

Press Release

27 October 2010
No. 17/10

Good performance throughout the Group

- Sales amounted to SEK 9,474 M (8,405), an increase of 13%, made up of 6% organic growth, 10% acquired growth and exchange-rate effects of -3%.
- Positive growth in all geographical regions.
- North America showed growth for the first time since 2008.
- Good activity in the acquisition field, with bid for ActivIdentity and a share of Agta Record.
- Operating income (EBIT) amounted to SEK 1,630 M (1,346), an increase of 21%, corresponding to a margin of 17.2% (16.0).
- Net income amounted to SEK 1,099 M (888).
- Earnings per share rose by 24% to SEK 2.93 (2.36).

SALES AND INCOME

	Third quarter			Jan-Sep		
	2009	2010	Change	2009	2010	Change
Sales, SEK M	8,405	9,474	+13%	26,163	27,175	+4%
of which,						
Organic growth			+6%			+2%
Acquisitions			+10%			+7%
Exchange-rate effects	783	-216	-3%	3,676	-1,240	-5%
Operating income (EBIT), SEK M	1,346	1,630	+21%	4,014*	4,440	+11%
Operating margin (EBIT), %	16.0	17.2		15.3*	16.3	
Income before tax, SEK M	1,187	1,440	+21%	3,486*	3,961	+14%
Net income, SEK M	888	1,099	+24%	2,458**	3,009	+22%
Operating cash flow, SEK M	2,125	1,890	-11%	4,547	4,200	-8%
Earnings per share (EPS), SEK	2.36	2.93	+24%	6.81*	8.03	+18%

* Excluding restructuring costs amounting to SEK 109 M in 2009.

** Excluding restructuring costs, net income in Jan-Sep 2009 was SEK 2,567 M.

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COMMENTS BY THE PRESIDENT AND CEO

"Growth has now returned in all regions and the quarter saw good organic growth of 6%," says Johan Molin, President and CEO. "In addition, acquired units added a further 10% growth this quarter. Especially pleasing was the sales development in Asia and South America. North America was also positive through its growth for the first time since 2008.

"The increases in sales and operating income, which rose by 13% and 21% respectively, were extremely satisfying, with strong contributions from volume growth and efficiency improvements. The efficiency program for the production structure and improvement in working capital combined with the profit growth gave a very strong cash flow.

"Activity in the acquisition field remained high. It is with great pleasure that I welcome the bid for the American company ActivIdentity and the acquisition of a share in Agta Record. These companies complement our strategic development of secure identification within logical access and entrance automation.

"Aftermarket activities, which represent two-thirds of sales, continued to make strong advance during the quarter, with particularly good progress in electromechanics. However, it should be mentioned that the EMEA region reported weaker sales development within new construction because of reduction of governmental spending. Overall, therefore, our forecast for organic growth for the full year remains slightly positive."

THIRD QUARTER

The Group's sales totaled SEK 9,474 M (8,405), an increase of 13% compared with 2009. Organic growth was 6% (-13). Acquired units contributed 10% (2). Exchange-rate effects had a negative impact of SEK 216 M on sales, that is -3% (8).

Operating income before depreciation, EBITDA, amounted to SEK 1,875 M (1,584). The corresponding EBITDA margin was 19.8% (18.8). The Group's operating income, EBIT, amounted to SEK 1,630 M (1,346), a rise of 21%. The operating margin was 17.2% (16.0).

Net financial items amounted to SEK 190 M (159). New rules for acquisition accounting had a negative effect of SEK 26 M on net financial items for the quarter. The Group's income before tax amounted to SEK 1,440 M (1,187), an improvement of 21% compared with the previous year. Exchange-rate effects had a negative impact of SEK 26 M on the Group's income before tax. The profit margin was 15.2% (14.1). The Group's tax charge totaled SEK 341 M (300). Earnings per share amounted to SEK 2.93 (2.36), an increase of 24%.

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FIRST NINE MONTHS OF THE YEAR

Sales for the nine-month period totaled SEK 27,175 M (26,163), representing an increase of 4%. Organic growth was 2% (-13). Acquired units contributed 7% (3). Exchange-rate effects affected sales negatively by SEK 1,240 M, i.e. -3% (13).

Operating income before depreciation, EBITDA, excluding restructuring costs, amounted to SEK 5,191 M (4,779). The corresponding margin was 19.1% (18.3). The Group's operating income, EBIT, excluding restructuring costs, amounted to SEK 4,440 M (4,014), which was an increase of 11%. The corresponding operating margin (EBIT) was 16.3% (15.3).

