group's operating income, EBIT, amounted to SEK 6,046 M (5,413), an increase of 12%. The corresponding operating margin (EBIT) was 16.4% (15.5).

Earnings per share increased to SEK 10.89 (9.22). Operating cash flow amounted to SEK 6,285 M (6,843).

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## **RESTRUCTURING MEASURES**

Payments related to all restructuring programs amounted to SEK 101 M in the quarter.

The restructuring programs continued according to plan and have led to a reduction in personnel of 208 people during the quarter and 5,387 people since the projects began. A further 1,030 people will leave in the next two years.

At the end of the quarter, provisions of SEK 924 M were set aside in the balance sheet for carrying out the remaining parts of the programs.

## **COMMENTS BY DIVISION**

### **EMEA**

Sales for the quarter in EMEA division totaled SEK 3,364 M (3,544), with organic growth of 2% (-3). Market development was restrained and only Finland, Germany and Eastern Europe recorded a stable positive sales trend. Acquired growth amounted to 1%. Operating income rose to SEK 604 M (595), which represents an operating margin (EBIT) of 18.0% (16.8). Return on capital employed amounted to 26.3% (21.2). Operating cash flow before interest paid totaled SEK 858 M (1,133).

### **AMERICAS**

Sales for the quarter in Americas division totaled SEK 2,291 M (2,108), with organic growth of 6% (-21). The recovery on the North American market continued and all business units showed growth during the quarter. The Door Group recorded positive growth for the first time since the end of 2008. Electromechanics and South America recorded very strong growth. Acquired growth amounted to 3%. Operating income totaled SEK 459 M (412) and the operating margin was 20.1% (19.5). Return on capital employed amounted to 21.0% (19.6). Operating cash flow before interest paid totaled SEK 492 M (545).

### **ASIA PACIFIC**

Sales for the quarter in Asia Pacific division totaled SEK 1,766 M (1,044), with organic growth of 12% (10). All units recorded growth. Growth in Australia and New Zealand returned to more normal levels after a period of stimulus-driven demand. Good growth in China continued and was especially strong for security doors. Other Asian markets also reported strong growth. Acquired growth amounted to 54%. Operating income totaled SEK 246 M (144), representing an operating margin (EBIT) of 13.9% (13.8). The quarter's return on capital employed amounted to 27.3% (20.6). Operating cash flow before interest paid totaled SEK 561 M (231).

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## **GLOBAL TECHNOLOGIES**

Sales for the quarter in Global Technologies division totaled SEK 1,325 M (1,145), with organic growth amounting to 18 % (–9). HID showed strong growth in both access control and identification technology. Hospitality recorded growth for the second quarter in succession and the renovation market continued its recovery. Acquired growth amounted to 3%. The division's operating income amounted to SEK 224 M (186), giving an operating margin (EBIT) of 16.9% (16.2). Return on capital employed amounted to 15.4% (13.3). Operating cash flow before interest paid totaled SEK 359 M (361).

## **ENTRANCE SYSTEMS**

Sales for the quarter in Entrance Systems division totaled SEK 1,118 M (1,152), with organic growth of –2 % (–4). The positive trend on the service side continued. On the market for automatic doors, demand from the retailing segment rose while demand from the healthcare segment and other publicly financed market segments fell as a result of budget constraints on several major markets. Ditec had a very positive end to the year with good growth. Acquired growth amounted to 4%. Operating income totaled SEK 198 M (196), giving an operating margin of 17.7% (17.0). Return on capital employed amounted to 18.0% (19.1). Operating cash flow before interest paid totaled SEK 141 M (189).

## **ACQUISITIONS**

During the quarter ActivIdentity in the USA and one minor acquisition were consolidated. This means that a total of thirteen acquisitions were consolidated during the year. The combined acquisition price for these acquisitions amounted to SEK 4,582 M, and preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to SEK 3,818 M. The acquisition price is adjusted for acquired net debt and estimated earn-outs. Estimated earn-outs amount to SEK 1,939 M, of which SEK 1,775 M relates to the largest single acquisition of the year, the Chinese company Pan Pan, and concerns the development of earnings in coming years.

On 2 November it was announced that a contract had been signed for the acquisition of Swesafe, the largest locksmith in Sweden. The company's sales total SEK 430 M, split equally between mechanical and electromechanical products. Swesafe has 24 branches and more than 300 employees. The acquisition is dependent on approval by the appropriate authorities.

On 13 December it was announced that ASSA ABLOY had acquired 63.6% of the Swedish entrance automation company Cardo and had made a public offer to other shareholders. In 2009 Cardo had sales of SEK 8.8 billion and had 5,337 employees. The acquisition is dependent on approval by the appropriate authorities and is expected to be completed in March 2011. For more detailed information refer to the press release of 13 December 2010.

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On 21 December it was announced that ASSA ABLOY had signed a contract for the acquisition of LaserCard Corporation in the USA, a leading company in the management of secure ID credentials for government and commercial customers throughout the world. The company is quoted on the NASDAQ exchange in the USA. LaserCard has 182 employees and its sales for the 2010 financial year totaled USD 50 M. On 24 January 2011 it was announced that a majority of shareholders had accepted the offer. The acquisition is expected to be completed during the first quarter of 2011.

## **SUSTAINABLE DEVELOPMENT**

The Orion family of products introduced during the year represents one step in the endeavor to produce more energy-efficient products.

Orion automatically controls the temperature setting when hotel guests go in and out of their rooms. It can be integrated with the hotel's wireless locking system, safes, lighting and other subsystems in the network and can thereby provide those responsible with valuable information in the form of reports, tracking, status, checks and data.

ASSA ABLOY's Orion product recently won the prestigious Editor's Choice prize at IHMRS (the International Hotel, Motel + Restaurant Show) in New York in November.

