

Press Release

28 July 2010
No. 13/10

Record profit and market growth

- Sales totaled SEK 9,356 M (8,899), an increase of 5%, made up of 2% organic growth, 8% acquired growth and exchange-rate effects of -5%.
- Growth in Asia, South America and Europe.
- The sales decline on the North American market was limited to -4%.
- Strategic acquisitions of King in Korea and Paddock in the UK.
- Operating income (EBIT) amounted to SEK 1,515 M (1,340), an increase of 13%, corresponding to a margin of 16.2% (15.1).
- Net income amounted to SEK 1,031 M (852).
- Earnings per share rose by 22% to SEK 2.74 (2.25).

SALES AND INCOME

	Second quarter			First half-year		
	2009	2010	Change	2009	2010	Change
Sales, SEK M	8,899	9,356	+5%	17,758	17,701	0%
of which,						
Organic growth			+2%			-1%
Acquisitions			+8%			+6%
Exchange-rate effects	1,433	-379	-5%	2,893	-1,024	-5%
Operating income (EBIT), SEK M	1,340	1,515	+13%	2,668*	2,810	+5%
Operating margin (EBIT), %	15.1	16.2		15.0*	15.9	
Income before tax, SEK M	1,176	1,363	+16%	2,299*	2,521	+10%
Net income, SEK M	852	1,031	+21%	1,571**	1,910	+22%
Operating cash flow, SEK M	1,584	1,440	-9%	2,422	2,310	-5%
Earnings per share (EPS), SEK	2.25	2.74	+22%	4.45*	5.10	+15%

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

** Excluding restructuring costs, net income in the first half of 2009 was SEK 1,680 M.

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COMMENTS BY THE PRESIDENT AND CEO

“The market conditions continued to improve during the second quarter and the Group grew by 10%, whereof 2% organic growth,” says Johan Molin, President and CEO. “Asia and South America grew strongly while Europe showed a positive trend at the same time as the sales decline on the North American market was limited to -4%.

“Sales and profit reached record levels, and the operating margin developed in a very positive way as a result of the successful efficiency activities. Cash flow remained strong despite increased investments in production capacity and working capital due to growth.

“The conversion of production to assembly in high cost countries continues, which means that further savings will be realized. This creates room for important investments in product development and market coverage going forward.

“The acquired growth amounted to a good 8% in the quarter, and it is with great pleasure that I welcome the strategic acquisitions of King in Korea and Paddock in the UK to the ASSA ABLOY Group. They complement our market position in Korea and the UK in an excellent way.

“During the quarter several large countries have initiated national budget savings programs which can have a dampening effect on the economic recovery. At the same time the world economy is improving and the organic growth for the full year is therefore expected to be slightly positive.”

SECOND QUARTER

The Group's sales totaled SEK 9,356 M (8,899), an increase of 5% compared with 2009. Organic growth for comparable units was 2% (-14). Acquired units contributed 8% (4). Exchange-rate effects had a negative impact of SEK 379 M on sales, i.e. -5% (15).

Operating income before depreciation, EBITDA amounted to SEK 1,780 M (1,601). The corresponding EBITDA margin was 19.0% (18.0). The Group's operating income, EBIT, amounted to SEK 1,515 M (1,340), a rise of 13%. The operating margin was 16.2% (15.1).

Net financial items amounted to SEK 152 M (165). The Group's income before tax amounted to SEK 1,363 M (1,176), an improvement of 16% compared with the previous year. Exchange-rate effects had a negative impact of SEK 51 M on the Group's income before tax. The profit margin was 14.6% (13.2). The Group's tax charge totaled SEK 333 M (323). Earnings per share amounted to SEK 2.74 (2.25), an increase of 22%.

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FIRST HALF-YEAR

Sales for the first half of 2010 totaled SEK 17,701 M (17,758), unchanged from 2009. Organic growth was -1% (-13). Acquired units contributed 6% (4). Exchange-rate effects affected sales negatively by SEK 1,024 M, i.e. -5% (15), compared with the first half of 2009.

Operating income before depreciation, EBITDA, excluding restructuring costs, amounted to SEK 3,316 M (3,195) for the half-year. The corresponding margin was 18.7% (18.0). The Group's operating income, EBIT, excluding restructuring costs, amounted to SEK 2,810 M (2,668), an increase of 5%. The corresponding operating margin (EBIT) was 15.9% (15.0).

Earnings per share, excluding restructuring costs, for the first half-year increased to SEK 5.10 (4.45). Operating cash flow for the half-year amounted to SEK 2,310 M (2,422).

RESTRUCTURING MEASURES

Payments related to all restructuring programs amounted to SEK 182 M in the quarter.