Earnings per share, excluding restructuring costs, rose to SEK 8.03 (6.81). Operating cash flow amounted to SEK 4,200 M (4,547).

RESTRUCTURING MEASURES

Payments related to all restructuring programs amounted to SEK 71 M in the quarter.

The restructuring programs continued according to plan and have led to a reduction in personnel of 191 people during the quarter and 5,179 people since the projects began. A further 1,236 people will leave in the next few years.

At the end of the quarter, provisions of SEK 1,106 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 3,065 M (3,155), with organic growth of 1% (-11). The market recovery continued, but at a slow pace. Finland, Germany, Italy and Spain showed strong growth while Eastern Europe, France and the Netherlands had a weaker quarter. Acquired growth amounted to 2%. Operating income rose to SEK 520 M (476), which represents an operating margin (EBIT) of 17.0% (15.1). Return on capital employed amounted to 20.8% (16.5). Operating cash flow before paid interest totaled SEK 704 M (779).

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AMERICAS

Sales for the quarter in Americas division totaled SEK 2,537 M (2,416), with organic growth of 2% (-22). The recovery on the North American market continued and all units except the Door Group showed growth during the quarter. Mexico, Canada and in particular South America showed good growth. Acquired growth amounted to 3%. Operating income totaled SEK 515 M (475) and the operating margin was 20.3% (19.7). Return on capital employed amounted to 24.1% (21.7). Operating cash flow before paid interest totaled SEK 614 M (789).

ASIA PACIFIC

Sales for the quarter in Asia Pacific division totaled SEK 1,735 M (1,023), with organic growth of 15% (0). All units showed strong growth. Continued measures to stimulate the economy benefited demand in Australia, while in China demand from the growth regions in the interior increased strongly. On other Asian markets performance was especially strong in Korea and India. Acquired growth amounted to 51%. Operating income totaled SEK 271 M (139), representing an operating margin (EBIT) of 15.6% (13.6). The quarter's return on capital employed amounted to 21.6% (19.6). Operating cash flow before paid interest totaled SEK 300 M (124).

GLOBAL TECHNOLOGIES

Sales for the quarter in Global Technologies division totaled SEK 1,365 M (1,113), with organic growth of 26% (-19). HID showed strong growth in both access control and identification technology. Hospitality showed growth for the first time since 2008. A strong recovery on the renovation market and successful launches of RFID locks for hotels had a positive effect on demand. The division's operating income amounted to SEK 247 M (187), giving an operating margin (EBIT) of 18.1% (16.8). Return on capital employed amounted to 18.1% (12.8). Operating cash flow before interest paid totaled SEK 186 M (321).

ENTRANCE SYSTEMS

Sales for the quarter in Entrance Systems division totaled SEK 987 M (896) for the quarter, with organic growth of -1% (-2). 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 fell as a result of cutbacks in the health sector. Ditec's sales stabilized. Acquired growth amounted to 15%. Operating income totaled SEK 152 M (135), giving an operating margin of 15.4% (15.0). Return on capital employed amounted to 14.3% (14.6). Operating cash flow before interest paid totaled SEK 165 M (101).

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ACQUISITIONS

Acquisitions consolidated during the quarter comprised Paddock in the UK, after approval by the British competition authority, Security Metal Products in the USA and one smaller company. This means that a total of eleven acquisitions were consolidated in the first nine months of the year. The combined acquisition price for these acquisitions amounted to SEK 3,918 M, and preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to SEK 3,049M. The acquisition price is adjusted for acquired net debt and estimated earn-outs. Estimated earn-outs amount to SEK 1,905 M, of which SEK 1,732 M relates to the largest single acquisition of the first half-year, the Chinese company Pan Pan, and concerns the development of earnings over the next three years.

On 12 October it was announced that an agreement had been signed for the acquisition of the American company ActivIdentity. ActivIdentity is active in systems for strong authentication and credential management. It had sales of USD 62 M in 2009 and has 223 employees. The acquisition is expected to be completed in December 2010.

On 18 October it was announced that ASSA ABLOY had acquired 32.95% of the Swiss company Agta Record. Agta Record is active in entrance automation, has 1,700 employees and had sales of EUR 222 M in 2009. ASSA ABLOY has initiated discussions with other owners with the aim of acquiring the whole company.

SUSTAINABILITY

Energy-saving activities are carried out in a large number of facilities throughout the Group.

