

Press Release

10 February 2012
No. 04/12

Correction page 3: A strong quarter with record sales and earnings

Correction, under the headline FOURTH QUARTER the correct figure is: "Exchange-rate effects had a negative impact of SEK 38 M on the Group's income before tax."

Fourth quarter

- Sales increased during the quarter by a full 22%, including 4% organic growth, and totaled SEK 11,744 M (9 648).
- Strong growth in Asia, Africa, Global Technologies and Entrance Systems, while the markets in Europe and North America were stable.
- Acquisitions of Albany Door Systems and Securistyle were completed and agreement signed for the acquisition of Dynaco. The combined annualized sales from these companies is SEK 1,850 M representing 5% growth.
- Operating income (EBIT) amounted to SEK 1,881 M¹⁾ (1,606), an increase of 17%. The operating margin was 16.0%¹⁾ (16.6).
- Net income amounted to SEK 118 M²⁾ (1,071).
- Earnings per share rose by 20% to SEK 3.43³⁾ (2.86).
- The restructuring program was expensed with SEK 1,420 M.
- Operating cash flow reached a record high SEK 2,794 M (2,085).

Full year

- Sales increased by 13%, including 4% organic growth, and totaled SEK 41,786 M (36,823).
- Operating income (EBIT) amounted to SEK 6,624 M¹⁾ (6,046), representing an increase of 10%. The operating margin was 15.9%¹⁾ (16.4).
- Net income amounted to SEK 3,869 M²⁾ (4,080).
- Earnings per share rose by 13% to SEK 12.30³⁾ (10.89).
- Strong operating cash flow amounted to SEK 6,080 M (6,285).
- The Board of Directors proposes a dividend of SEK 4.50 per share (4.00).

¹⁾ Excluding restructuring costs in 2011 amounting to SEK -1,420 M for the quarter and for the year.

²⁾ If restructuring and one-time items are excluded, net income in 2011 was SEK 1,285 M for the quarter and SEK 4,605 M for the year.

³⁾ Excluding restructuring and one-time items in 2011 amounting to SEK -1,167 M for the quarter and SEK -736 M for the year.

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SALES AND INCOME

	Fourth quarter			Full year		
	2010	2011	Change	2010	2011	Change
Sales, SEK M	9,648	11,744	+22%	36,823	41,786	+13%
of which,						
Organic growth			+4%			+4%
Acquisitions			+20%			+17%
Exchange-rate effects	-385	-195	-2%	-1,626	-2 309	-8%
Operating income (EBIT), SEK M¹⁾	1,606	1,881	+17%	6,046	6,624	+10%
Operating margin (EBIT), % ¹⁾	16.6	16.0		16.4	15.9	
Income before tax, SEK M ¹⁾	1,405	1,723	+23%	5,366	5,979	+11%
Net income, SEK M ²⁾	1,071	118	-	4,080	3,869	-
Operating cash flow, SEK M	2,085	2,794	+34%	6,285	6,080	-3%
Earnings per share (EPS), SEK²⁾	2.86	3.43	+20%	10.89	12.30	+13%

¹⁾ Excluding restructuring costs in 2011 amounting to SEK -1,420 M for the quarter and for the year.

²⁾ If restructuring and one-time items are excluded, net income in 2011 was SEK 1,285 M for the quarter and SEK 4,605 M for the year.

COMMENTS BY THE PRESIDENT AND CEO

"It is with great satisfaction that I can report that the fourth quarter set new records in both sales and earnings," says Johan Molin, President and CEO. "Sales increased by a full 22%, while operating income increased by 17%. It was particularly pleasing that the Group's increasing exposure on the emerging markets meant that total organic growth amounted to a good 4% despite a weak demand on the mature markets.

"A number of innovative new products in both the mechanical and electromechanical areas were launched during the year, and the share of sales coming from new products rose to over 20%, almost a doubling compared to earlier figures. In addition, the acquisitions of ActivIdentity and LaserCard during the year mean that the Group now can offer complete systems for advanced public ID solutions. The strategic acquisition of Crawford meant that ASSA ABLOY took a leading position in the growing field of entrance automation.

"Operating income for the full year increased by a good 10%, supported by efficiency improvements and the continuing relocation of production to low-cost countries. Operating cash flow continued strong and exceeded 100% of pre-tax profit.