The restructuring programs continued according to plan and have led to a reduction in personnel of 158 people during the quarter and 4,988 people since the projects began. A further 1,423 people will leave in the next few years.

At the end of the quarter, provisions of SEK 1,216 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 3,311 M (3,445), with organic growth of 3% (-18). Demand improved during the quarter in virtually all of the region. Finland, France and the Middle East showed especially strong growth while the weak trend in Eastern Europe continued. The UK, which had previously shown good growth, produced a negative trend this quarter. Acquired growth amounted to 1%. Operating income rose to SEK 525 M (489), which represents an operating margin (EBIT) of 15.9% (14.2). Return on capital employed, excluding restructuring and non-recurring costs, amounted to 19.9% (15.9). Operating cash flow before interest paid totaled SEK 613 M (597).

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AMERICAS

Sales for the quarter in Americas division totaled SEK 2,503 M (2,615), with organic growth of -4% (-17). The sales decline for the Door Group, Architectural Hardware and Residential was reduced during the quarter. However, the aftermarket-related business units such as High Security and Electromechanical showed good positive growth. Mexico and South America also grew strongly during the quarter. Acquired growth amounted to 2%. Operating income totaled SEK 493 M (512) and the operating margin was 19.7% (19.6). Return on capital employed amounted to 21.6% (20.9). Operating cash flow before interest paid totaled SEK 586 M (857).

ASIA PACIFIC

Sales for the quarter in Asia Pacific division totaled SEK 1,566 M (963), with organic growth of 18% (-9). All units in both Australia / New Zealand and Asia showed strong growth. The trend in Korea was especially good with strong growth in digital door locks for both local and export markets. Investments in increased production capacity in China continued during the quarter. Acquired growth amounted to 41%. Operating income totaled SEK 222 M (123), representing an operating margin (EBIT) of 14.2% (12.7). The quarter's return on capital employed amounted to 20.3% (16.4). Operating cash flow before interest paid totaled SEK 57 M (221).

GLOBAL TECHNOLOGIES

Sales for the quarter in Global Technologies division totaled SEK 1,240 M (1,235), with organic growth of 5% (-10). HID showed strong growth in response to a strongly growing market for access control. Identification technology also showed good growth. At Hospitality negative growth continued, but with strongly rising tender activity. The division's operating income amounted to SEK 208 M (194), giving an operating margin (EBIT) of 16.8% (15.7). Return on capital employed amounted to 14.5% (12.1). Operating cash flow before interest paid totaled SEK 204 M (234).

ENTRANCE SYSTEMS

Entrance Systems division reported sales of SEK 1,012 M (863) for the quarter, representing organic growth of -2% (-5). Continuing good sales on the service side compensated for much of the reduction in new-product sales. Ditec showed a weak trend resulting from the low market activity in southern Europe. Acquired growth amounted to 25%. Operating income totaled SEK 145 M (128), giving an operating margin of 14.3% (14.9). The dilution from the acquisition of Ditec amounted to 2.5 percentage points. Return on capital employed amounted to 13.6% (15.1). Operating cash flow before interest paid totaled SEK 106 M (149).

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ACQUISITIONS

Five acquisitions were consolidated during the quarter, which means that a total of eight acquisitions were consolidated in the first half-year. The combined acquisition price for these acquisitions amounted to SEK 3,393 M, and preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to SEK 2,582 M. The acquisition price is adjusted for acquired net debt and estimated earn-outs. Estimated earn-outs amount to SEK 2,183 M, of which SEK 2,028 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.

SUSTAINABLE DEVELOPMENT

The EU's directive about higher energy efficiency in new and existing buildings has increased the need for innovative total solutions for doors and windows. The market for these types of product is expected to increase since the requirements become progressively stricter in future years.

ASSA ABLOY has successfully developed and launched a number of new products that make a tangible contribution to reducing air leakage and heat losses in various door and window solutions.

For example, the Group company effeff in Germany has produced an innovative solution for multi-point locks which means that the pressure of the door itself against the sealing-strip in the frame is optimized at three points instead of one. This results in reduced heat losses and also improved sound insulation, while the advantages of convenient use and simple installation are retained.

PARENT COMPANY

'Other operating income' for the Parent company ASSA ABLOY AB totaled SEK 911 M (685) for the half-year. Income before tax amounted to SEK 1,188 M (1,228). Investments in tangible and intangible assets totaled SEK 1 M (1). Liquidity is good and the equity ratio was 50.4% (56.8).