Orion was chosen as the winning entry from more than 100 new products on the grounds that the solution helps hoteliers to save energy, improve guests' comfort and make the hotel more 'climate smart'. Orion makes it possible to control the temperatures in hotel rooms via a wireless network and/or a web-based server.

The 2010 Sustainability Report, reporting on the Group's targets and giving other information about sustainable development, will be published at the time of the Annual General Meeting in April 2011.

## **PARENT COMPANY**

'Other operating income' for the Parent company ASSA ABLOY AB totaled SEK 1,623 M (1,398) for the full year. Income before tax amounted to SEK 1,679 M (1,694). Investments in tangible and intangible assets totaled SEK 11 M (1). Liquidity is good and the equity ratio was 52.9% (55.6).

## **DIVIDEND AND ANNUAL GENERAL MEETING**

The Board of Directors proposes a dividend of SEK 4.00 (3.60) per share for the 2010 financial year. The Annual General Meeting will be held on 29 April 2011.

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## **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 72-77 of the 2009 Annual Report. ASSA ABLOY has implemented the revised International Financial Reporting Standard IFRS 3, which came into force on 1 July 2009. The change affects the reporting of acquisition expenses, deferred considerations and step acquisitions. All acquisition expenses relating to acquisitions made in 2010 are reported on a current basis in the income statement from 1 January 2010. ASSA ABLOY is also applying the revised International Financial Reporting Standard IAS 27, which came into force on 1 July 2009. IAS 27 affects the reporting of non-controlling interest (previously called minority interest) in future acquisitions.

This Year-end Report was prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The Year-end Report for the Parent company was prepared in accordance with the Annual Accounts Act and RFR 2.3 Reporting by a Legal Entity.

## **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, see the 2009 Annual Report. No significant risks other than the risks described there are judged to have occurred.

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## 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.

Stockholm, 7 February 2011

Johan Molin

President and CEO

## FINANCIAL INFORMATION

The Quarterly Report for the first quarter will be published on 28 April 2011. The Annual General Meeting will be held on 29 April at the Museum of Modern Art in Stockholm.

## 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 Operaterrassen 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 08.00 on 7 February.*

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## FINANCIAL INFORMATION - GROUP

### INCOME STATEMENT

|                                           | Jan-Dec<br>2009 | Jan-Dec<br>2010 | Okt-Dec<br>2009 | Okt-Dec<br>2010 |
|-------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                           | SEK M           | SEK M           | SEK M           | SEK M           |
| Sales                                     | 34,963          | 36,823          | 8,799           | 9,648           |
| Cost of goods sold                        | -21,780         | -21,987         | -5,996          | -5,779          |
| <b>Gross income</b>                       | <b>13,183</b>   | <b>14,836</b>   | <b>2,803</b>    | <b>3,869</b>    |
| Selling and administrative expenses       | -8,821          | -8,793          | -2,338          | -2,264          |
| Share in earnings of associated companies | 12              | 3               | 3               | 2               |
| <b>Operating income</b>                   | <b>4,374</b>    | <b>6,046</b>    | <b>468</b>      | <b>1,606</b>    |
| Financial items                           | -634            | -680            | -106            | -201            |
| <b>Income before tax</b>                  | <b>3,740</b>    | <b>5,366</b>    | <b>362</b>      | <b>1,405</b>    |
| Tax                                       | -1,081          | -1,286          | -162            | -334            |
| <b>Net income</b>                         | <b>2,659</b>    | <b>4,080</b>    | <b>200</b>      | <b>1,071</b>    |

#### Allocation of net income:

|                               |       |       |     |       |
|-------------------------------|-------|-------|-----|-------|
| Shareholders in ASSA ABLOY AB | 2,626 | 4,050 | 192 | 1,064 |
| Non-controlling interest      | 32    | 30    | 9   | 7     |

### EARNINGS PER SHARE

|                                                                                                      | Jan-Dec<br>2009 | Jan-Dec<br>2010 | Okt-Dec<br>2009 | Okt-Dec<br>2010 |
|------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                                                                      | SEK             | SEK             | SEK             | SEK             |
| Earnings per share after tax and before dilution <sup>1)</sup>                                       | 7.18            | 11.07           | 0.52            | 2.91            |
| Earnings per share after tax and dilution <sup>2)</sup>                                              | 7.06            | 10.89           | 0.54            | 2.86            |
| Earnings per share after tax and dilution, excluding items affecting comparability <sup>2) 10)</sup> | 9.22            | 10.89           | 2.41            | 2.86            |

### COMPREHENSIVE INCOME

|                                                        | Jan-Dec<br>2009 | Jan-Dec<br>2010 | Okt-Dec<br>2009 | Okt-Dec<br>2010 |
|--------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                        | SEK M           | SEK M           | SEK M           | SEK M           |
| <b>Profit for the period</b>                           | <b>2,659</b>    | <b>4,080</b>    | <b>200</b>      | <b>1,071</b>    |
| <b>Other comprehensive income</b>                      |                 |                 |                 |                 |
| Exchange differences on translating foreign operations | -826            | -1,249          | 459             | 80              |
| <b>Total comprehensive income for the period</b>       | <b>1,833</b>    | <b>2,831</b>    | <b>659</b>      | <b>1,151</b>    |
| <b>Total comprehensive attributable to:</b>            |                 |                 |                 |                 |
| -Parent company shareholders                           | 1,814           | 2,805           | 646             | 1,140           |
| -Non-controlling interest                              | 19              | 26              | 13              | 11              |