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"Acquisition activity was high throughout the year, and 18 acquisitions with a combined annualized sales of SEK 6,800 M were completed, representing 18% growth. The largest transaction during the year was the acquisition of Cardo and the subsequent divestments of Cardo Flow Solutions and Lorentzen & Wettre. During January the acquisitions of Albany Door Systems in America and Securistyle in Britain were completed. An agreement has also been signed for the acquisition of Dynaco in Belgium. This means that for 2012 the strategic target of 5% annual acquired growth has already been achieved.

"Looking forward into 2012, continued good growth on the emerging markets is expected, but at a lower level than last year. On the mature markets a stable development is expected with an unchanged or slightly positive sales trend. The underlying business cycle continues to be affected by the uncertainty on the financial markets and budget restrictions in many countries, which primarily impacts the market segments that are dependent on public financing."

FOURTH QUARTER

All figures for earnings exclude one-time items amounting to SEK -1,420 M on the operating result (EBIT) and SEK -1,167 M on the net income.

The Group's sales totaled SEK 11,744 M (9,648), an increase of 22% compared with 2010. Organic growth for comparable units was 4% (6). Acquired units contributed 20% (9). Exchange-rate effects had a negative impact of SEK 195 M on sales, that is -2% (-5).

Operating income before depreciation, EBITDA, amounted to SEK 2,151 M (1,851). The corresponding EBITDA margin was 18.3% (19.2). The Group's operating income, EBIT, amounted to SEK 1,881 M (1,606), an increase of 17%. The operating margin was 16.0% (16.6).

Net financial items amounted to SEK -158 M (-201). The Group's income before tax amounted to SEK 1,723 M (1,405), an improvement of 23% compared with the previous year. Exchange-rate effects had a negative impact of SEK 38 M on the Group's income before tax. The profit margin was 14.7% (14.6). The underlying estimated effective tax rate on an annual basis amounted to 23%. Earnings per share amounted to SEK 3.43 (2.86), an increase of 20%.

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FULL YEAR

All figures for earnings exclude one-time items amounting to SEK -1,420 M on the operating result (EBIT) and SEK -736 M on the net income.

Sales for 2011 totaled SEK 41,786 M (36,823), representing an increase of 13% compared with 2010. Organic growth was 4% (3). Acquired units contributed 17% (8). Exchange-rate effects affected sales negatively by SEK 2 309 M.

Operating income before depreciation, EBITDA, amounted to SEK 7,646 M (7,041). The corresponding margin was 18.3% (19.1). The Group's operating income, EBIT, amounted to SEK 6,624 M (6,046), an increase of 10%. The corresponding operating margin (EBIT) was 15.9% (16.4).

Earnings per share increased to SEK 12.30 (10.89) Operating cash flow amounted to SEK 6,080 M (6,285).

RESTRUCTURING MEASURES

During the quarter the new restructuring program announced during the fall of 2011 began. A total of 17 production units will be shut down and a number of others will change from full production to final assembly. The cost to be set against earnings was SEK 1,420 M gross and SEK 1,016 M net after the capital gain from the Cardo transaction. Payback time is estimated at just over three years.

Payments related to all restructuring programs amounted to SEK 183 M in the quarter.

All restructuring programs proceeded according to plan and have led to a reduction in personnel of 145 people during the quarter and 5,894 people since the projects began. A further 1,644 people will leave by the end of 2014.

At the end of the quarter provisions of SEK 1,665 M remained in the balance sheet for carrying out the programs.

COMMENTS BY DIVISION

EMEA

Sales for the quarter in EMEA division totaled SEK 3,524 M (3,364), with organic growth of 1% (2). The market situation improved to some extent during the quarter with growth in Scandinavia, Finland, Germany, the UK and Eastern Europe. Sales in France and Belgium were stable while the trend in southern Europe, mainly Spain and Italy, was negative. Acquired growth amounted to 5%. Operating income totaled SEK 640 M (604), which represents an operating margin (EBIT) of 18.2% (18.0), the highest-ever figure for

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the division. Return on capital employed amounted to 25.4% (26.3). Operating cash flow before interest paid totaled SEK 851 M (858).

AMERICAS

Sales for the quarter in Americas division totaled SEK 2,228 M (2,291), with organic growth of 0% (6). New construction in the institutional segment was more stable than earlier in the year and the sales trends for high-security products and electromechanics were good. Sales on the Residential market showed good growth. At the same time the trends for Security Doors and Latin America were weak. Acquired growth was less than 1%. Operating income totaled SEK 450 M (459) and the operating margin was 20.2% (20.1). Return on capital employed amounted to 21.9% (21.0). Operating cash flow before interest paid totaled SEK 525 M (492).

