

Pressrelease

19 July 2013
No. 08/13

Back to growth with increased earnings for ASSA ABLOY

- Sales increased by 2%, with organic growth of 3%, and totaled SEK 12,239 M (11,997).
- Strong growth in Americas and Global Technologies and good growth in Asia Pacific.
- Weak but stable development in EMEA and Entrance Systems.
- Operating income (EBIT) increased by 5% and amounted to SEK 1,970 M (1,885). The operating margin was 16.1% (15.7).
- Net income amounted to SEK 1,374 M (1,306).
- Earnings per share rose by 5% to SEK 3.71 (3.54).
- Cash flow remained good and totaled SEK 1,589 M (1,435).

SALES AND INCOME

	Second quarter			First half-year		
	2012	2013	Change	2012	2013	Change
Sales, SEK M	11,997	12,239	+2%	22,835	23,108	+1%
of which,						
Organic growth			+3%			+1%
Acquisitions			+4%			+4%
Exchange-rate effects		-509	-5%		-888	-4%
Operating income (EBIT), SEK M	1,885	1,970	+5%	3,540	3,632	+3%
Operating margin (EBIT), %	15.7	16.1		15.5	15.7	
Income before tax, SEK M	1,692	1,832	+8%	3,182	3,365	+6%
Net income, SEK M	1,306	1,374	+5%	2,452	2,512	+2%
Operating cash flow, SEK M	1,435	1,589	+11%	1,918	2,087	+9%
Earnings per share EPS), SEK	3.54	3.71	+5%	6.65	6.78	+2%

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COMMENTS BY THE PRESIDENT AND CEO

"I am pleased that the organic growth has returned this quarter," says Johan Molin, President and CEO. "It is particularly pleasing that North and South America and Asia showed good growth, while Europe stabilized at around zero. Total growth for the Group was 7% in local currencies, made up of 3% organic growth and 4% acquired growth. However, exchange-rate effects were strongly negative, at -5%, which meant that overall growth was kept to 2%.

"Both earnings and margins continued to improve as a result of a increased share of new products and major savings and efficiency measures in production. Especially satisfying are the strong earnings from EMEA and Entrance Systems despite their lack of growth, at the same time as Americas and Global Technologies showed strongly rising margins.

"Activity on the acquisition front remained very high, with several interesting acquisitions under discussion. However, only two minor acquisitions, which complement Entrance Systems' local presence, came to completion during the quarter.

"My assessment is that the outlook is unchanged, with a continuing weak world economy affected by the budget cutbacks that many countries are making. It is therefore of the utmost importance that ASSA ABLOY should continue its expansion on the new markets, which are expected to go on growing well, and that our investments in new products and market presence are sustained."

SECOND QUARTER

The Group's sales totaled SEK 12,239 M (11,997), an increase of 2% compared with the second quarter of 2012. Organic growth for comparable units was 3% (3). Acquired units contributed 4% (6). Exchange-rate effects had an impact of SEK -509 M on sales, that is -5% (5).

Operating income before depreciation, EBITDA, amounted to SEK 2,226 M (2,157). The corresponding EBITDA margin was 18.2% (18.0). The Group's operating income, EBIT, amounted to SEK 1,970 M (1,885), a rise of 5%. The operating margin was 16.1% (15.7).

Net financial items amounted to SEK -138 M (-192). The Group's income before tax amounted to SEK 1,832 M (1,692), an improvement of 8% compared with the previous year. Exchange-rate effects had an impact of SEK -94 M on the Group's income before tax. The profit margin was 15.0% (14.1). The underlying effective tax rate on an annual basis was estimated to be 25%. Earnings per share amounted to SEK 3.71 (3.54), an increase of 5%.

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FIRST HALF-YEAR

Sales for the first half of 2013 totaled SEK 23,108 M (22,835), representing an increase of 1%. Organic growth was 1% (3). Acquired units contributed 4% (12). Exchange-rate effects had an impact of SEK -888 M on sales, that is -4% (4), compared with the first half of 2012.

Operating income before depreciation, EBITDA, for the half-year amounted to SEK 4,138 M (4,086). The corresponding margin was 17.9% (17.9). The Group's operating income, EBIT, amounted to SEK 3,632 M (3,540), which was an increase of 3%. The corresponding EBIT operating margin was 15.7% (15.5).

Earnings per share for the first half-year increased to SEK 6.78 (6.65), a rise of 2%. Operating cash flow for the half-year totaled SEK 2,087 M (1,918).

RESTRUCTURING MEASURES

Payments related to all restructuring programs amounted to SEK 109 M in the quarter. The restructuring programs proceeded according to plan and led to a reduction in personnel of 91 people during the quarter and 6,957 people since the projects began.

At the end of the quarter provisions of SEK 793 M remained in the balance sheet for carrying out the programs.