At Americas division's factory in Guadalajara, Mexico, which employs 400 people, a well structured program has cut energy costs by 30%. A large number of employees have been involved in the work and an important part of the process has been to continuously measure and record the energy consumption in different parts of the factory. Internal energy audits have been a valuable tool in sharing best practice on energy-efficient processes and solutions. Special attention has been given to the control of lighting, ventilation, air conditioning and the generation of compressed air.

PARENT COMPANY

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 1,145 M (834) for the nine-month period. Income before tax amounted to SEK 1,344 M (1,209). Investments in tangible and intangible assets totaled SEK 9 M (1). Liquidity is good and the equity ratio was 51.4% (58.3).

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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 minority interest) in future acquisitions.

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 2.3 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.

AUDIT

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

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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 for 2010

Organic growth in 2010 is expected to be slightly positive.

**) The outlook published on 28 July 2010:*

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Outlook for 2010

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FINANCIAL INFORMATION

The Year-end Report and Quarterly Report for the fourth quarter will be published on 7 February 2011.

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, +44 208 817 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 27 October.

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FINANCIAL INFORMATION - GROUP

INCOME STATEMENT

	Jan-Dec 2009 SEK M	Jan-Sep 2009 SEK M	Jan-Sep 2010 SEK M	Jul-Sep 2009 SEK M	Jul-Sep 2010 SEK M
Sales	34,963	26,163	27,175	8,405	9,474
Cost of goods sold	-21,780	-15,784	-16,208	-4,969	-5,628
Gross Income	13,183	10,379	10,967	3,436	3,846
Selling and administrative expenses	-8,821	-6,483	-6,529	-2,092	-2,217
Share in earnings of associated companies	12	9	1	3	1
Operating income	4,374	3,905	4,440	1,346	1,630
Financial items	-634	-528	-479	-159	-190
Income before tax	3,740	3,377	3,961	1,187	1,440
Tax	-1,081	-919	-952	-300	-341
Net income	2,659	2,458	3,009	888	1,099
Allocation of net income:					
Shareholders in ASSA ABLOY AB	2,626	2,434	2,986	876	1,090
Non-controlling interest	32	24	24	12	9

EARNINGS PER SHARE

	Jan-Dec 2009 SEK	Jan-Sep 2009 SEK	Jan-Sep 2010 SEK	Jul-Sep 2009 SEK	Jul-Sep 2010 SEK
Earnings per share after tax and before dilution ¹⁾	7.18	6.65	8.16	2.39	2.98
Earnings per share after tax and dilution ²⁾	7.06	6.52	8.03	2.36	2.93
Earnings per share after tax and dilution, excluding items affecting comparability ^{2) 1)}	9.22	6.81	8.03	2.36	2.93

COMPREHENSIVE INCOME

	Jan-Dec 2009 SEK M	Jan-Sep 2009 SEK M	Jan-Sep 2010 SEK M	Jul-Sep 2009 SEK M	Jul-Sep 2010 SEK M
Profit for the period	2,659	2,458	3,009	888	1,099
Other comprehensive income					
Exchange differences on translating foreign operations	-826	-1,284	-1,329	-1,477	-1,908
Total comprehensive income for the period	1,833	1,174	1,680	-589	-809
Total comprehensive attributable to:					
-Parent company shareholders	1,814	1,168	1,665	-584	-796
-Non-controlling interest	19	6	15	-6	-13

CASH FLOW STATEMENT

	Jan-Dec 2009 SEK M	Jan-Sep 2009 SEK M	Jan-Sep 2010 SEK M	Jul-Sep 2009 SEK M	Jul-Sep 2010 SEK M
Cash flow from operating activities	5,924	3,807	3,711	2,075	1,877
Cash flow from investing activities	-1,835	-1,312	-2,334	-610	-873
Cash flow from financing activities	-3,741	-1,164	-2,243	-1,982	-885
Cash flow	348	1,331	-866	-517	119
Cash and cash equivalents at beginning of period	1,931	1,931	2,235	3,790	1,313
Cash flow	348	1,331	-866	-517	119
Effect of exchange rate differences	-44	-85	-53	-96	-116
Cash and cash equivalents at end of period	2,235	3,177	1,316	3,177	1,316