### CASH FLOW STATEMENT

|                                                         | Jan-Dec<br>2009 | Jan-Dec<br>2010 | Okt-Dec<br>2009 | Okt-Dec<br>2010 |
|---------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                         | SEK M           | SEK M           | SEK M           | SEK M           |
| Cash flow from operating activities                     | 5,924           | 5,729           | 2,117           | 2,018           |
| Cash flow from investing activities                     | -1,835          | -4,027          | -523            | -1,693          |
| Cash flow from financing activities                     | -3,741          | -2,597          | -2,577          | -354            |
| <b>Cash flow</b>                                        | <b>348</b>      | <b>-895</b>     | <b>-983</b>     | <b>-29</b>      |
| <b>Cash and cash equivalents at beginning of period</b> | <b>1,931</b>    | <b>2,235</b>    | <b>3,177</b>    | <b>1,316</b>    |
| Cash flow                                               | 348             | -895            | -983            | -29             |
| Effect of exchange rate differences                     | -44             | -38             | 41              | 15              |
| <b>Cash and cash equivalents at end of period</b>       | <b>2,235</b>    | <b>1,302</b>    | <b>2,235</b>    | <b>1,302</b>    |

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  
Corporate Identity nr: 556059-3575

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## BALANCE SHEET

|                                              | 31 Dec<br>2009 | 31 Dec<br>2010 |
|----------------------------------------------|----------------|----------------|
|                                              | SEK M          | SEK M          |
| Intangible assets                            | 22,324         | 25,193         |
| Tangible fixed assets                        | 5,550          | 5,422          |
| Financial fixed assets                       | 1,187          | 1,595          |
| <b>Total non-current assets</b>              | <b>29,061</b>  | <b>32,210</b>  |
| Inventories                                  | 4,349          | 4,825          |
| Trade receivables                            | 5,618          | 5,596          |
| Other non-interest-bearing current assets    | 1,171          | 1,308          |
| Interest-bearing current assets              | 2,419          | 1,450          |
| <b>Total current assets</b>                  | <b>13,557</b>  | <b>13,179</b>  |
| <b>Total assets</b>                          | <b>42,618</b>  | <b>45,389</b>  |
| Equity before non-controlling interest       | 19,172         | 20,652         |
| Non-controlling interest                     | 162            | 169            |
| <b>Total equity</b>                          | <b>19,334</b>  | <b>20,821</b>  |
| Interest-bearing non-current liabilities     | 11,810         | 9,212          |
| Non-interest-bearing non-current liabilities | 2,068          | 4,236          |
| <b>Total non-current liabilities</b>         | <b>13,878</b>  | <b>13,448</b>  |
| Interest-bearing current liabilities         | 1,901          | 2,864          |
| Non-interest-bearing current liabilities     | 7,505          | 8,256          |
| <b>Total current liabilities</b>             | <b>9,406</b>   | <b>11,120</b>  |
| <b>Total equity and liabilities</b>          | <b>42,618</b>  | <b>45,389</b>  |

## CHANGE IN EQUITY

|                                         | Jan-Dec<br>2009 | Jan-Dec<br>2010 |
|-----------------------------------------|-----------------|-----------------|
|                                         | SEK M           | SEK M           |
| <b>Opening balance</b>                  | <b>18,838</b>   | <b>19,334</b>   |
| Total comprehensive income for the year | 1,833           | 2,831           |
| Dividend                                | -1,317          | -1,317          |
| Stock purchase plans                    | -               | 6               |
| Share issue                             | -               | 34              |
| Purchase of treasury shares             | -               | -48             |
| Non-controlling interest, net           | -20             | -19             |
| <b>Closing balance</b>                  | <b>19,334</b>   | <b>20,821</b>   |

## KEY DATA

|                                                                       | Jan-Dec<br>2009 | Jan-Dec<br>2010 |
|-----------------------------------------------------------------------|-----------------|-----------------|
| Return on capital employed excluding items affecting comparability, % | 16.2            | 18.5            |
| Return on capital employed including items affecting comparability, % | 13.1            | 18.5            |
| Return on shareholders' equity, %                                     | 12.7            | 19.1            |
| Equity ratio, %                                                       | 45.4            | 45.9            |
| Interest coverage ratio, times                                        | 7.2             | 10.1            |
| Interest on convertible debentures net after tax, SEK M               | 31.9            | 9.9             |
| Number of shares, thousands                                           | 365,918         | 366,177         |
| Weighted average number of shares, thousands                          | 365,918         | 365,744         |
| Number of shares after dilution, thousands                            | 372,931         | 372,736         |
| Weighted average number of shares after dilution, thousands           | 376,534         | 372,810         |
| Average number of employees                                           | 29,375          | 37,279          |

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  
Corporate Identity nr: 556059-3575

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## FINANCIAL INFORMATION - PARENT COMPANY

| INCOME STATEMENT  | Jan-Dec<br>2009 | Jan-Dec<br>2010 |
|-------------------|-----------------|-----------------|
|                   | SEK M           | SEK M           |
| Operating income  | 566             | 778             |
| Income before tax | 1,694           | 1,679           |
| Net income        | 1,536           | 1,492           |

| BALANCE SHEET                       | 31 Dec<br>2009 | 31 Dec<br>2010 |
|-------------------------------------|----------------|----------------|
|                                     | SEK M          | SEK M          |
| Non-current assets                  | 19,473         | 20,614         |
| Current assets                      | 4,176          | 3,560          |
| <b>Total assets</b>                 | <b>23,649</b>  | <b>24,174</b>  |
| Equity                              | 13,150         | 12,781         |
| Provisions                          | 5              | 0              |
| Non-current liabilities             | 5,720          | 3,601          |
| Current liabilities                 | 4,774          | 7,792          |
| <b>Total equity and liabilities</b> | <b>23,649</b>  | <b>24,174</b>  |

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)  
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## QUARTERLY INFORMATION - GROUP

### THE GROUP IN SUMMARY

All amounts in SEK M if not otherwise noted.