FINANCING

The Group's credit facility (RCF) was renewed during the second quarter. The value of the facility has been reduced from EUR 1,100 M to EUR 900 M. The duration has been set at five years with the option of extension. The number of banks taking part now totals 14. The credit is primarily a strategic loan reserve and at present is completely unutilized.

COMMENTS BY DIVISION

EMEA

Sales for the quarter in EMEA division totaled SEK 3,285 M (3,379), with organic growth of 0% (0). The market situation remained weak but stable during the quarter. Growth was good in Africa, the Middle East, eastern Europe, the United Kingdom and Scandinavia. Sales in Germany were stable but growth was negative in Finland, France, the Netherlands and southern Europe. Acquired growth amounted to 1%. Operating income totaled SEK 511 M (533), which represented an operating margin (EBIT) of 15.6% (15.8). Return on capital employed amounted to 18.9% (20.6). Operating cash flow before interest paid totaled SEK 422 M (430).

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AMERICAS

Sales for the quarter in Americas division totaled SEK 2,620 M (2,548), with organic growth of 8% (5). The sales trends for high-security products, security doors and the residential market were strong, and very strong for electromechanical products. Canada and Mexico showed a weak negative trend while South America was stable. Acquired growth amounted to 1%. Operating income totaled SEK 571 M (540) and the operating margin was 21.8% (21.2). Return on capital employed amounted to 25.5% (24.1). Operating cash flow before interest paid totaled SEK 507 M (500).

ASIA PACIFIC

Sales for the quarter in Asia Pacific division totaled SEK 1,904 M (1,892), with organic growth of 3% (5). Growth was strong in Korea, driven by export successes for digital door-locks. China showed continuing weak growth as a result of rather lower activity in new building, while the sales trend in Australia was stable. Acquired growth amounted to 2%. Operating income totaled SEK 269 M (271), representing an operating margin (EBIT) of 14.1% (14.3). The quarter's return on capital employed amounted to 20.4% (20.8). Operating cash flow before interest paid totaled SEK 349 M (373).

GLOBAL TECHNOLOGIES

Sales for the quarter in Global Technologies division totaled SEK 1,711 M (1,701), with organic growth of 6% (11). HID continued to show strong growth in Access Control, Secure Issuance of smart cards and project sales. New-product launches and innovations contributed to this positive trend. However, Government ID and Identification Technology had negative growth. Hospitality showed strong growth with good profitability. Acquired growth amounted to 0%. The division's operating income amounted to SEK 304 M (289), with an operating margin (EBIT) of 17.8% (17.0). Return on capital employed amounted to 19.8% (17.5). Operating cash flow before interest paid totaled SEK 276 M (273).

ENTRANCE SYSTEMS

Sales for the quarter in Entrance Systems division totaled SEK 2,960 M (2,725), with organic growth of -1% (-1). Europe continued to be weak while Americas and Asia showed continued growth. Industrial doors and high-speed doors showed continued good growth. Door automatics reported unchanged sales. Acquired growth amounted to 14%. Operating income totaled SEK 400 M (354), giving an operating margin of 13.5% (13.0). Return on capital employed amounted to 11.6% (10.8). Operating cash flow before interest paid totaled SEK 293 M (293).

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ACQUISITIONS AND DIVESTMENTS

During the first quarter three minor acquisitions were consolidated. The combined acquisition price for the five acquisitions completed in the half-year period amounted to SEK 191 M, and preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to SEK 158 M. The acquisition price is adjusted for acquired net debt and estimated earn-outs. Estimated earn-outs amount to SEK 79 M. In May 2013 the joint-venture contract for Baodean in China was brought to an end when ASSA ABLOY acquired the outstanding 30% of shares.

SUSTAINABLE DEVELOPMENT

ASSA ABLOY published its Sustainability Report for 2012 in April 2013, and the Report indicates that the majority of key indicators are continuing to move in a positive direction.

One high-priority area is the evaluation of the Group's suppliers in low-cost countries. 795 supplier audits were conducted in 2012, compared with 493 audits in the previous year. Originally the supplier audits mainly concerned suppliers in China, but the program has been progressively expanded and now covers all low-cost countries. To be able to evaluate the supplier bases in South and Central America effectively, more than 20 ASSA ABLOY employed auditors had been trained in Mexico and Colombia by the end of the second quarter of 2013. Already suppliers representing 15 percent of procurement value in South and Central America have been evaluated in accordance with the Group's standardized process.

PARENT COMPANY

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 988 M (898) for the half-year. Income before tax amounted to SEK 1,201 M (966). Investments in tangible and intangible assets totaled SEK 80 M (9). Liquidity is good and the equity ratio was 47.1% (48.2).

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 90-95 of the 2012 Annual Report.