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BALANCE SHEET

	31 Dec 2009	30 Sep 2009	30 Sep 2010
	SEK M	SEK M	SEK M
Intangible assets	22,324	21,774	23,940
Tangible fixed assets	5,550	5,597	5,595
Financial fixed assets	1,187	1,069	956
Total non-current assets	29,061	28,440	30,491
Inventories	4,349	4,536	4,931
Trade receivables	5,618	5,732	5,724
Other non-interest-bearing current assets	1,171	1,329	1,216
Interest-bearing current assets	2,419	3,292	1,477
Total current assets	13,557	14,889	13,348
Total assets	42,618	43,329	43,839
Equity before non-controlling interest	19,172	18,526	19,474
Non-controlling interest	162	149	157
Total equity	19,334	18,675	19,631
Interest-bearing non-current liabilities	11,810	11,565	10,537
Non-interest-bearing non-current liabilities	2,068	1,047	3,846
Total non-current liabilities	13,878	12,612	14,383
Interest-bearing current liabilities	1,901	4,395	1,860
Non-interest-bearing current liabilities	7,505	7,647	7,965
Total current liabilities	9,406	12,042	9,825
Total equity and liabilities	42,618	43,329	43,839

CHANGE IN EQUITY

	Jan-Dec 2009	Jan-Sep 2009	Jan-Sep 2010
	SEK M	SEK M	SEK M
Opening balance	18,838	18,838	19,334
Total comprehensive income for the year	1,833	1,174	1,680
Dividend	-1,317	-1,317	-1,317
Stock purchase plans	-	-	2
Purchase of treasury shares	-	-	-48
Non-controlling interest, net	-20	-20	-20
Closing balance	19,334	18,675	19,631

KEY DATA

	Jan-Dec 2009	Jan-Sep 2009	Jan-Sep 2010
Return on capital employed excluding items affecting comparability, %	16.2	15.8	18.4
Return on capital employed including items affecting comparability, %	13.1	15.4	18.4
Return on shareholders' equity, %	12.7	15.9	19.3
Equity ratio, %	45.4	43.1	44.8
Interest coverage ratio, times	7.2	8.4	10.2
Interest on convertible debentures net after tax, SEK M	31.9	29.1	7.2
Number of shares, thousands	365,918	365,918	365,918
Number of shares after dilution, thousands	372,931	372,931	372,718
Weighted average number of shares after dilution, thousands	376,534	377,748	372,827
Average number of employees	29,375	29,614	37,249

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FINANCIAL INFORMATION - PARENT COMPANY

INCOME STATEMENT	Jan-Dec 2009 SEK M	Jan-Sep 2009 SEK M	Jan-Sep 2010 SEK M
Operating income	566	228	485
Income before tax	1,694	1,209	1,344
Net income	1,536	1,213	1,347

BALANCE SHEET	31 Dec 2009 SEK M	30 Sep 2009 SEK M	30 Sep 2010 SEK M
Non-current assets	19,473	19,133	21,714
Current assets	4,176	4,183	3,815
Total assets	23,649	23,316	25,529
Equity	13,150	13,582	13,132
Provisions	5	5	1,888
Non-current liabilities	5,720	5,679	4,653
Current liabilities	4,774	4,050	5,856
Total equity and liabilities	23,649	23,316	25,529

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QUARTERLY INFORMATION - GROUP

THE GROUP IN SUMMARY

All amounts in SEK M if not noted otherwise.

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Jan-Sep 2009	Full Year 2009	Q1 2010	Q2 2010	Q3 2010	Jan-Sep 2010	12 month rolling
Sales	8,859	8,899	8,405	8,799	26,163	34,963	8,345	9,356	9,474	27,175	35,974
Organic growth ³⁾	-12%	-14%	-13%	-8%	-13%	-12%	-3%	2%	6%	2%	
Gross income											
excluding items affecting comparability	3,550	3,502	3,370	3,603	10,422	14,025	3,361	3,761	3,846	10,967	14,571
Gross income / Sales	40.1%	39.4%	40.1%	41.0%	39.8%	40.1%	40.3%	40.2%	40.6%	40.4%	40.5%
Operating income before depreciation (EBITDA)											
excluding items affecting comparability	1,594	1,601	1,584	1,648	4,779	6,426	1,536	1,780	1,875	5,191	6,839
Operating margin (EBITDA)	18.0%	18.0%	18.8%	18.7%	18.3%	18.4%	18.4%	19.0%	19.8%	19.1%	19.0%
Depreciation	-266	-261	-237	-249	-764	-1,014	-241	-265	-245	-751	-1,000
Operating income (EBIT)											
excluding items affecting comparability	1,328	1,340	1,346	1,398	4,014	5,413	1,295	1,515	1,630	4,440	5,838
Operating margin (EBIT)	15.0%	15.1%	16.0%	15.9%	15.3%	15.5%	15.5%	16.2%	17.2%	16.3%	16.2%
Items affecting comparability ¹⁾	-109	-	-	-930	-109	-1,039	-	-	-	-	-930
Operating income (EBIT)	1,219	1,340	1,346	468	3,905	4,374	1,295	1,515	1,630	4,440	4,908
Financial items	-205	-165	-159	-106	-528	-634	-137	-152	-190	-479	-585
Income before tax	1,015	1,176	1,187	362	3,377	3,740	1,158	1,363	1,440	3,961	4,323
Profit margin (EBT)	11.4%	13.2%	14.1%	4.1%	12.9%	10.7%	13.9%	14.6%	15.2%	14.6%	12.0%
Tax	-296	-323	-300	-162	-919	-1,081	-278	-333	-341	-952	-1,114
Net income	718	852	888	200	2,458	2,659	880	1,031	1,099	3,009	3,210
Allocation of net income:											
Shareholders in ASSA ABLOY AB	716	843	876	192	2,434	2,626	876	1,019	1,090	2,986	3,177
Non-controlling interest	3	9	12	9	24	32	4	11	9	24	33