|                                                      | Q1<br>2009   | Q2<br>2009   | Q3<br>2009   | Q4<br>2009   | Full Year<br>2009 | Q1<br>2010   | Q2<br>2010   | Q3<br>2010   | Q4<br>2010   | Full Year<br>2010 | 12 month<br>rolling |
|------------------------------------------------------|--------------|--------------|--------------|--------------|-------------------|--------------|--------------|--------------|--------------|-------------------|---------------------|
| Sales                                                | 8,859        | 8,899        | 8,405        | 8,799        | 34,963            | 8,345        | 9,356        | 9,474        | 9,648        | 36,823            | 36,823              |
| Organic growth <sup>3)</sup>                         | -12%         | -14%         | -13%         | -8%          | -12%              | -3%          | 2%           | 6%           | 6%           | 3%                |                     |
| <b>Gross income</b>                                  |              |              |              |              |                   |              |              |              |              |                   |                     |
| excluding items affecting comparability              | <b>3,550</b> | <b>3,502</b> | <b>3,370</b> | <b>3,603</b> | <b>14,025</b>     | <b>3,361</b> | <b>3,761</b> | <b>3,846</b> | <b>3,869</b> | <b>14,836</b>     | <b>14,836</b>       |
| Gross income / Sales                                 | 40.1%        | 39.4%        | 40.1%        | 41.0%        | 40.1%             | 40.3%        | 40.2%        | 40.6%        | 40.1%        | 40.3%             | 40.3%               |
| <b>Operating income before depreciation (EBITDA)</b> |              |              |              |              |                   |              |              |              |              |                   |                     |
| excluding items affecting comparability              | <b>1,594</b> | <b>1,601</b> | <b>1,584</b> | <b>1,648</b> | <b>6,426</b>      | <b>1,536</b> | <b>1,780</b> | <b>1,875</b> | <b>1,851</b> | <b>7,041</b>      | <b>7,041</b>        |
| Operating margin (EBITDA)                            | 18.0%        | 18.0%        | 18.8%        | 18.7%        | 18.4%             | 18.4%        | 19.0%        | 19.8%        | 19.2%        | 19.1%             | 19.1%               |
| Depreciation                                         | -266         | -261         | -237         | -249         | -1,014            | -241         | -265         | -245         | -244         | -995              | -995                |
| <b>Operating income (EBIT)</b>                       |              |              |              |              |                   |              |              |              |              |                   |                     |
| excluding items affecting comparability              | <b>1,328</b> | <b>1,340</b> | <b>1,346</b> | <b>1,398</b> | <b>5,413</b>      | <b>1,295</b> | <b>1,515</b> | <b>1,630</b> | <b>1,606</b> | <b>6,046</b>      | <b>6,046</b>        |
| Operating margin (EBIT)                              | 15.0%        | 15.1%        | 16.0%        | 15.9%        | 15.5%             | 15.5%        | 16.2%        | 17.2%        | 16.6%        | 16.4%             | 16.4%               |
| Items affecting comparability <sup>10)</sup>         | -109         | -            | -            | -930         | -1,039            | -            | -            | -            | -            | -                 | -                   |
| <b>Operating income (EBIT)</b>                       | <b>1,219</b> | <b>1,340</b> | <b>1,346</b> | <b>468</b>   | <b>4,374</b>      | <b>1,295</b> | <b>1,515</b> | <b>1,630</b> | <b>1,606</b> | <b>6,046</b>      | <b>6,046</b>        |
| Financial items                                      | -205         | -165         | -159         | -106         | -634              | -137         | -152         | -190         | -201         | -680              | -680                |
| <b>Income before tax</b>                             | <b>1,015</b> | <b>1,176</b> | <b>1,187</b> | <b>362</b>   | <b>3,740</b>      | <b>1,158</b> | <b>1,363</b> | <b>1,440</b> | <b>1,405</b> | <b>5,366</b>      | <b>5,366</b>        |
| Profit margin (EBT)                                  | 11.4%        | 13.2%        | 14.1%        | 4.1%         | 10.7%             | 13.9%        | 14.6%        | 15.2%        | 14.6%        | 14.6%             | 14.6%               |
| Tax                                                  | -296         | -323         | -300         | -162         | -1,081            | -278         | -333         | -341         | -334         | -1,286            | -1,286              |
| <b>Net income</b>                                    | <b>718</b>   | <b>852</b>   | <b>888</b>   | <b>200</b>   | <b>2,659</b>      | <b>880</b>   | <b>1,031</b> | <b>1,099</b> | <b>1,071</b> | <b>4,080</b>      | <b>4,080</b>        |
| <b>Allocation of net income:</b>                     |              |              |              |              |                   |              |              |              |              |                   |                     |
| Shareholders in ASSA ABLOY AB                        | 716          | 843          | 876          | 192          | 2,626             | 876          | 1,019        | 1,090        | 1,064        | 4,050             | 4,050               |
| Non-controlling interest                             | 3            | 9            | 12           | 9            | 32                | 4            | 11           | 9            | 7            | 30                | 30                  |