This Interim Report was prepared in accordance with IAS 34 'Interim Financial Reporting' and the Annual Accounts Act. The Interim Report for the Parent company was prepared in accordance with the Annual Accounts Act and RFR 2 'Reporting by a Legal Entity'.

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EFFECTS OF CHANGED ACCOUNTING PRINCIPLES

In 2013 financial reporting is affected by changes relating to the reporting of defined-benefit pension plans. The changed accounting principles remove the option of using the so-called corridor method: that is, the option of reporting only a proportion of actuarial gains and losses as income or expense. The significant changed valuations are instead reported as they arise in 'Other comprehensive income'. The changes also mean that the return on plan assets is no longer reported as expected return but is reported as an interest income item in the income statement, based on the value of the discount rate at the start of the financial year. The accounting principles for defined-benefit pension plans are therefore changed from the Group's accounting principles in the 2012 Annual Report and the Interim Reports published earlier in 2012.

The new principles affect reporting retroactively, and the opening balance at 1 January 2012 has been recalculated, as have the comparatives for 2012, as follows:

On the balance-sheet date of 1 January 2012, pension obligations and net debt increased by SEK 1,092 M. Equity was reduced by SEK 737 M and financial assets increased by SEK 355 M. Operating income for the quarter and the full year 2012 is unchanged. Financial items for the quarter and the full year 2012 improved by SEK 16 M and SEK 53 M respectively. The tax expense for the quarter and the full year 2012 increased by SEK 6 M and SEK 6 M respectively. Net profit for the quarter and the full year 2012 increased by SEK 10 M and SEK 47 M respectively. Earnings per share after dilution for the quarter and the full year 2012 increased by SEK 0.03 per share and SEK 0.13 per share respectively.

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 2012 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.

** Outlook published on 24 April 2013:*

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The Board of Directors and the President and CEO declare that this half-year report gives an accurate picture of the Parent company's and the Group's operations, position and income and describes significant risks and uncertainty factors faced by the Parent company and the companies making up the Group.

Stockholm, 18 July 2013

Lars Renström
Chairman

Carl Douglas
Vice Chairman

Birgitta Klasén
Board member

Eva Lindqvist
Board member

Johan Molin
President and CEO

Sven-Christer Nilsson
Board member

Jan Svensson
Board member

Ulrik Svensson
Board member

Kurt Hellström
Employee representative

Mats Persson
Employee representative

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REVIEW REPORT

Introduction

We have reviewed this Report for the period 1 January to 30 June 2013 for ASSA ABLOY AB (publ). The Board of Directors and the CEO are responsible for the preparation and presentation of this Interim Report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this Interim Report based on our review.

Scope of Review

We have conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, 'Review of Interim Report Performed by the Independent Auditor of the Entity'. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent company.

Stockholm, 18 July 2013

PricewaterhouseCoopers AB

Bo Karlsson

Authorized Public Accountant

Auditor in charge

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FINANCIAL INFORMATION

The Interim Report for the third quarter will be published on 28 October 2013.

FURTHER INFORMATION CAN BE OBTAINED FROM:

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

Carolina Dybeck Happe, Chief Financial Officer, Tel: +46 8 506 485 72

ASSA ABLOY is holding an **analysts' meeting at 11.00 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 5055 6476, +44 203 364 5371 or +1 877 679 2993.

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 19 July.

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FINANCIAL INFORMATION - GROUP

CONSOLIDATED INCOME STATEMENT

	Apr-Jun 2012 MSEK	Apr-Jun 2013 MSEK	Jan-Jun 2012 MSEK	Jan-Jun 2013 MSEK
Sales	11,997	12,239	22,835	23,108
Cost of goods sold	-7,309	-7,454	-13,841	-13,964
Gross income	4,687	4,786	8,995	9,144
Selling, administrative and RnD costs	-2,841	-2,855	-5,500	-5,567
Share of earnings in associates	38	39	45	54
Operating income	1,885	1,970	3,540	3,632
Financial items	-192	-138	-358	-267
Income before tax	1,692	1,832	3,182	3,365
Tax on income	-390	-458	-734	-841
Net income of disposal group classified as held for sale and discontinued operations	4	0	4	-11
Net income	1,306	1,374	2,452	2,512
Net income attributable to:				
Parent company's shareholders	1,303	1,372	2,447	2,510
Non-controlling interest	3	2	5	2
Earnings per share				
before dilution, SEK	3.54	3.71	6.65	6.78
after dilution, SEK	3.54	3.71	6.65	6.78