OPERATING CASH FLOW

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Jan-Sep 2009	Full Year 2009	Q1 2010	Q2 2010	Q3 2010	Jan-Sep 2010	12 month rolling
Operating income (EBIT)	1,219	1,340	1,346	468	3,905	4,374	1,295	1,515	1,630	4,440	4,908
Restructuring costs	109	0	0	930	109	1,039	-	-	-	-	930
Depreciation	266	261	237	249	764	1,014	241	265	245	751	1,000
Net capital expenditure	-187	-186	-99	-191	-472	-664	-50	-270	-153	-473	-664
Change in working capital	-316	346	612	818	642	1,460	-475	79	167	-229	589
Paid and received interest	-193	-157	-38	-119	-388	-507	-77	-170	-29	-276	-395
Adjustment for non-cash items	-60	-20	67	140	-13	127	-64	21	30	-13	127
Operating cash flow ⁴⁾	838	1,584	2,125	2,296	4,547	6,843	870	1,440	1,890	4,200	6,496
Operating cash flow / Income before tax ⁴⁾	0.75	1.35	1.79	1.78	1.30	1.43	0.75	1.06	1.31	1.06	1.24

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CHANGE IN NET DEBT

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Jan-Sep 2009	Full Year 2009	Q1 2010	Q2 2010	Q3 2010	Jan-Sep 2010
Net debt at beginning of the period	14,013	14,317	14,239	12,432	14,013	14,013	11,048	11,469	12,608	11,048
Operating cash flow	-838	-1,584	-2,125	-2,296	-4,547	-6,843	-870	-1,440	-1,890	-4,200
Restructuring payment	144	224	147	161	515	676	112	182	71	365
Tax paid	298	397	2	210	697	907	261	241	94	596
Acquisitions/Disposals	263	66	511	331	840	1,171	768	373	720	1,861
Dividend	-	1,317	-	-	1,317	1,317	-	1,317	-	1,317
Purchase of treasury shares	-	-	-	-	-	-	-	48	-	48
Translation differences and other	437	-498	-341	210	-402	-193	150	418	-739	-171
Net debt at end of period	14,317	14,239	12,432	11,048	12,432	11,048	11,469	12,608	10,864	10,864
Net debt / Equity	0.71	0.74	0.67	0.57	0.67	0.57	0.57	0.62	0.55	0.55

NET DEBT

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010
Non current interest-bearing receivables	-269	-256	-236	-244	-64	-60	-56
Current interest-bearing investments	-2,632	-2,250	-1,989	-840	-699	-205	-252
Cash and bank balances	-1,280	-1,800	-1,303	-1,579	-1,216	-1,271	-1,225
Pension provisions	1,222	1,200	1,093	1,118	1,114	1,150	1,056
Other non current interest-bearing liabilities	8,659	11,227	10,471	10,692	10,561	10,265	9,481
Current interest-bearing liabilities	8,617	6,117	4,395	1,901	1,773	2,729	1,860
Total	14,317	14,239	12,432	11,048	11,469	12,608	10,864