ASIA PACIFIC

Sales for the quarter in Asia Pacific division totaled SEK 1,990 M (1,766), with organic growth of 9% (12). Growth was good in China, Korea, South-East Asia and India. Australia was affected negatively by falling demand from the commercial segment, and New Zealand showed a continuing negative trend resulting from the earthquakes. Acquired growth amounted to 4%. Operating income totaled SEK 280 M (246), representing an operating margin (EBIT) of 14.1% (13.9). The quarter's return on capital employed amounted to 26.0% (27.3). Operating cash flow before interest paid totaled SEK 617 M (561).

GLOBAL TECHNOLOGIES

Sales for the quarter in Global Technologies division totaled SEK 1,510 M (1,325), with organic growth amounting to 7% (18). HID had strong growth in access control, logical access and secure issuing of smart cards, but e-government and identification technology showed a more restrained trend during the quarter. Large project orders at low margins were delivered to authorities in countries including Indonesia and Romania. Hospitality continued to record strong growth despite low activity in new construction on the hotel market. Demand for NFC locks was very strong and more than 70% of new sales were in this category. Acquired growth amounted to 9%. The division's operating income amounted to SEK 237 M (224), giving an operating margin (EBIT) of 15.7% (16.9). The operating margin was affected by 1.2 percentage points by dilution from negative exchange-rate effects and the acquisition of LaserCard and ActivIdentity. Return on capital employed amounted to 14.7% (15.4). Operating cash flow before interest paid totaled SEK 430 M (359).

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ENTRANCE SYSTEMS

Sales for the quarter in Entrance Systems division totaled SEK 2,704 M (1,118), with organic growth amounting to 7% (–2). Growth was good for Besam, Crawford and FlexiForce and generally in the service sector too. Ditec was affected by the negative trends in southern Europe and Normstahl by reduced demand on the residential market. Acquired growth amounted to 141%. Operating income totaled SEK 449 M (198), giving an operating margin of 16.6% (17.7). The operating margin was affected by 1.2 percentage points by dilution from negative exchange-rate effects and the acquisition of Crawford (Cardo). Return on capital employed amounted to 15.6% (18.0). Operating cash flow before interest paid totaled SEK 713 M (141).

ACQUISITIONS

During the quarter Metalind in Croatia and a number of minor acquisitions were consolidated. This means that a total of 18 companies were acquired and consolidated during the year. The combined acquisition price for these 18 companies, excluding disposal groups, amounted to SEK 7,096 M, and preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to SEK 5,985 M. The acquisition price is adjusted for acquired net debt and estimated earn-outs. Estimated earn-outs at the acquisition dates amount to SEK 446 M.

On 11 January it was announced that ASSA ABLOY had completed the acquisition of the American company Albany Door Systems, one of the global leaders in industrial automatic high-speed doors. The company has about 700 employees and its sales in 2012 are expected to reach SEK 1,300 M.

On 23 January it was announced that ASSA ABLOY had signed an agreement for the acquisition of the Belgian company Dynaco, a leading manufacturer of automatic high-speed doors specializing in sales to a global network of distributors. The company has 140 employees and its sales in 2012 are expected to reach SEK 450 M.

On 27 January it was announced that ASSA ABLOY had acquired the British company Securistyle. Securistyle is active in window fittings and its product offering includes high-quality hinges, handles and window locks. The company has 205 employees and its sales in 2012 are expected to reach SEK 225 M.

SUSTAINABLE DEVELOPMENT

ASSA ABLOY Hospitality, which produces locks and safes for the hotel industry, has phased out all brass in its highest-volume product. The plated brass has been replaced by stainless steel with the same appearance as before. Stainless steel is a far more environmentally friendly product than plated brass, partly through eliminating the whole plating process. It is also significantly cheaper and requires less transporting and reduced

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stockholding. It is estimated that the change to stainless steel has led to a reduction of 72 tons in brass consumption.

The 2011 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 2012.

PARENT COMPANY

'Other operating income' for the Parent company ASSA ABLOY AB totaled SEK 1,808 M (1,623) for the full year. Income before tax amounted to SEK 2,297 M (954). Investments in tangible and intangible assets totaled SEK 116 M (11), of which acquired assets accounted for SEK 114 M (-). Liquidity is good and the equity ratio was 39.3% (52.9).

DIVIDEND AND ANNUAL GENERAL MEETING

The Board of Directors proposes a dividend of SEK 4.50 (4.00) per share for the 2011 financial year. The Annual General Meeting will be held on 25 April 2012.