STATEMENT OF COMPREHENSIVE INCOME

	Apr-Jun 2012 MSEK	Apr-Jun 2013 MSEK	Jan-Jun 2012 MSEK	Jan-Jun 2013 MSEK
Net income	1,306	1,374	2,452	2,512
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Actuarial gain/loss on post employment benefit obligations, net after tax	-	100	-	302
Sum	-	100	-	302
Items that may be reclassified subsequently to profit or loss				
Share of other comprehensive income of associates	-10	53	-33	-13
Net investment and cashflow hedges	-86	-139	24	-81
Exchange rate differences	603	724	68	359
Sum	507	637	59	264
Total comprehensive income	1,813	2,111	2,510	3,079
Total comprehensive income attributable to:				
Parent company's shareholders	1,802	2,107	2,506	3,074
Non-controlling interest	11	3	4	4

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FINANCIAL INFORMATION - GROUP

CONSOLIDATED BALANCE SHEET

	31 Dec 2012 SEK M	30 Jun 2012 SEK M	30 Jun 2013 SEK M
ASSETS			
Non-current assets			
Intangible assets	34,422	34,727	35,103
Tangible assets	5,603	5,795	5,645
Investments in associates	1,519	1,231	1,532
Other financial assets	89	129	68
Deferred tax assets	1,719	1,653	1,561
Total non-current assets	43,352	43,536	43,910
Current assets			
Inventories	5,905	6,411	6,395
Trade receivables	7,557	7,748	8,128
Other current receivables and investments	1,874	2,270	2,376
Cash and cash equivalents	907	1,143	940
Asset of disposal group classified as held for sale	610	594	-
Total current assets	16,853	18,166	17,839
TOTAL ASSETS	60,205	61,702	61,749
EQUITY AND LIABILITIES			
Equity			
Parent company's shareholders	25,819	24,064	26,805
Non-controlling interest	183	211	0
Total equity	26,001	24,275	26,805
Non-current liabilities			
Long-term loans	11,194	8,726	11,262
Deferred tax liabilities	1,226	1,126	1,380
Other non-current liabilities and provisions	4,871	7,699	4,436
Total non-current liabilities	17,292	17,551	17,077
Current liabilities			
Short-term loans	3,301	9,270	4,660
Trade payables	3,883	3,705	3,916
Other current liabilities and provisions	9,502	6,703	9,290
Liabilities of disposal group classified as held for sale	226	198	-
Total current liabilities	16,911	19,876	17,866
TOTAL EQUITY AND LIABILITIES	60,205	61,702	61,749

CHANGES IN CONSOLIDATED EQUITY

	Equity attributable to:		
	Parent company's shareholders	Non- controlling interest	Total equity
Opening balance 1 January 2012	23,527	208	23,735
The effects of changes in accounting policies for defined benefit pension plans	-737	-	-737
Adjusted opening balance 1 January 2012	22,790	208	22,998
Net income	2,447	5	2,452
Other comprehensive income	59	0	59
Total comprehensive income	2,506	4	2,510
Dividend	-1,655	-	-1,655
Purchase of treasury shares	-38	-	-38
Share issue	450	-	450
Stock purchase plans	11	-	11
Change in non-controlling interest	-1	-1	-2
Total transactions with parent company's shareholders	-1,232	-1	-1,234
Closing balance 30 June 2012	24,064	211	24,275
Opening balance 1 January 2013	25,819	183	26,001
Net income	2,510	2	2,512
Other comprehensive income	565	2	567
Total comprehensive income	3,074	4	3,079
Dividend	-1,888	-37	-1,925
Stock purchase plans	-39	-	-39
Change in non-controlling interest	-161	-150	-311
Total transactions with parent company's shareholders	-2,088	-187	-2,275
Closing balance 30 June 2013	26,805	0	26,805

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FINANCIAL INFORMATION - GROUP

CONSOLIDATED CASH FLOW STATEMENT

SEK M	Apr-Jun 2012	Apr-Jun 2013	Jan-Jun 2012	Jan-Jun 2013
OPERATING ACTIVITIES				
Operating income	1,885	1,970	3,540	3,632
Depreciation	272	256	546	506
Restructuring payments	-86	-109	-178	-299
Other non-cash items	-77	-6	-73	-7
Cash flow before interest and tax	1,994	2,112	3,835	3,831
Interest paid and received	-180	-165	-292	-239
Tax paid on income	-341	-353	-701	-710
Cash flow before changes in working capital	1,473	1,593	2,842	2,883
Changes in working capital	-299	-234	-1 455	-1 344
Cash flow from operating activities	1,174	1,360	1,388	1,539
INVESTING ACTIVITIES				
Net investments in tangible and intangible assets	-165	-233	-349	-461
Investments in subsidiaries	-1,223	-159	-2 721	-332
Disposals of subsidiaries	0	0	-12	85
Other investments and disposals	2	6	23	0
Cash flow from investing activities	-1,386	-385	-3,059	-708
FINANCING ACTIVITIES				
Dividends	-1,655	-1,888	-1,655	-1,888
Share issue	450	-	450	-
Purchase of treasury shares	-38	-	-38	-
Acquisition of non-controlling interest	-	-233	-	-233
Net cash effect of changes in borrowings	1,677	1,195	2,720	1,313
Cash flow from financing activities	434	-926	1,478	-808
CASH FLOW	222	48	-194	23
CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of period	1,208	870	1,665	907
Cash flow	222	48	-194	23
Effect of exchange rate differences	37	21	-4	9
Cash and cash equivalents in disposal group held for sale	-324	-	-324	-
Cash and cash equivalents at end of period	1,143	940	1,143	940