CAPITAL EMPLOYED AND FINANCING

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

DATA PER SHARE

	Q1 2009 SEK	Q2 2009 SEK	Q3 2009 SEK	Q4 2009 SEK	Jan-Sep 2009 SEK	Full Year 2009 SEK	Q1 2010 SEK	Q2 2010 SEK	Q3 2010 SEK	Jan-Sep 2010 SEK	12 month rolling SEK
Earnings per share after tax and before dilution ¹⁾	1.96	2.30	2.39	0.52	6.65	7.18	2.39	2.79	2.98	8.16	8.68
Earnings per share after tax and dilution ²⁾	1.92	2.25	2.36	0.54	6.52	7.06	2.36	2.74	2.93	8.03	8.57
Earnings per share after tax and dilution excluding items affecting comparability ²⁾¹⁾	2.20	2.25	2.36	2.41	6.81	9.22	2.36	2.74	2.93	8.03	10.44
Shareholders' equity per share after dilution ²⁾	59.55	54.28	53.47	55.29	52.79	54.76	56.94	57.89	55.65	55.64	

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Press Release

RESULTS BY DIVISION

SEK M	EMEA ⁵⁾		Americas ⁶⁾		Asia Pacific ⁷⁾		Global Technologies ⁸⁾		Entrance Systems		Other		Total	
Jul - Sep and 30 Sep respectively	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
Sales, external	3,072	2,974	2,402	2,529	955	1,643	1,090	1,351	885	978	-	-	8,405 ⁹⁾	9,474 ⁹⁾
Sales, intragroup	83	91	13	8	68	92	22	14	10	9	-197	-214	-	-
Sales	3,155	3,065	2,416	2,537	1,023	1,735	1,113	1,365	896	987	197	-214	8,405	9,474
Organic growth ³⁾	-11%	1%	-22%	2%	0%	15%	-19%	26%	-2%	-1%	-	-	-13%	6%
Operating income (EBIT)	476	520	475	515	139	271	187	247	135	152	-65	-75	1,346	1,630
Operating margin (EBIT)	15.1%	17.0%	19.7%	20.3%	13.6%	15.6%	16.8%	18.1%	15.0%	15.4%	-	-	16.0%	17.2%
Capital employed	10,534	9,612	8,184	7,981	2,811	4,185	5,493	5,072	3,946	4,117	140	-473	31,108	30,495
- of which goodwill	5,437	5,574	5,691	5,867	1,581	3,625	3,970	3,735	3,314	3,284	-	-	19,992	22,085
- of which other intangibles and fixed assets	3,130	2,806	1,793	1,618	889	1,442	1,149	1,015	289	445	129	125	7,379	7,450
- of which shares in associates	37	37	2	-	13	-	-	-	-	-	-	-	52	37
Return on capital employed	16.5%	20.8%	21.7%	24.1%	19.6%	21.6%	12.8%	18.1%	14.6%	14.3%	-	-	15.5%	19.2%
Operating income (EBIT)	476	520	475	515	139	271	187	247	135	152	-65	-75	1,346	1,630
Depreciation	109	97	56	56	23	37	38	37	9	15	3	3	237	245
Net capital expenditure	-35	-32	-18	-28	-12	-56	-21	-20	-11	-11	-3	-6	-99	-153
Movement in working capital	230	119	275	72	-26	47	117	-77	-31	9	48	-3	612	167
Cash flow ⁴⁾	779	704	789	614	124	300	321	186	101	165	-	-	2,097	1,889
Adjustment for non-cash items	-	-	-	-	-	-	-	-	-	-	67	30	67	30
Paid and received interest	-	-	-	-	-	-	-	-	-	-	-38	-29	-38	-29
Operating cash flow ⁴⁾	-	-	-	-	-	-	-	-	-	-	-	-	2,125	1,890