During the second quarter of 2010 a repurchase of ASSA ABLOY shares took place. ASSA ABLOY AB acquired 300,000 Series B shares at a total purchase price of SEK 48 M. The purpose was to ensure the company's undertakings, including social security costs, in connection with the long term incentive program.

INCENTIVE PROGRAM

In accordance with the Board of Directors' proposal, the Annual General Meeting resolved to implement a Long-Term Incentive program for senior executives and other key personnel in the ASSA ABLOY Group. For further information about the incentive

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program, refer to the Board's full proposal for resolution concerning the Long-Term Incentive program, which can be found on ASSA ABLOY's website. Under the terms of the Long-Term Incentive program, LTI 2010, employees have bought 87,564 ASSA ABLOY shares during the second quarter.

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 IAS34 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.

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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 21 April 2010:*

Long-term outlook

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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 about 0 percent.

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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, 28 July 2010

Gustaf Douglas
Chairman

Carl Douglas
Board member

Birgitta Klasén
Board member

Eva Lindqvist
Board member

Johan Molin
President and CEO

Sven-Christer Nilsson
Board member

Lars Renström
Board member

Ulrik Svensson
Board member

Seppo Liimatainen
Employee representative

Mats Persson
Employee representative

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REVIEW REPORT

We have reviewed this Report for the period 1 January to 30 June 2010 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.

We 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 Standards on Auditing in Sweden, RS, 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.

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, 28 July 2010

PricewaterhouseCoopers AB

Peter Nyllinge

Authorized Public Accountant

Auditor in charge

Bo Karlsson

Authorized Public Accountant

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FINANCIAL INFORMATION

The Quarterly Report for the third quarter will be published on 27 October 2010.

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 28 July.

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FINANCIAL INFORMATION - GROUP

INCOME STATEMENT	Jan-Dec 2009 SEK M	Jan-Jun 2009 SEK M	Jan-Jun 2010 SEK M	Apr-Jun 2009 SEK M	Apr-Jun 2010 SEK M
Sales	34,963	17,758	17,701	8,899	9,356
Cost of goods sold	-21,780	-10,815	-10,580	-5,397	-5,596
Gross Income	13,183	6,943	7,121	3,502	3,761
Selling and administrative expenses	-8,821	-4,390	-4,312	-2,168	-2,246
Share in earnings of associated companies	12	6	0	6	0
Operating income	4,374	2,559	2,810	1,340	1,515
Financial items	-634	-369	-289	-165	-152
Income before tax	3,740	2,190	2,521	1,176	1,363
Tax	-1,081	-619	-611	-323	-333
Net income	2,659	1,571	1,910	852	1,031
Allocation of net income:					
Shareholders in ASSA ABLOY AB	2,626	1,559	1,895	843	1,019
Non-controlling interest	32	12	15	9	11
EARNINGS PER SHARE					
	Jan-Dec 2009 SEK	Jan-Jun 2009 SEK	Jan-Jun 2010 SEK	Apr-Jun 2009 SEK	Apr-Jun 2010 SEK
Earnings per share after tax and before dilution ¹⁾	7.18	4.26	5.18	2.30	2.79
Earnings per share after tax and dilution ²⁾	7.06	4.16	5.10	2.25	2.74
Earnings per share after tax and dilution, excluding items affecting comparability ^{2) 11)}	9.22	4.45	5.10	2.25	2.74
COMPREHENSIVE INCOME					
	Jan-Dec 2009 SEK M	Jan-Jun 2009 SEK M	Jan-Jun 2010 SEK M	Apr-Jun 2009 SEK M	Apr-Jun 2010 SEK M
Profit for the period	2,659	1,571	1,910	852	1,031
Other comprehensive income					
Exchange differences on translating foreign operations	-826	193	579	-485	739
Total comprehensive income for the period	1,833	1,764	2,489	367	1,770
Total comprehensive attributable to:					
-Parent company shareholders	1,814	1,752	2,461	367	1,747
-Non-controlling interest	19	12	28	1	22
CASH FLOW STATEMENT					
	Jan-Dec 2009 SEK M	Jan-Jun 2009 SEK M	Jan-Jun 2010 SEK M	Apr-Jun 2009 SEK M	Apr-Jun 2010 SEK M
Cash flow from operating activities	5,924	1,732	1,834	1,160	1,287
Cash flow from investing activities	-1,835	-702	-1,461	-242	-643
Cash flow from financing activities	-3,741	818	-1,358	-770	-1,097
Cash flow	348	1,848	-985	148	-453
Cash and cash equivalents at beginning of period	1,931	1,931	2,235	3,699	1,710
Cash flow	348	1,848	-985	148	-453
Effect of exchange rate differences	-44	11	63	-57	56
Cash and cash equivalents at end of period	2,235	3,790	1,313	3,790	1,313