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 86-91 of the 2010 Annual Report. From 2011 ASSA ABLOY is implementing the International Financial Reporting Standard IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations'. Non-current assets are classified as assets held for sale when their carrying amount will be largely recovered in a sales transaction and a sale is viewed as being highly probable. They are reported at the lower of carrying amount and fair value less costs to sell if their carrying amount can be largely recovered in a sales transaction and not through continuing use and it is highly probable that a sale will occur.

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 '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.

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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 the 2010 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 published on 28 October 2011:*

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, 10 February 2012

Johan Molin

President and CEO

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FINANCIAL INFORMATION

The Quarterly Report for the first quarter will be published on 24 April 2012. The Annual General Meeting will be held on 25 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 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, +44 207 509 5139 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 10 February.

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FINANCIAL INFORMATION - GROUP

INCOME STATEMENT

	Jan-Dec 2010 SEK M	Jan-Dec 2011 SEK M	Oct-Dec 2010 SEK M	Oct-Dec 2011 SEK M
Sales	36,823	41,786	9,648	11,744
Cost of goods sold	-21,987	-26,829	-5,779	-8,607
Gross Income	14,836	14,957	3,869	3,137
Selling and administrative expenses	-8,793	-9,796	-2,264	-2,687
Share in earnings of associated companies	3	43	2	11
Operating income	6,046	5,204	1,606	461
Financial items	-680	-645	-201	-158
Income before tax	5,366	4,559	1,405	303
Tax	-1,286	-1,095	-334	-158
Net income of disposal group classified as held for sale	-	404	-	-27
Net income	4,080	3,869	1,071	118
Allocation of net income:				
Shareholders in ASSA ABLOY AB	4,050	3,843	1,064	114
Non-controlling interest	30	26	7	4

EARNINGS PER SHARE

	Jan-Dec 2010 SEK	Jan-Dec 2011 SEK	Oct-Dec 2010 SEK	Oct-Dec 2011 SEK
Earnings per share after tax and before dilution ¹⁾	11.07	10.45	2.91	0.40
Earnings per share after tax and dilution ²⁾	10.89	10.33	2.86	0.30
Earnings per share after tax and dilution, excluding items affecting comparability ^{2) 10)}	10.89	12.30	2.86	3.43

COMPREHENSIVE INCOME

	Jan-Dec 2010 SEK M	Jan-Dec 2011 SEK M	Oct-Dec 2010 SEK M	Oct-Dec 2011 SEK M
Profit for the period	4,080	3,869	1,071	118
Other comprehensive income				
Exchange differences on translating foreign operations	-1,249	327	80	-396
Other	-	-117	-	-26
Total comprehensive income for the period	2,831	4,079	1,151	-304
Total comprehensive income attributable to:				
-Parent company shareholders	2,805	2,515	1,140	-311
-Non-controlling interest	26	39	11	7

CASH FLOW STATEMENT

	Jan-Dec 2010 SEK M	Jan-Dec 2011 SEK M	Oct-Dec 2010 SEK M	Oct-Dec 2011 SEK M
Cash flow from operating activities	5,729	5,347	2,018	2,439
Cash flow from investing activities	-4,027	-7,357	-1,693	-570
Cash flow from financing activities	-2,597	2,326	-354	-1,830
Cash flow	-895	316	-29	38
Cash and cash equivalents at beginning of period	2,235	1,302	1,316	1,590
Cash flow	-895	316	-29	38
Effect of exchange rate differences	-38	47	15	37
Cash and cash equivalents at end of period	1,302	1,665	1,302	1,665

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BALANCE SHEET

	31 Dec 2010 SEK M	31 Dec 2011 SEK M
Intangible assets	25,193	31,455
Tangible fixed assets	5,422	5,684
Financial fixed assets	1,595	2,161
Total non-current assets	32,210	39,300
Inventories	4,825	5,704
Trade receivable	5,596	6,924
Other non-interest-bearing current assets	1,308	1,496
Interest-bearing current assets	1,450	1,949
Total current assets	13,179	16,073
Total assets	45,389	55,373
Equity before non-controlling interest	20,652	23,527
Non-controlling interest	169	208
Total equity	20,821	23,735
Interest-bearing non-current liabilities	9,212	8,595
Non-interest-bearing non-current liabilities	4,236	5,220
Total non-current liabilities	13,448	13,815
Interest-bearing current liabilities	2,864	7,605
Non-interest-bearing current liabilities	8,256	10,218
Total current liabilities	11,120	17,823
Total equity and liabilities	45,389	55,373