### OPERATING CASH FLOW

|                                                       | Q1<br>2009 | Q2<br>2009   | Q3<br>2009   | Q4<br>2009   | Full Year<br>2009 | Q1<br>2010 | Q2<br>2010   | Q3<br>2010   | Q4<br>2010   | Full Year<br>2010 | 12 month<br>rolling |
|-------------------------------------------------------|------------|--------------|--------------|--------------|-------------------|------------|--------------|--------------|--------------|-------------------|---------------------|
| Operating income (EBIT)                               | 1,219      | 1,340        | 1,346        | 468          | 4,374             | 1,295      | 1,515        | 1,630        | 1,606        | 6,046             | 6,046               |
| Restructuring costs                                   | 109        | -            | -            | 930          | 1,039             | -          | -            | -            | -            | -                 | -                   |
| Depreciation                                          | 266        | 261          | 237          | 249          | 1,014             | 241        | 265          | 245          | 244          | 995               | 995                 |
| Net capital expenditure                               | -187       | -186         | -99          | -191         | -664              | -50        | -270         | -153         | -235         | -708              | -708                |
| Change in working capital                             | -316       | 346          | 612          | 818          | 1,460             | -475       | 79           | 167          | 591          | 362               | 362                 |
| Paid and received interest                            | -193       | -157         | -38          | -119         | -507              | -77        | -170         | -29          | -179         | -455              | -455                |
| Adjustment for non-cash items                         | -60        | -20          | 67           | 140          | 127               | -64        | 21           | 30           | 58           | 45                | 45                  |
| <b>Operating cash flow <sup>4)</sup></b>              | <b>838</b> | <b>1,584</b> | <b>2,125</b> | <b>2,296</b> | <b>6,843</b>      | <b>870</b> | <b>1,440</b> | <b>1,890</b> | <b>2,085</b> | <b>6,285</b>      | <b>6,285</b>        |
| Operating cash flow / Income before tax <sup>4)</sup> | 0.75       | 1.35         | 1.79         | 1.78         | 1.43              | 0.75       | 1.06         | 1.31         | 1.48         | 1.17              | 1.17                |

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  
Corporate Identity nr: 556059-3575

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## CHANGE IN NET DEBT

|                                     | Q1<br>2009    | Q2<br>2009    | Q3<br>2009    | Q4<br>2009    | Full Year<br>2009 | Q1<br>2010    | Q2<br>2010    | Q3<br>2010    | Q4<br>2010    | Full Year<br>2010 |
|-------------------------------------|---------------|---------------|---------------|---------------|-------------------|---------------|---------------|---------------|---------------|-------------------|
| Net debt at beginning of the period | 14,013        | 14,317        | 14,239        | 12,432        | 14,013            | 11,048        | 11,469        | 12,608        | 10,864        | 11,048            |
| Operating cash flow                 | -838          | -1,584        | -2,125        | -2,296        | -6,843            | -870          | -1,440        | -1,890        | -2,085        | -6,285            |
| Restructuring payment               | 144           | 224           | 147           | 161           | 676               | 112           | 182           | 71            | 101           | 465               |
| Tax paid                            | 298           | 397           | 2             | 210           | 907               | 261           | 241           | 94            | 203           | 799               |
| Acquisitions/Disposals              | 263           | 66            | 511           | 331           | 1,171             | 768           | 373           | 720           | 1,458         | 3,319             |
| Dividend                            | -             | 1,317         | -             | -             | 1,317             | -             | 1,317         | -             | -             | 1,317             |
| Purchase of treasury shares         | -             | -             | -             | -             | -                 | -             | 48            | -             | -             | 48                |
| Translation differences and other   | 437           | -498          | -341          | 210           | -193              | 150           | 418           | -739          | 23            | -147              |
| <b>Net debt at end of period</b>    | <b>14,317</b> | <b>14,239</b> | <b>12,432</b> | <b>11,048</b> | <b>11,048</b>     | <b>11,469</b> | <b>12,608</b> | <b>10,864</b> | <b>10,564</b> | <b>10,564</b>     |
| Net debt / Equity                   | 0.71          | 0.74          | 0.67          | 0.57          | 0.57              | 0.57          | 0.62          | 0.55          | 0.51          | 0.51              |

## NET DEBT

|                                                                   | Q1<br>2009    | Q2<br>2009    | Q3<br>2009    | Q4<br>2009    | Q1<br>2010    | Q2<br>2010    | Q3<br>2010    | Q4<br>2010    |
|-------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Non current interest-bearing receivables                          | -269          | -256          | -236          | -244          | -64           | -60           | -56           | -62           |
| Current interest-bearing investments including derivatives        | -2,632        | -2,250        | -1,989        | -840          | -699          | -205          | -252          | -170          |
| Cash and bank balances                                            | -1,280        | -1,800        | -1,303        | -1,579        | -1,216        | -1,271        | -1,225        | -1,280        |
| Pension provisions                                                | 1,222         | 1,200         | 1,093         | 1,118         | 1,114         | 1,150         | 1,056         | 1,078         |
| Other non current interest-bearing liabilities                    | 8,659         | 11,227        | 10,471        | 10,692        | 10,561        | 10,265        | 9,481         | 8,134         |
| <b>Current interest-bearing liabilities including derivatives</b> | <b>8,617</b>  | <b>6,117</b>  | <b>4,385</b>  | <b>1,901</b>  | <b>1,773</b>  | <b>2,729</b>  | <b>1,860</b>  | <b>2,864</b>  |
| <b>Total</b>                                                      | <b>14,317</b> | <b>14,239</b> | <b>12,432</b> | <b>11,048</b> | <b>11,469</b> | <b>12,608</b> | <b>10,864</b> | <b>10,564</b> |

## CAPITAL EMPLOYED AND FINANCING

|                                                                 | Q1<br>2009    | Q2<br>2009    | Q3<br>2009    | Q4<br>2009    | Q1<br>2010    | Q2<br>2010    | Q3<br>2010    | Q4<br>2010    |
|-----------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Capital employed                                                | 34,540        | 33,494        | 31,108        | 30,382        | 31,523        | 33,051        | 30,495        | 31,385        |
| - where of, goodwill                                            | 21,443        | 20,857        | 19,992        | 20,333        | 22,480        | 23,659        | 22,085        | 22,279        |
| - where of, other intangibles and fixed assets                  | 8,214         | 7,972         | 7,379         | 7,541         | 7,797         | 8,160         | 7,450         | 8,336         |
| - where of, shares in associates                                | 55            | 54            | 52            | 39            | 38            | 37            | 37            | 37            |
| Net debt                                                        | 14,317        | 14,239        | 12,432        | 11,048        | 11,469        | 12,608        | 10,864        | 10,564        |
| Non-controlling interest                                        | 163           | 152           | 149           | 162           | 167           | 174           | 157           | 169           |
| <b>Shareholders' equity, excluding non-controlling interest</b> | <b>20,060</b> | <b>19,110</b> | <b>18,526</b> | <b>19,172</b> | <b>19,887</b> | <b>20,269</b> | <b>19,474</b> | <b>20,652</b> |