KEY RATIOS

	Jan-Dec 2012	Jan-Jun 2012	Jan-Jun 2013
Return on capital employed, %	18.1	16.7	16.7
Return on shareholders' equity, %	20.9	20.5	19.1
Equity ratio, %	43.2	39.3	43.4
Interest coverage ratio, times	11.1	10.3	14.2
Interest on convertible debentures net after tax, SEK M	3.9	3.9	-
No. of shares outstanding at the end of period, thousands	370,259	370,259	370,259
Weighted average number of shares, thousands	369,185	368,100	370,259
Weighted average number of shares after dilution, thousands	369,592	368,352	370,259
Average number of employees	42,762	42,797	42,571

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FINANCIAL INFORMATION - PARENT COMPANY

INCOME STATEMENT

	Jan-Dec	Jan-Jun	Jan-Jun
SEK M	2012	2012	2013
Operating income	850	478	372
Income before tax	3,507	966	1,201
Net income	3,496	966	1,201

BALANCE SHEET

	31 Dec	30 Jun	30 Jun
SEK M	2012	2012	2013
Non-current assets	30,515	26,752	30,520
Current assets	2,470	2,042	2,998
Total assets	32,985	28,794	33,518
Equity	16,507	13,888	15,787
Provisions	73	75	0
Non-current liabilities	5,386	3,885	5,352
Current liabilities	11,019	10,946	12,379
Total equity and liabilities	32,985	28,794	33,518

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QUARTERLY INFORMATION - GROUP

THE GROUP IN SUMMARY

SEK M	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Jan-Jun 2012	Jan-Dec 2012	Q1 2013	Q2 2013	Jan-Jun 2013	Last 12 months
Sales	10,839	11,997	11,545	12,239	22,835	46,619	10,868	12,239	23,108	46,892
Organic growth ²⁾	3%	3%	1%	0%	3%	2%	-1%	3%	1%	
Gross income	4,307	4,687	4,603	4,832	8,995	18,429	4,358	4,786	9,144	18,578
Gross margin	39.7%	39.1%	39.9%	39.5%	39.4%	39.5%	40.1%	39.1%	39.6%	39.6%
Operating income before depreciation (EBITDA)	1,929	2,157	2,183	2,268	4,086	8,536	1,911	2,226	4,138	8,589
Operating margin (EBITDA)	17.8%	18.0%	18.9%	18.5%	17.9%	18.3%	17.6%	18.2%	17.9%	18.3%
Depreciation	-274	-272	-251	-238	-546	-1 034	-250	-256	-506	-995
Operating income (EBIT)	1,655	1,885	1,932	2,030	3,540	7,501	1,662	1,970	3,632	7,593
Operating margin (EBIT)	15.3%	15.7%	16.7%	16.6%	15.5%	16.1%	15.3%	16.1%	15.7%	16.2%
Net financial items	-165	-192	-166	-193	-358	-717	-129	-138	-267	-627
Income before tax	1,490	1,692	1,766	1,836	3,182	6,784	1,533	1,832	3,365	6,967
Profit margin (EBT)	13.7%	14.1%	15.3%	15.0%	13.9%	14.6%	14.1%	15.0%	14.6%	14.9%
Tax on income	-344	-390	-458	-431	-734	-1 623	-383	-458	-841	-1,730
Net income of disposal group classified as held for sale and discontinued operations	-	4	7	0	4	11	-11	0	-11	-4
Net income	1,146	1,306	1,316	1,405	2,452	5,172	1,138	1,374	2,512	5,233
Net income attributable to										
Parent company's shareholders	1,144	1,303	1,307	1,405	2,447	5,158	1,138	1,372	2,510	5,222
Non-controlling interest	2	3	9	1	5	14	1	2	2	11

OPERATING CASH FLOW

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Jan-Jun 2012	Jan-Dec 2012	Q1 2013	Q2 2013	Jan-Jun 2013	Last 12 months
Operating income (EBIT)	1,655	1,885	1,932	2,030	3,540	7,501	1,662	1,970	3,632	7,593
Depreciation	274	272	251	238	546	1,034	250	256	506	994
Net capital expenditure	-183	-165	-265	57	-349	-557	-228	-233	-461	-669
Change in working capital	-1,155	-299	266	1,112	-1,455	-77	-1,110	-234	-1 344	34
Interest paid and received	-112	-180	-100	-154	-292	-546	-73	-165	-239	-493
Non-cash items	4	-77	-116	-123	-73	-312	-2	-6	-7	-246
Operating cash flow ⁴⁾	483	1,435	1,967	3,160	1,918	7,044	498	1,589	2,087	7,214
Operating cash flow / Income before tax ⁴⁾	0.32	0.85	1.11	1.72	0.60	1.04	0.33	0.87	0.62	1.04