CHANGE IN EQUITY

	Jan-Dec 2010 SEK M	Jan-Dec 2011 SEK M
Opening balance	19,334	20,821
Total comprehensive income for the year	2,831	4,079
Dividend	-1,317	-1,472
Stock purchase plans	6	16
Share issue ¹¹⁾	34	308
Purchase of treasury shares	-48	-17
Non-controlling interest, net	-19	-
Closing balance	20,821	23,735

KEY DATA

	Jan-Dec 2010	Jan-Dec 2011
Return on capital employed excluding items affecting comparability, %	18.5	17.4
Return on capital employed including items affecting comparability, %	18.5	13.6
Return on shareholders' equity, %	19.1	16.7
Equity ratio, %	45.9	42.9
Interest coverage ratio, times	10.1	8.8
Interest on convertible debentures net after tax, SEK M	9.9	10.5
Number of shares, thousands	366,177	368,250
Weighted average number of shares, thousands	365,744	367,833
Number of shares after dilution, thousands	372,736	371,213
Weighted average number of shares after dilution, thousands	372,810	372,627
Average number of employees	37,279	41,070

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FINANCIAL INFORMATION - PARENT COMPANY

INCOME STATEMENT	Jan-Dec 2010 SEK M	Jan-Dec 2011 SEK M
Operating income	778	849
Income before tax	954	2,297
Net income	957	2,268

BALANCE SHEET	31 Dec 2010 SEK M	31 Dec 2011 SEK M
Non-current assets	20,614	33,042
Current assets	3,560	2,897
Total assets	24,174	35,939
Equity	12,781	14,142
Provisions	0	76
Non-current liabilities	3,601	2,646
Current liabilities	7,792	19,075
Total equity and liabilities	24,174	35,939

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QUARTERLY INFORMATION - GROUP

THE GROUP IN SUMMARY

All amounts in SEK M if not otherwise noted.

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Full Year 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Full Year 2011
Sales	8,345	9,356	9,474	9,648	36,823	8,699	10,502	10,841	11,744	41,786
Organic growth ⁴⁾	-3%	2%	6%	6%	3%	6%	5%	2%	4%	4%
Gross income excluding items affecting comparability	3,361	3,761	3,846	3,869	14,836	3,560	4,050	4,208	4,469	16,287
Gross income / Sales	40.3%	40.2%	40.6%	40.1%	40.3%	40.9%	38.6%	38.8%	38.0%	39.0%
Operating income before depreciation (EBITDA) excluding items affecting comparability	1,536	1,780	1,875	1,851	7,041	1,630	1,863	2,002	2,151	7,646
Operating margin (EBITDA)	18.4%	19.0%	19.8%	19.2%	19.1%	18.7%	17.7%	18.5%	18.3%	18.3%
Depreciation	-241	-265	-245	-244	-995	-253	-248	-251	-270	-1,022
Operating income (EBIT) excluding items affecting comparability	1,295	1,515	1,630	1,606	6,046	1,377	1,615	1,751	1,881	6,624
Operating margin (EBIT)	15.5%	16.2%	17.2%	16.6%	16.4%	15.8%	15.4%	16.2%	16.0%	15.9%
Items affecting comparability ¹⁰⁾	-	-	-	-	-	-	-	-	-1,420	-1,420
Operating income (EBIT)	1,295	1,515	1,630	1,606	6,046	1,377	1,615	1,751	461	5,204
Operating margin (EBIT)	15.5%	16.2%	17.2%	16.6%	16.4%	15.8%	15.4%	16.2%	3.9%	12.5%
Financial items	-137	-152	-190	-201	-680	-162	-156	-169	-158	-645
Income before tax	1,158	1,363	1,440	1,405	5,366	1,215	1,460	1,582	303	4,559
Profit margin (EBT)	13.9%	14.6%	15.2%	14.6%	14.6%	14.0%	13.9%	14.6%	2.6%	10.9%
Tax	-278	-333	-341	-334	-1,286	-268	-321	-348	-158	-1,095
Net income of disposal group classified as held for sale	-	-	-	-	-	-4	17	419	-27	404
Net income	880	1,031	1,099	1,071	4,080	943	1,156	1,653	118	3,869
Allocation of net income:										
Shareholders in ASSA ABLOY AB	876	1,019	1,090	1,064	4,050	941	1,143	1,644	114	3,843
Non-controlling interest	4	11	9	7	30	2	13	8	4	26