SEK M	EMEA ⁵⁾		Americas ⁶⁾		Asia Pacific ⁷⁾		Global Technologies ⁸⁾		Entrance Systems		Other		Total	
Jan - Sep and 30 Sep respectively	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
Sales, external	9,802	9,373	7,741	7,217	2,531	4,026	3,540	3,642	2,549	2,918	-	-	26,163 ¹⁰⁾	27,175 ¹⁰⁾
Sales, intragroup	255	299	32	28	215	288	82	48	32	35	-614	-700	-	-
Sales	10,057	9,672	7,772	7,245	2,746	4,315	3,622	3,690	2,581	2,953	-614	-700	26,163	27,175
Organic growth ³⁾	-15%	2%	-18%	-4%	-5%	15%	-12%	8%	-3%	-2%	-	-	-13%	2%
Operating income (EBIT)	1,461	1,570	1,514	1,426	316	597	580	638	391	430	-246	-222	4,014	4,440
Operating margin (EBIT)	14.5%	16.2%	19.5%	19.7%	11.5%	13.8%	16.0%	17.3%	15.1%	14.6%	-	-	15.3%	16.3%
Items affecting comparability ¹¹⁾	-109	-	-	-	-	-	-	-	-	-	-	-	-109	-
Operating income (EBIT) including items affecting comparability	1,352	1,570	1,514	1,426	316	597	580	638	391	430	-246	-222	3,905	4,440
Capital employed	10,534	9,612	8,184	7,981	2,811	4,185	5,493	5,072	3,946	4,117	140	-473	31,108	30,495
- of which goodwill	5,437	5,574	5,691	5,867	1,581	3,625	3,970	3,735	3,314	3,284	-	-	19,992	22,085
- of which other intangibles and fixed assets	3,130	2,806	1,793	1,618	889	1,442	1,149	1,015	289	445	129	125	7,379	7,450
- of which shares in associates	37	37	2	-	13	-	-	-	-	-	-	-	52	37
Return on capital employed excluding items affecting comparability	15.7%	16.7%	21.3%	19.3%	14.6%	19.2%	13.2%	15.4%	13.9%	12.4%	-	-	15.7%	18.4%
Operating income (EBIT)	1,352	1,570	1,514	1,426	316	597	580	638	391	430	-246	-222	3,905	4,440
Restructuring costs	109	-	-	-	-	-	-	-	-	-	-	-	109	-
Depreciation	362	317	178	170	70	103	117	110	29	42	8	9	764	751
Net capital expenditure	-184	-230	-113	-75	-55	-141	-88	-68	-28	-40	-5	80	-472	-473
Movement in working capital	79	91	553	-1	48	-203	36	-172	99	6	-172	49	642	-229
Cash flow ⁴⁾	1,718	1,748	2,132	1,520	379	356	644	509	491	439	-	-	4,949	4,489
Adjustment for non-cash items	-	-	-	-	-	-	-	-	-	-	-13	-13	-13	-13
Paid and received interest	-	-	-	-	-	-	-	-	-	-	-388	-276	-388	-276
Operating cash flow ⁴⁾	-	-	-	-	-	-	-	-	-	-	-	-	4,547	4,200
Average number of employees	10,302	9,607	7,038	6,838	7,475	15,474	2,463	2,443	2,223	2,789	113	98	29,614	37,249

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SEK M

	EMEA [§]		Americas [§]		Asia Pacific [§]		Global Technologies [§]		Entrance Systems		Other		Total	
Jan - Dec and 31 Dec respectively	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Sales, external	13,517	13,275	10,415	9,831	3,031	3,507	4,730	4,664	3,134	3,685	-	-	34,829 ¹⁰⁾	34,963 ¹⁰⁾
Sales, intragroup	410	327	41	49	290	282	136	102	39	47	-915	-807	-	-
Sales	13,927	13,601	10,456	9,880	3,321	3,789	4,866	4,766	3,173	3,733	-915	-807	34,829	34,963
Organic growth [§]	-2%	-12%	4%	-19%	0%	-1%	0%	-12%	3%	-3%	-	-	0%	-12%
Operating income (EBIT)	2,289	2,056	2,101	1,925	357	459	729	766	453	587	-404	-380	5,526	5,413
Operating margin (EBIT)	16.4%	15.1%	20.1%	19.5%	10.8%	12.1%	15.0%	16.1%	14.3%	15.7%	-	-	15.9%	15.5%
Items affecting comparability ¹¹⁾	-863	-789	-77	-	-65	-2	-149	-167	-103	-81	-	-	-1,257	-1,039
Operating income (EBIT) including items affecting comparability	1,426	1,267	2,024	1,925	293	457	580	599	350	506	-404	-380	4,269	4,374
Capital employed	12,306	9,814	9,639	8,687	2,768	2,768	6,112	5,464	3,425	4,116	-1,400	-467	32,850	30,382
- of which goodwill	5,766	5,540	6,236	6,003	1,628	1,536	4,275	4,030	2,763	3,223	-	-	20,669	20,333
- of which other intangibles and fixed assets	3,450	3,097	1,944	1,757	914	933	1,282	1,138	207	485	148	130	7,945	7,541
- of which shares in associates	31	39	2	-	5	-	-	-	-	-	-	-	38	39
Return on capital employed excluding items affecting comparability	19.9%	16.9%	24.5%	20.5%	13.2%	16.1%	12.7%	12.9%	13.8%	15.2%	-	-	17.2%	16.2%
Operating income (EBIT)	1,426	1,267	2,024	1,925	293	457	580	599	350	506	-404	-380	4,269	4,374
Restructuring costs	786	789	77	-	65	2	149	167	103	81	-	-	1,180	1,039
Depreciation	455	473	205	236	80	99	136	156	37	38	8	11	921	1,014
Net capital expenditure	-328	-281	-214	-134	-98	-80	-129	-127	-31	-33	-29	-9	-829	-664
Movement in working capital	82	602	5	649	120	132	-64	211	-60	88	-88	-222	-5	1,460
Cash flow ⁴⁾	2,421	2,850	2,097	2,677	460	610	672	1,005	399	680	-	-	5,536	7,222
Adjustment for non-cash items	-	-	-	-	-	-	-	-	-	-	-49	127	-49	127
Paid and received interest	-	-	-	-	-	-	-	-	-	-	-718	-507	-718	-507
Operating cash flow ⁴⁾	-	-	-	-	-	-	-	-	-	-	-	-	4,769	6,843
Average number of employees	11,903	10,138	8,573	6,897	7,065	7,560	2,811	2,416	2,260	2,253	111	112	32,723	29,375