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QUARTERLY INFORMATION - GROUP

THE GROUP IN SUMMARY

CHANGE IN NET DEBT

SEK M	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Jan-Dec 2012	Q1 2013	Q2 2013	Jan-Jun 2013
Net debt at beginning of period	15,299	16,833	19,071	17,559	15,299	15,805	15,364	15,805
Operating cash flow	-483	-1,435	-1,967	-3,160	-7,044	-498	-1,589	-2,087
Restructuring payments	92	86	118	202	498	190	109	299
Tax paid	360	341	173	239	1,113	357	353	710
Impact on net debt from acquisitions and disposals	1,490	1,221	452	1,019	4,181	-104	385	281
Dividend	-	1,655	27	-	1,683	-	1,888	1,888
Purchase of treasury shares	-	38	-	-	38	-	-	-
Actuarial gain/loss on post employment benefit obligations	-8	-16	-18	23	-19	-300	-148	-447
Net assets of disposal group classified as held for sale	-	324	59	7	390	-	-	-
Exchange rate differences and other	83	24	-356	-84	-332	-86	265	179
Net debt at end of period	16,833	19,071	17,559	15,805	15,805	15,364	16,628	16,628
Net debt/Equity ratio	0.71	0.79	0.72	0.61	0.61	0.57	0.62	0.62

NET DEBT

SEK M	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013
Non current interest-bearing receivables	-32	-32	-30	-29	-29	-24
Short-term interest-bearing investments including derivatives	-202	-256	-211	-138	-375	-384
Cash and cash equivalents	-1,208	-1,143	-971	-907	-870	-940
Pension provisions	2,298	2,305	2,264	2,297	1,972	1,908
Other non current interest-bearing liabilities	8,153	8,726	10,028	11,194	12,265	11,262
Current interest-bearing liabilities including derivatives	7,824	9,472	6,479	3,388	2,401	4,806
Total	16,833	19,071	17,559	15,805	15,364	16,628

CAPITAL EMPLOYED AND FINANCING

SEK M	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013
Capital employed	40,546	42,950	41,626	41,422	42,170	43,433
- of which goodwill	27,824	29,924	28,635	28,932	28,742	29,446
- of which other intangible and tangible assets	10,436	10,599	10,917	11,093	10,937	11,302
- of which investments in associates	1,206	1,231	1,444	1,519	1,466	1,532
Assets and liabilities of disposal group classified as held for sale	-	396	382	385	-	-
Net debt	16,833	19,071	17,559	15,805	15,364	16,628
Non-controlling interest	214	211	183	183	68	0
Shareholders' equity, excluding non-controlling interest	23,499	24,064	24,266	25,819	26,738	26,805

DATA PER SHARE

SEK	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Jan-Dec 2012	Q1 2013	Q2 2013	Jan-Jun 2013
Earnings per share after tax and before dilution	3.11	3.54	3.53	3.79	13.97	3.07	3.71	6.78
Earnings per share after tax and dilution	3.11	3.54	3.53	3.79	13.97	3.07	3.71	6.78
Shareholders' equity per share after dilution	66.25	65.28	65.48	69.65	69.86	72.21	72.39	72.39

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RESULTS BY DIVISION

Apr-Jun and 30 Jun

SEK M	EMEA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Sales, external	3,328	3,230	2,533	2,606	1,742	1,765	1,683	1,695	2,711	2,944	-	-	11,997 ¹⁾	12,239 ¹⁾
Sales, internal	51	56	15	14	150	139	19	16	14	16	-249	-242	-	-
Sales	3,379	3,285	2,548	2,620	1,892	1,904	1,701	1,711	2,725	2,960	-249	-242	11,997	12,239
Organic growth ²⁾	0%	0%	5%	8%	5%	3%	11%	6%	-1%	-1%			3%	3%
Operating income (EBIT)	533	511	540	571	271	269	289	304	354	400	-102	-85	1,885	1,970
Operating margin (EBIT)	15.8%	15.6%	21.2%	21.8%	14.3%	14.1%	17.0%	17.8%	13.0%	13.5%			15.7%	16.1%
Capital employed	9,687	10,138	8,873	8,909	5,480	5,298	6,589	6,173	13,000	13,820	-679	-904	42,950	43,433
- of which goodwill	5,825	5,934	6,235	6,073	4,427	4,371	4,896	4,617	8,541	8,452	-	-	29,924	29,446
- of which other intangible and tangible assets	2,594	2,581	1,502	1,478	2,442	2,495	1,205	1,215	2,753	3,434	103	99	10,599	11,302
- of which investments in associates	24	23	-	-	-	290	-	-	1,207	1,219	-	-	1,231	1,532
Return on capital employed	20.6%	18.9%	24.1%	25.5%	20.8%	20.4%	17.5%	19.8%	10.8%	11.6%			17.3%	17.9%
Operating income (EBIT)	533	511	540	571	271	269	289	304	354	400	-102	-85	1,885	1,970
Depreciation	93	85	47	44	39	39	44	40	46	46	3	2	272	256
Net capital expenditure	-9	-81	-50	-40	-30	-25	-17	-65	-33	-20	-27	-1	-165	-233
Change in working capital	-188	-92	-38	-68	93	66	-42	-3	-73	-134	-51	-2	-299	-234
Cash flow ⁴⁾	430	422	500	507	373	349	273	276	293	293	-175	-87	1,693	1,760
Non-cash items											-77	-6	-77	-6
Interest paid and received											-180	-165	-180	-165
Operating cash flow ⁴⁾													1,435	1,589