OPERATING CASH FLOW

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Full Year 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Full Year 2011
Operating income (EBIT)	1,295	1,515	1,630	1,606	6,046	1,377	1,615	1,751	461	5,204
Restructuring costs	-	-	-	-	-	-	-	-	1,420	1,420
Depreciation	241	265	245	244	995	253	248	251	270	1,022
Net capital expenditure	-50	-270	-153	-235	-708	-161	-223	-216	-245	-846
Change in working capital	-475	79	167	591	362	-963	-181	-125	1,031	-238
Paid and received interest	-77	-170	-29	-179	-455	-74	-152	-121	-135	-482
Adjustment for non-cash items	-64	21	30	58	45	16	4	-12	-8	0
Operating cash flow ⁵⁾	870	1,440	1,890	2,085	6,285	448	1,311	1,528	2,794	6,080
Operating cash flow / Income before tax ⁵⁾	0.75	1.06	1.31	1.48	1.17	0.37	0.90	0.97	1.62	1.02

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CHANGE IN NET DEBT

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Full Year 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Full Year 2011
Net debt at beginning of the period	11,048	11,469	12,608	10,864	11,048	10,564	21,586	23,403	16,159	10,564
Operating cash flow	-870	-1,440	-1,890	-2,085	-6,285	-448	-1,311	-1,528	-2,794	-6,080
Restructuring payment	112	182	71	101	465	48	67	75	183	373
Tax paid	261	241	94	203	799	235	363	190	418	1,206
Acquisitions/Disposals	768	373	720	1,458	3,319	11,606	996	-6,415	324	6,511
Dividend	-	1,317	-	-	1,317	-	1,472	-	-	1,472
Purchase of treasury shares	-	48	-	-	48	-	17	-	-	17
Translation differences and other	150	418	-739	23	-147	-419	213	434	-84	144
Net debt at end of period	11,469	12,608	10,864	10,564	10,564	21,586	23,403	16,159	14,207	14,207
Net debt / Equity	0.57	0.62	0.55	0.51	0.51	1.03	1.10	0.69	0.60	0.60

NET DEBT

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Non current interest-bearing receivables	-64	-60	-56	-62	-64	-58	-49	-44
Current interest-bearing investments including derivatives	-699	-205	-252	-170	-378	-315	-488	-284
Cash and bank balances	-1,216	-1,271	-1,225	-1,280	-1,298	-1,299	-1,582	-1,665
Pension provisions	1,114	1,150	1,056	1,078	1,179	1,214	1,233	1,173
Other non current interest-bearing liabilities	10,561	10,265	9,481	8,134	7,479	6,582	6,535	7,422
Current interest-bearing liabilities including derivatives	1,773	2,729	1,860	2,864	14,668	17,279	10,510	7,605
Total	11,469	12,608	10,864	10,564	21,586	23,403	16,159	14,207

CAPITAL EMPLOYED AND FINANCING

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Capital employed	31,523	33,051	30,495	31,385	36,267	38,232	39,667	37,942
- of which, goodwill	22,480	23,659	22,085	22,279	25,343	25,663	27,138	27,014
- of which, other intangibles and fixed assets	7,797	8,160	7,450	8,336	8,496	10,129	10,043	10,126
- of which, shares in associates	38	37	37	37	1,111	1,121	1,234	1,211
Assets and liabilities of disposal group classified as held for sale	-	-	-	-	6,299	6,379	-	-
Net debt	11,469	12,608	10,864	10,564	21,586	23,403	16,159	14,207
Non-controlling interest	167	174	157	169	198	301	201	208
Shareholders' equity, excluding non-controlling interest	19,887	20,269	19,474	20,652	20,783	20,907	23,308	23,527

DATA PER SHARE

	Q1 2010 SEK	Q2 2010 SEK	Q3 2010 SEK	Q4 2010 SEK	Full Year 2010 SEK	Q1 2011 SEK	Q2 2011 SEK	Q3 2011 SEK	Q4 2011 SEK	Full Year 2011 SEK
Earnings per share after tax and before dilution ¹⁾	2.39	2.79	2.98	2.91	11.07	2.57	3.08	4.40	0.40	10.45
Earnings per share after tax and dilution ²⁾	2.36	2.74	2.93	2.86	10.89	2.53	3.07	4.42	0.30	10.33
Earnings per share after tax and dilution excluding items affecting comparability ^{2) 10)}	2.36	2.74	2.93	2.86	10.89	2.52	3.05	3.30	3.43	12.30
Earnings per share after tax and dilution after dilution ²⁾	56.94	57.89	55.65	58.65	58.64	58.34	59.35	65.91	65.79	65.54