¹⁾ Number of shares, thousands, used for the calculation: : Jul-Sep 2010 (2009): 365,618 (365,918), Jan-Sep 2010 (2009): 365,772 (365,918), Jan-Dec 2009 (2008): 365,918 (365,918).

²⁾ Number of shares, thousands, used for calculation: Jul-Sep 2010 (2009): 372,718 (372,931), Jan-Sep 2010 (2009): 372,827 (377,748), Jan-Dec 2009 (2008): 376,534 (380,713).

³⁾ Organic growth concern comparable units after adjustment for acquisitions and currency effects.

⁴⁾ Excluding restructuring items.

⁵⁾ Europe, Middle East and Africa.

⁶⁾ North, Central and South America.

⁷⁾ Asia, Australia and New Zealand.

⁸⁾ ASSA ABLOY Hospitality and HID Global.

⁹⁾ Sales Jan-Sep 2010 (2009) by Continent: Europe 11,611 (11,703), North America 9,007 (9,708), Central and South America 617 (470), Africa 477 (496), Asia 3,893 (2,469), Pacific 1,571 (1,317).

¹⁰⁾ Sales Jan-Dec 2009 (2008) by Continent: Europe 16,046 (16,157), North America 12,383 (12,771), Central and South America 616 (631), Africa 651 (558), Asia 3,427 (2,865), Pacific 1,839 (1,848).

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

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Press Release

INCOME STATEMENT - Reclassification

	Before reclassification		After reclassification		Before reclassification		After reclassification	
	Jan-Sep 2009		Jan-Sep 2009		Jul-Sep 2009		Jul-Sep 2009	
	SEK M	Dev.	SEK M		SEK M	Dev.	SEK M	
Sales	26,228	-65	26,163		8,425	-20	8,405	
Cost of goods sold	-15,632	-152	-15,784		-4,965	-4	-4,969	
Gross Income	10,596	-217	10,379		3,460	-24	3,436	
Selling and administrative expenses	-6,699	217	-6,483		-2,117	24	-2,092	
Share in earnings of associated companies	9	0	9		3	0	3	
Operating income	3,905	0	3,905		1,346	0	1,346	
Financial items	-528	0	-528		-159	0	-159	
Income before tax	3,377	0	3,377		1,187	0	1,187	
Tax	-919	0	-919		-300	0	-300	
Net income	2,458	0	2,458		888	0	888	

	Before reclassification		After reclassification		Before reclassification		After reclassification	
	Jan-Dec 2008		Jan-Dec 2008		Jan-Dec 2008		Jan-Dec 2008	
	SEK M	Dev.	SEK M		SEK M	Dev.	SEK M	
Sales	34,918	-89	34,829		35,049	-86	34,963	
Cost of goods sold	-21,532	-311	-21,843		-21,489	-291	-21,780	
Gross Income	13,386	-400	12,986		13,560	-377	13,183	
Selling and administrative expenses	-9,129	400	-8,729		-9,198	377	-8,821	
Share in earnings of associated companies	12	0	12		12	0	12	
Operating income	4,269	0	4,269		4,374	0	4,374	
Financial items	-770	0	-770		-634	0	-634	
Income before tax	3,499	0	3,499		3,740	0	3,740	
Tax	-1,061	0	-1,061		-1,081	0	-1,081	
Net income	2,438	0	2,438		2,659	0	2,659	

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 2008 and 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.