Jan-Jun and 30 Jun

MSEK	EMEA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Sales, external	6,702	6,353	4,829	4,950	2,942	3,014	3,142	3,103	5,221	5,688			22,835 ¹⁾	23,108 ¹⁾
Sales, internal	108	103	27	24	269	245	36	34	30	35	-470	-440		
Sales	6,810	6,456	4,856	4,973	3,211	3,259	3,179	3,137	5,251	5,722	-470	-440	22,835	23,108
Organic growth ²⁾	2%	-3%	4%	6%	4%	2%	10%	3%	0%	-2%			3%	1%
Operating income (EBIT)	1,107	1,020	1,013	1,065	410	420	513	546	661	741	-164	-161	3,540	3,632
Operating margin (EBIT)	16.3%	15.8%	20.9%	21.4%	12.8%	12.9%	16.2%	17.4%	12.6%	13.0%			15.5%	15.7%
Capital employed	9,687	10,138	8,873	8,909	5,480	5,298	6,589	6,173	13,000	13,820	-679	-904	42,950	43,433
- of which goodwill	5,825	5,934	6,235	6,073	4,427	4,371	4,896	4,617	8,541	8,452	-	-	29,924	29,446
- of which other intangible and tangible assets	2,594	2,581	1,502	1,478	2,442	2,495	1,205	1,215	2,753	3,434	103	99	10,599	11,302
- of which investments in associates	24	23	-	-	-	290	-	-	1,207	1,219	-	-	1,231	1,532
Return on capital employed	21.7%	19.3%	23.4%	25.0%	16.9%	16.3%	15.5%	18.1%	10.7%	10.7%			16.7%	16.7%
Operating income (EBIT)	1,107	1,020	1,013	1,065	410	420	513	546	661	741	-164	-161	3,540	3,632
Depreciation	186	170	94	86	79	77	90	80	91	90	5	2	546	506
Net capital expenditure	-110	-159	-92	-81	-50	-55	-34	-135	-60	-30	-3	-1	-349	-461
Change in working capital	-481	-504	-295	-415	-393	-152	-194	-192	-22	-91	-70	11	-1,455	-1,344
Cash flow ⁴⁾	703	527	720	655	46	290	375	300	670	712	-232	-150	2,282	2,333
Non-cash items											-73	-7	-73	-7
Interest paid and received											-292	-239	-292	-239
Operating cash flow ⁴⁾													1,918	2,087
Average number of employees	10,450	10,154	6,557	6,638	15,260	14,461	2,942	3,045	7,451	8,103	136	170	42,797	42,571