## DATA PER SHARE

|                                                                                                     | Q1<br>2009<br>SEK | Q2<br>2009<br>SEK | Q3<br>2009<br>SEK | Q4<br>2009<br>SEK | Full Year<br>2009<br>SEK | Q1<br>2010<br>SEK | Q2<br>2010<br>SEK | Q3<br>2010<br>SEK | Q4<br>2010<br>SEK | Full Year<br>2010<br>SEK | 12 month<br>rolling<br>SEK |
|-----------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|----------------------------|
| Earnings per share after tax and before dilution <sup>1)</sup>                                      | 1.96              | 2.30              | 2.39              | 0.52              | 7.18                     | 2.39              | 2.79              | 2.98              | 2.91              | 11.07                    | 11.07                      |
| Earnings per share after tax and dilution <sup>2)</sup>                                             | 1.92              | 2.25              | 2.36              | 0.54              | 7.06                     | 2.36              | 2.74              | 2.93              | 2.86              | 10.89                    | 10.89                      |
| Earnings per share after tax and dilution excluding items affecting comparability <sup>2) 10)</sup> | 2.20              | 2.25              | 2.36              | 2.41              | 9.22                     | 2.36              | 2.74              | 2.93              | 2.86              | 10.89                    | 10.89                      |
| <b>Shareholders' equity per share after dilution <sup>3)</sup></b>                                  | <b>59.55</b>      | <b>54.28</b>      | <b>53.47</b>      | <b>55.29</b>      | <b>54.76</b>             | <b>56.94</b>      | <b>57.89</b>      | <b>55.65</b>      | <b>58.65</b>      | <b>58.64</b>             |                            |