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RESULTS BY DIVISION

SEK M

Oct - Dec and 31 Dec respectively	EMEA ⁶⁾		Americas ⁷⁾		Asia Pacific ⁸⁾		Global Technologies ⁹⁾		Entrance Systems		Other		Total	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Sales, external	3,288	3,458	2,274	2,219	1,671	1,888	1,309	1,493	1,106	2,686			9,648	11,744
Sales, intragroup	76	66	17	9	95	101	16	17	13	18	-216	-211		
Sales	3,364	3,524	2,291	2,228	1,766	1,990	1,325	1,510	1,118	2,704	-216	-211	9,648	11,744
Organic growth ⁴⁾	2%	1%	6%	0%	12%	9%	18%	7%	-2%	7%			6%	4%
Operating income (EBIT)	604	640	459	450	246	280	224	237	198	449	-124	-175	1,606	1,881
Operating margin (EBIT)	18.0%	18.2%	20.1%	20.2%	13.9%	14.1%	16.9%	15.7%	17.7%	16.6%			16.6%	16.0%
Items affecting comparability ¹⁰⁾	-	-587	-	-150	-	-48	-	-87	-	-423	-	-125	-	-1,420
Operating income (EBIT) including items affecting comparability	604	53	459	300	246	232	224	150	198	26	-124	-300	1,606	461
Capital employed	8,759	8,950	8,163	8,468	4,080	4,278	5,772	6,449	4,365	10,837	245	-1 041	31,385	37,942
- of which goodwill	5,471	5,564	6,039	6,041	3,202	3,410	4,265	4,846	3,303	7,153			22,279	27,014
- of which other intangibles and fixed assets	2,632	2,590	1,566	1,484	2,306	2,464	1,267	1,258	431	2,237	136	93	8,336	10,126
- of which shares in associates	37	33	-	-	-	-	-	-	-	1,178			37	1,211
Return on capital employed excluding items affecting comparability	26.3%	25.4%	21.0%	21.9%	27.3%	26.0%	15.4%	14.7%	18.0%	15.6%			19.5%	18.7%
Operating income (EBIT)	604	53	459	300	246	232	224	150	198	26	-124	-300	1,606	461
Restructuring costs	-	587	-	150	-	48	-	87	-	423	-	125	-	1,420
Depreciation	100	91	52	46	39	40	35	47	15	45	4	3	244	270
Net capital expenditure	-89	-90	-39	-26	-57	-77	-41	-33	-7	-19	-2	-1	-235	-245
Movement in working capital	243	211	20	55	333	374	141	179	-64	312	-83	-100	591	1,031
Cash flow ⁵⁾	858	851	492	525	561	617	359	430	141	787			2,206	2,937
Adjustment for non-cash items											58	-8	58	-8
Paid and received interest											-179	-135	-179	-135
Operating cash flow ⁵⁾													2,085	2,794