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RESULTS BY DIVISION

Jan-Dec and 31 Dec

	EMEA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Sales, external	12,762	13,177	8,867	9,623	6,243	6,705	5,688	6,191	8,226	10,923	-	-	41,786 ¹⁾	46,619 ¹⁾
Sales, internal	268	204	39	48	391	518	67	71	52	57	-817	-898	-	-
Sales	13,030	13,382	8,906	9,671	6,633	7,224	5,756	6,262	8,278	10,979	-817	-898	41,786	46,619
Organic growth ²⁾	0%	1%	2%	4%	9%	3%	11%	6%	5%	-2%			4%	2%
Operating income (EBIT)	2,203	2,279	1,812	2,007	933	978	897	1,073	1,197	1,546	-418	-382	6,624	7,501
Operating margin (EBIT)	16.9%	17.0%	20.3%	20.8%	14.1%	13.5%	15.6%	17.1%	14.5%	14.1%			15.9%	16.1%
Items affecting comparability ³⁾	-587	-	-150	-	-48	-	-87	-	-423	-	-125	-	-1,420	-
Operating income (EBIT) including items affecting comparability	1,616	2,279	1,662	2,007	885	978	810	1,073	774	1,546	-543	-382	5,204	7,501
Capital employed	8,950	9,217	8,468	8,301	4,278	5,168	6,449	5,717	10,837	13,189	-1,041	-518	37,942	41,073
- of which goodwill	5,564	5,846	6,041	5,913	3,410	4,326	4,846	4,524	7,153	8,323	-	-	27,014	28,932
- of which other intangible and tangible assets	2,590	2,556	1,484	1,442	2,464	2,488	1,258	1,133	2,237	3,377	93	97	10,126	11,093
- of which investments in associat	33	22	-	-	-	315	-	-	1,178	1,182	-	-	1,211	1,519
Return on capital employed	22.0%	22.6%	22.8%	23.6%	23.6%	20.7%	14.3%	17.3%	12.2%	12.3%			17.4%	18.1%
Operating income (EBIT)	1,616	2,279	1,662	2,007	885	978	810	1,073	774	1,546	-543	-382	5,204	7,501
Restructuring costs	587	0	150	0	48	0	87	0	423	0	125	0	1,420	0
Depreciation	385	353	182	176	148	162	169	172	126	164	12	6	1,022	1,034
Net capital expenditure	-323	-313	-135	-202	-205	71	-98	-112	-92	-4	7	2	-846	-557
Change in working capital	-123	-79	-128	-185	35	135	-35	8	86	-59	-73	102	-238	-77
Cash flow ⁴⁾	2,142	2,241	1,731	1,797	912	1,348	933	1,140	1,317	1,648	-472	-272	6,563	7,902
Non-cash items											0	-312	0	-312
Interest paid and received											-482	-546	-482	-546
Operating cash flow ⁴⁾													6,080	7,044
Average number of employees	10,071	10,260	6,658	6,620	15,784	15,284	2,819	3,029	5,605	7,429	133	140	41,070	42,762

¹⁾ Sales by Continent

	Jan-Dec 2011	Jan-Dec 2012	Jan-Jun 2012	Jan-Jun 2013
Europe	19,920	21,752	11,025	10,223
North America	11,659	13,503	6,605	7,449
Central and South America	850	911	443	455
Africa	581	645	324	288
Asia	6,696	7,619	3,369	3,664
Pacific	2,080	2,189	1,069	1,029

²⁾ Organic growth concern comparable units after adjustment for acquisitions and currency effects.

³⁾ Items affecting comparability consist of restructuring costs and net income from disposal groups classified as held for sale in 2011.

⁴⁾ Excluding restructuring payments.

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FINANCIAL INFORMATION - NOTES

NOTE 1 BUSINESS COMBINATIONS

SEK M	jan-dec 2012	apr-jun 2013	jan-jun 2013
Purchase prices for acquisitions during the period			
Cash paid	3,876	79	134
Holdbacks and deferred considerations	923	26	79
Sum	4,799	105	213
Acquired net assets at fair value			
Intangible assets	1,055	93	93
Tangible assets	353	15	17
Financial assets	57	1	2
Inventories	477	14	19
Current receivables and investments	818	2	14
Cash and cash equivalents	345	18	34
Non-controlling interests	-13	-	-
Non-current liabilities	-530	-48	-48
Current liabilities	-909	-19	-31
Sum	1,653	75	98
Goodwill	3,146	30	115
Change in cash and cash equivalents due to acquisitions			
Cash paid for acquisitions during the period	3,876	79	134
Cash and cash equivalents in acquired subsidiaries	-345	-18	-34
Paid holdbacks and deferred considerations for acquisitions in previous years	305	97	233
Sum	3,836	159	332

Fair value adjustments of acquired net assets from acquisitions made in previous periods are included in the above table.

NOTE 2 FAIR VALUE AND CARRYING AMOUNT ON FINANCIAL ASSETS AND LIABILITIES

		Financial instruments at fair value				
		Carrying amount	Fair value	Level 1	Level 2	Level 3
30 Jun 2013						
SEK M						
Financial assets						
Financial assets at fair value through profit and loss	95	95			95	
Available-for-sale financial assets	4	4				
Loans and other receivables	9,349	9,349				
Derivative instruments - hedge accounting	73	73				
Financial liabilities						
Financial liabilities at fair value through profit and loss	5,514	5,514			2,450	3,064
Financial liabilities at amortized cost	17,459	17,682				
Derivative instruments - hedge accounting	75	75				
31 Dec 2012						
SEK M						
Financial assets						
Financial assets at fair value through profit and loss	39	39			39	
Available-for-sale financial assets	4	4				
Loans and other receivables	10,007	10,007				
Derivative instruments - hedge accounting	75	75				
Financial liabilities						
Financial liabilities at fair value through profit and loss	5,307	5,307			2,193	3,114
Financial liabilities at amortized cost	16,271	16,661				

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