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  
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## 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                                      | 2009               | 2010         | 2009                   | 2010         | 2009                       | 2010         | 2009                              | 2010         | 2009             | 2010         | 2009        | 2010        | 2009         | 2010         |
| Sales, external                                                        | 3,472              | 3,288        | 2,090                  | 2,274        | 976                        | 1,671        | 1,124                             | 1,309        | 1,136            | 1,106        |             |             | 8,799        | 9,648        |
| Sales, intragroup                                                      | 72                 | 76           | 17                     | 17           | 67                         | 95           | 21                                | 16           | 15               | 13           | -192        | -216        |              |              |
| <b>Sales</b>                                                           | <b>3,544</b>       | <b>3,364</b> | <b>2,108</b>           | <b>2,291</b> | <b>1,044</b>               | <b>1,766</b> | <b>1,145</b>                      | <b>1,325</b> | <b>1,152</b>     | <b>1,118</b> | <b>-192</b> | <b>-216</b> | <b>8,799</b> | <b>9,648</b> |
| Organic growth <sup>3)</sup>                                           | -3%                | 2%           | -21%                   | 6%           | 10%                        | 12%          | -9%                               | 18%          | -4%              | -2%          |             |             | -8%          | 6%           |
| <b>Operating income (EBIT)</b>                                         | <b>595</b>         | <b>604</b>   | <b>412</b>             | <b>459</b>   | <b>144</b>                 | <b>246</b>   | <b>186</b>                        | <b>224</b>   | <b>196</b>       | <b>198</b>   | <b>-134</b> | <b>-124</b> | <b>1,398</b> | <b>1,606</b> |
| Operating margin (EBIT)                                                | 16.8%              | 18.0%        | 19.5%                  | 20.1%        | 13.8%                      | 13.9%        | 16.2%                             | 16.9%        | 17.0%            | 17.7%        |             |             | 15.9%        | 16.6%        |
| Items affecting comparability <sup>10)</sup>                           | -680               | -            | -                      | -            | -2                         | -            | -167                              | -            | -81              | -            | -           | -           | -930         | -            |
| <b>Operating income (EBIT) including items affecting comparability</b> | <b>-85</b>         | <b>604</b>   | <b>412</b>             | <b>459</b>   | <b>141</b>                 | <b>246</b>   | <b>19</b>                         | <b>224</b>   | <b>116</b>       | <b>198</b>   | <b>-134</b> | <b>-124</b> | <b>468</b>   | <b>1,606</b> |
| Capital employed                                                       | 9,814              | 8,759        | 8,687                  | 8,163        | 2,768                      | 4,080        | 5,464                             | 5,772        | 4,116            | 4,365        | -467        | 245         | 30,382       | 31,385       |
| - where of, goodwill                                                   | 5,540              | 5,471        | 6,003                  | 6,039        | 1,536                      | 3,202        | 4,030                             | 4,265        | 3,223            | 3,303        |             |             | 20,333       | 22,279       |
| - where of, other intangibles and fixed assets                         | 3,097              | 2,632        | 1,757                  | 1,566        | 933                        | 2,306        | 1,138                             | 1,267        | 485              | 431          | 130         | 136         | 7,541        | 8,336        |
| - where of, shares in associates                                       | 39                 | 37           | -                      | -            | -                          | -            | -                                 | -            | -                | -            |             |             | 39           | 37           |
| Return on capital employed excluding items affecting comparability     | 21.2%              | 26.3%        | 19.6%                  | 21.0%        | 20.6%                      | 27.3%        | 13.3%                             | 15.4%        | 19.1%            | 18.0%        |             |             | 18.1%        | 19.5%        |
| Operating income (EBIT)                                                | -85                | 604          | 412                    | 459          | 141                        | 246          | 19                                | 224          | 116              | 198          | -134        | -124        | 468          | 1,606        |
| Restructuring costs                                                    | 680                | -            | -                      | -            | 2                          | -            | 167                               | -            | 81               | -            | -           | -           | 930          | -            |
| Depreciation                                                           | 112                | 100          | 58                     | 52           | 29                         | 39           | 39                                | 35           | 9                | 15           | 2           | 4           | 249          | 244          |
| Net capital expenditure                                                | -97                | -89          | -21                    | -39          | -25                        | -57          | -39                               | -41          | -6               | -7           | -4          | -2          | -191         | -235         |
| Movement in working capital                                            | 523                | 243          | 96                     | 20           | 84                         | 333          | 175                               | 141          | -11              | -64          | -49         | -83         | 818          | 591          |
| <b>Cash flow <sup>4)</sup></b>                                         | <b>1,133</b>       | <b>858</b>   | <b>545</b>             | <b>492</b>   | <b>231</b>                 | <b>561</b>   | <b>361</b>                        | <b>359</b>   | <b>189</b>       | <b>141</b>   |             |             | <b>2,275</b> | <b>2,206</b> |
| Adjustment for non-cash items                                          |                    |              |                        |              |                            |              |                                   |              |                  |              | 140         | 58          | 140          | 58           |
| Paid and received interest                                             |                    |              |                        |              |                            |              |                                   |              |                  |              | -119        | -179        | -119         | -179         |
| <b>Operating cash flow <sup>4)</sup></b>                               |                    |              |                        |              |                            |              |                                   |              |                  |              |             |             | <b>2,296</b> | <b>2,085</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                                      | 2009               | 2010          | 2009                   | 2010         | 2009                       | 2010         | 2009                              | 2010         | 2009             | 2010         | 2009        | 2010        | 2009                 | 2010                 |
| Sales, external                                                        | 13,275             | 12,660        | 9,831                  | 9,491        | 3,507                      | 5,698        | 4,664                             | 4,951        | 3,685            | 4,024        |             |             | 34,963 <sup>9)</sup> | 36,823 <sup>9)</sup> |
| Sales, intragroup                                                      | 327                | 376           | 49                     | 45           | 282                        | 384          | 102                               | 64           | 47               | 48           | -807        | -916        |                      |                      |
| <b>Sales</b>                                                           | <b>13,601</b>      | <b>13,036</b> | <b>9,880</b>           | <b>9,536</b> | <b>3,789</b>               | <b>6,081</b> | <b>4,766</b>                      | <b>5,015</b> | <b>3,733</b>     | <b>4,072</b> | <b>-807</b> | <b>-916</b> | <b>34,963</b>        | <b>36,823</b>        |
| Organic growth <sup>3)</sup>                                           | -12%               | 2%            | -19%                   | -2%          | -1%                        | 14%          | -12%                              | 10%          | -3%              | -2%          |             |             | -12%                 | 3%                   |
| <b>Operating income (EBIT)</b>                                         | <b>2,056</b>       | <b>2,174</b>  | <b>1,925</b>           | <b>1,886</b> | <b>459</b>                 | <b>843</b>   | <b>766</b>                        | <b>862</b>   | <b>587</b>       | <b>627</b>   | <b>-380</b> | <b>-346</b> | <b>5,413</b>         | <b>6,046</b>         |
| Operating margin (EBIT)                                                | 15.1%              | 16.7%         | 19.5%                  | 19.8%        | 12.1%                      | 13.9%        | 16.1%                             | 17.2%        | 15.7%            | 15.4%        |             |             | 15.5%                | 16.4%                |
| Items affecting comparability <sup>10)</sup>                           | -789               | -             | -                      | -            | -2                         | -            | -167                              | -            | -81              | -            | -           | -           | -1,039               | -                    |
| <b>Operating income (EBIT) including items affecting comparability</b> | <b>1,267</b>       | <b>2,174</b>  | <b>1,925</b>           | <b>1,886</b> | <b>457</b>                 | <b>843</b>   | <b>599</b>                        | <b>862</b>   | <b>506</b>       | <b>627</b>   | <b>-380</b> | <b>-346</b> | <b>4,374</b>         | <b>6,046</b>         |
| Capital employed                                                       | 9,814              | 8,759         | 8,687                  | 8,163        | 2,768                      | 4,080        | 5,464                             | 5,772        | 4,116            | 4,365        | -467        | 245         | 30,382               | 31,385               |
| - where of, goodwill                                                   | 5,540              | 5,471         | 6,003                  | 6,039        | 1,536                      | 3,202        | 4,030                             | 4,265        | 3,223            | 3,303        |             |             | 20,333               | 22,279               |
| - where of, other intangibles and fixed assets                         | 3,097              | 2,632         | 1,757                  | 1,566        | 933                        | 2,306        | 1,138                             | 1,267        | 485              | 431          | 130         | 136         | 7,541                | 8,336                |
| - where of, shares in associates                                       | 39                 | 37            | -                      | -            | -                          | -            | -                                 | -            | -                | -            |             |             | 39                   | 37                   |
| Return on capital employed excluding items affecting comparability     | 16.9%              | 21.6%         | 20.5%                  | 21.3%        | 16.1%                      | 25.1%        | 12.9%                             | 14.7%        | 15.2%            | 14.6%        |             |             | 16.2%                | 18.5%                |
| Operating income (EBIT)                                                | 1,267              | 2,174         | 1,925                  | 1,886        | 457                        | 843          | 599                               | 862          | 506              | 627          | -380        | -346        | 4,374                | 6,046                |
| Restructuring costs                                                    | 789                | -             | -                      | -            | 2                          | -            | 167                               | -            | 81               | -            | -           | -           | 1,039                | -                    |
| Depreciation                                                           | 473                | 417           | 236                    | 222          | 99                         | 142          | 156                               | 145          | 38               | 57           | 11          | 14          | 1,014                | 995                  |
| Net capital expenditure                                                | -281               | -317          | -134                   | -114         | -80                        | -198         | -127                              | -109         | -33              | -47          | -9          | 76          | -664                 | -708                 |
| Movement in working capital                                            | 602                | 334           | 649                    | 19           | 132                        | 130          | 211                               | -30          | 88               | -58          | -222        | -33         | 1,460                | 362                  |
| <b>Cash flow <sup>4)</sup></b>                                         | <b>2,850</b>       | <b>2,607</b>  | <b>2,677</b>           | <b>2,013</b> | <b>610</b>                 | <b>917</b>   | <b>1,005</b>                      | <b>868</b>   | <b>680</b>       | <b>580</b>   |             |             | <b>7,222</b>         | <b>6,695</b>         |
| Adjustment for non-cash items                                          |                    |               |                        |              |                            |              |                                   |              |                  |              | 127         | 45          | 127                  | 45                   |
| Paid and received interest                                             |                    |               |                        |              |                            |              |                                   |              |                  |              | -507        | -455        | -507                 | -455                 |
| <b>Operating cash flow <sup>4)</sup></b>                               |                    |               |                        |              |                            |              |                                   |              |                  |              |             |             | <b>6,843</b>         | <b>6,285</b>         |
| Average number of employees                                            | 10,138             | 9,471         | 6,897                  | 6,969        | 7,560                      | 15,510       | 2,416                             | 2,487        | 2,253            | 2,738        | 112         | 104         | 29,375               | 37,279               |