SEK M

Jan - Dec and 31 Dec respectively	EMEA ⁶⁾		Americas ⁷⁾		Asia Pacific ⁸⁾		Global Technologies ⁹⁾		Entrance Systems		Other		Total	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Sales, external	12,660	12,762	9,491	8,867	5,698	6,243	4,951	5,688	4,024	8,226			36,823 ³⁾	41,786 ³⁾
Sales, intragroup	376	268	45	39	384	391	64	67	48	52	-916	-817		
Sales	13,036	13,030	9,536	8,906	6,081	6,633	5,015	5,756	4,072	8,278	-916	-817	36,823	41,786
Organic growth ⁴⁾	2%	0%	-2%	2%	14%	9%	10%	11%	-2%	5%			3%	4%
Operating income (EBIT)	2,174	2,203	1,886	1,812	843	933	862	897	627	1,197	-346	-418	6,046	6,624
Operating margin (EBIT)	16.7%	16.9%	19.8%	20.3%	13.9%	14.1%	17.2%	15.6%	15.4%	14.5%			16.4%	15.9%
Items affecting comparability ¹⁰⁾	-	-587	-	-150	-	-48	-	-87	-	-423	-	-125	-	-1,420
Operating income (EBIT) including items affecting comparability	2,174	1,616	1,886	1,662	843	885	862	810	627	774	-346	-543	6,046	5,204
Capital employed	8,759	8,950	8,163	8,468	4,080	4,278	5,772	6,449	4,365	10,837	245	-1,041	31,385	37,942
- of which goodwill	5,471	5,564	6,039	6,041	3,202	3,410	4,265	4,846	3,303	7,153			22,279	27,014
- of which other intangibles and fixed assets	2,632	2,590	1,566	1,484	2,306	2,464	1,267	1,258	431	2,237	136	93	8,336	10,126
- of which shares in associates	37	33	-	-	-	-	-	-	-	1,178			37	1,211
Return on capital employed excluding items affecting comparability	21.6%	22.0%	21.3%	22.8%	25.1%	23.6%	14.7%	14.3%	14.6%	12.2%			18.5%	17.4%
Operating income (EBIT)	2,174	1,616	1,886	1,662	843	885	862	810	627	774	-346	-543	6,046	5,204
Restructuring costs	-	587	-	150	-	48	-	87	-	423	-	125	-	1,420
Depreciation	417	385	222	182	142	148	145	169	57	126	14	12	995	1,022
Net capital expenditure	-317	-323	-114	-135	-198	-205	-109	-98	-47	-92	76	7	-708	-846
Movement in working capital	334	-123	19	-128	130	35	-30	-35	-58	86	-33	-73	362	-238
Cash flow ⁵⁾	2,607	2,142	2,013	1,731	917	912	868	933	580	1,317			6,695	6,563
Adjustment for non-cash items											45	-45	45	-482
Paid and received interest											-455	-482	-455	-482
Operating cash flow ⁵⁾													6,285	6,080
Average number of employees	9,471	10,071	6,969	6,658	15,510	15,784	2,487	2,819	2,738	5,605	104	133	37,279	41,070

Notes

Number of shares, thousands.

¹⁾ Calculation used for earnings per share after tax and before dilution

²⁾ Calculation used for earnings per share after tax and dilution

Jan-Dec 2010	Jan-Dec 2011	Oct-Dec 2010	Oct-Dec 2011
365,744	367,833	365,664	364,623
372,810	372,627	372,734	371,213

Jan-Dec 2010	Jan-Dec 2011
15,784	19,220
11,907	11,659
854	850
622	581
5,533	6,696
2,118	2,080

⁹⁾ Sales by Continent.

Europe
North America
Central and South America
Africa
Asia
Pacific

⁴⁾ Organic growth concern comparable units after adjustment for acquisitions and currency effects.

⁵⁾ Excluding restructuring items.

⁶⁾ Europe, Middle East and Africa.

⁷⁾ North, Central and South America.

⁸⁾ Asia, Australia and New Zealand.

⁹⁾ ASSA ABLOY Hospitality and HID Global.

¹⁰⁾ Items affecting comparability consist of restructuring costs and net income from disposal groups classified as held for sale in 2011.

¹¹⁾ Conversion of convertible debenture relating to Incentive 2006.

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ACQUISITION OF CARDO

At 31 December 2011 ASSA ABLOY owns 27,000,000 shares representing 100.0% of Cardo. The total purchase price was SEK 11,340 M for the shares.

The company was consolidated in ASSA ABLOY with effect from 18 March 2011. Valuation of intangible assets for separate recognition from goodwill took place during 2011. The remaining goodwill value will be attributable mainly to synergies and other intangible assets not qualified for separate recognition.

Preliminary acquisition analysis for Cardo Entrance Solutions – i.e. excluding disposal groups held for sale – indicates that goodwill amounts to SEK 3,128 M. Remuneration of employees after termination of employment and inventories have been adjusted to fair value with tax effects due considered.

The table below shows a preliminary acquisition analysis for Cardo at 18 March 2011, excluding disposal groups held for sale in accordance with IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations'. The figures are preliminary and subject to change.

Preliminary acquisition analysis for Cardo Entrance Solutions	SEK M
Purchase price paid for Cardo Group	11,340
Less: Disposal groups held for sale	-6,280
Total purchase price	5,060
Identifiable acquired assets and liabilities	
Intangible assets	1,474
Tangible fixed assets	352
Financial fixed assets	203
Inventories	517
Accounts receivable	921
Cash and cash equivalents	176
Interest-bearing liabilities	-111
Other liabilities	-1,600
Acquired net assets at fair value	1,932
Goodwill	3,128
Net sales from times of acquisition	3,709
EBIT from times of acquisition	455
Net income from times of acquisition ¹⁾	5,699

1) Purchase price received for divested entities in the former Cardo Group are included in the net result

Acquisition-related expenses for Cardo amount to SEK 33 M and have been reported as 'Other operating expenses' in 2010.

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