<sup>2)</sup> Number of shares, thousands, used for the calculation: : Oct-Dec 2010 (2009): 365,660 (365,918), Jan-Dec 2010 (2009): 365,744 (365,918).

<sup>3)</sup> Number of shares, thousands, used for calculation: Oct-Dec 2010 (2009): 372,736 (372,931), Jan-Dec 2010 (2009): 372,810 (376,534).

<sup>4)</sup> Organic growth concern comparable units after adjustment for acquisitions and currency effects.

<sup>5)</sup> Excluding restructuring items.

<sup>6)</sup> Europe, Middle East and Africa.

<sup>7)</sup> North, Central and South America.

<sup>8)</sup> Asia, Australia and New Zealand.

<sup>9)</sup> ASSA ABLOY Hospitality and HID Global.

<sup>10)</sup> Sales Jan-Dec 2010 (2009) by Continent: Europe 15,789 (16,046), North America 11,907 (12,383), Central and South America 854 (616), Africa 622 (651), Asia 5,533 (3,427), Pacific 2,118 (1,839).

<sup>11)</sup> Items affecting comparability consist of restructuring costs.

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  
Corporate Identity nr: 556059-3575

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

# Press Release

## INCOME STATEMENT - Reclassification

|                                           | Before<br>reclassification |             | After<br>reclassification |  | Before<br>reclassification |             | After<br>reclassification |  |
|-------------------------------------------|----------------------------|-------------|---------------------------|--|----------------------------|-------------|---------------------------|--|
|                                           | <b>Jan-Dec<br/>2009</b>    |             | <b>Jan-Dec<br/>2009</b>   |  | <b>Oct-Dec<br/>2009</b>    |             | <b>Oct-Dec<br/>2009</b>   |  |
|                                           | <b>SEK M</b>               | <b>Dev.</b> | <b>SEK M</b>              |  | <b>SEK M</b>               | <b>Dev.</b> | <b>SEK M</b>              |  |
| Sales                                     | 35,049                     | -86         | 34,963                    |  | 8,821                      | -22         | 8,799                     |  |
| Cost of goods sold                        | -21,489                    | -291        | -21,780                   |  | -5,866                     | -130        | -5,996                    |  |
| <b>Gross income</b>                       | <b>13,560</b>              | <b>-377</b> | <b>13,183</b>             |  | <b>2,955</b>               | <b>-152</b> | <b>2,803</b>              |  |
| Selling and administrative expenses       | -9,198                     | 377         | -8,821                    |  | -2,490                     | 152         | -2,338                    |  |
| Share in earnings of associated companies | 12                         | 0           | 12                        |  | 3                          | 0           | 3                         |  |
| <b>Operating income</b>                   | <b>4,374</b>               | <b>0</b>    | <b>4,374</b>              |  | <b>468</b>                 | <b>0</b>    | <b>468</b>                |  |
| Financial items                           | -634                       | 0           | -634                      |  | -106                       | 0           | -106                      |  |
| <b>Income before tax</b>                  | <b>3,740</b>               | <b>0</b>    | <b>3,740</b>              |  | <b>362</b>                 | <b>0</b>    | <b>362</b>                |  |
| Tax                                       | -1,081                     | 0           | -1,081                    |  | -162                       | 0           | -162                      |  |
| <b>Net income</b>                         | <b>2,659</b>               | <b>0</b>    | <b>2,659</b>              |  | <b>200</b>                 | <b>0</b>    | <b>200</b>                |  |

The Group has made a reclassification that affects direct distribution costs and depreciation on capitalized product development expenditure. The reason is to give a true and fair view of the allocation between direct and indirect costs as well as for product development expenses. In order to maintain comparability, the financial statements for 2009 have been adjusted. The reclassification involves the transfer of direct distribution costs from Selling expenses and Administrative expenses, and where appropriate from Sales, to Cost of goods sold. In addition, depreciation on product development has been moved from Cost of goods sold to Selling expenses and Administrative expenses. Both these adjustments affect Gross income. Operating income is not affected.