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BALANCE SHEET

	31 Dec 2009	30 Jun 2009	30 Jun 2010
	SEK M	SEK M	SEK M
Intangible assets	22,324	22,816	25,703
Tangible fixed assets	5,550	6,014	6,116
Financial fixed assets	1,187	1,176	970
Total non-current assets	29,061	30,006	32,789
Inventories	4,349	4,985	5,189
Trade receivables	5,618	6,150	6,100
Other non-interest-bearing current assets	1,171	1,297	1,350
Interest-bearing current assets	2,419	4,049	1,476
Total current assets	13,557	16,481	14,115
Total assets	42,618	46,488	46,905
Equity before non-controlling interest	19,172	19,110	20,269
Non-controlling interest	162	152	174
Total equity	19,334	19,262	20,443
Interest-bearing non-current liabilities	11,810	12,427	11,415
Non-interest-bearing non-current liabilities	2,068	1,391	3,928
Total non-current liabilities	13,878	13,818	15,343
Interest-bearing current liabilities	1,901	6,117	2,729
Non-interest-bearing current liabilities	7,505	7,291	8,390
Total current liabilities	9,406	13,408	11,119
Total equity and liabilities	42,618	46,488	46,905

CHANGE IN EQUITY

	Jan-Dec 2009	Jan-Jun 2009	Jan-Jun 2010
	SEK M	SEK M	SEK M
Opening balance	18,838	18,838	19,334
Total comprehensive income for the year	1,833	1,764	2,489
Dividend	-1,317	-1,317	-1,317
Stock purchase plans	-	-	1
Purchase of treasury shares	-	-	-48
Non-controlling interest, net	-20	-23	-16
Closing balance	19,334	19,262	20,443

KEY DATA

	Jan-Dec 2009	Jan-Jun 2009	Jan-Jun 2010
Return on capital employed excluding items affecting comparability, %	16.2	15.2	17.0
Return on capital employed including items affecting comparability, %	13.1	14.6	17.0
Return on shareholders' equity, %	12.7	15.1	18.0
Equity ratio, %	45.4	41.4	43.6
Interest coverage ratio, times	7.2	7.7	9.7
Interest on convertible debentures net after tax, SEK M	31.9	24.2	4.7
Number of shares, thousands	365,918	365,918	365,918
Number of shares after dilution, thousands	372,931	380,197	372,718
Weighted average number of shares after dilution, thousands	376,534	380,197	372,882
Average number of employees	29,375	29,903	36,962

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FINANCIAL INFORMATION - PARENT COMPANY

INCOME STATEMENT	Jan-Dec 2009 SEK M	Jan-Jun 2009 SEK M	Jan-Jun 2010 SEK M
Operating income	566	285	487
Income before tax	1,694	1,228	1,188
Net income	1,536	1,231	1,189

BALANCE SHEET	31 Dec 2009 SEK M	30 Jun 2009 SEK M	30 Jun 2010 SEK M
Non-current assets	19,473	19,349	21,754
Current assets	4,176	4,793	3,978
Total assets	23,649	24,142	25,732
Equity	13,150	13,716	12,974
Provisions	5	58	2,033
Non-current liabilities	5,720	8,536	5,434
Current liabilities	4,774	1,832	5,291
Total equity and liabilities	23,649	24,142	25,732

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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-Jun 2009	Full Year 2009	Q1 2010	Q2 2010	Jan-Jun 2010	12 month rolling
Sales	8,859	8,899	8,405	8,799	17,758	34,963	8,345	9,356	17,701	34,905
Organic growth ³⁾	-12%	-14%	-13%	-8%	-13%	-12%	-3%	2%	-1%	
Gross income excluding items affecting comparability	3,550	3,502	3,370	3,603	7,052	14,025	3,361	3,761	7,121	14,095
Gross income / Sales	40.1%	39.4%	40.1%	40.9%	39.7%	40.1%	40.3%	40.2%	40.2%	40.4%
Operating income before depreciation (EBITDA) excluding items affecting comparability	1,594	1,601	1,584	1,648	3,195	6,426	1,536	1,780	3,316	6,548
Operating margin (EBITDA)	18.0%	18.0%	18.8%	18.7%	18.0%	18.4%	18.4%	19.0%	18.7%	18.8%
Depreciation	-266	-261	-237	-249	-527	-1,014	-241	-265	-506	-992
Operating income (EBIT) excluding items affecting comparability	1,328	1,340	1,346	1,398	2,668	5,413	1,295	1,515	2,810	5,554
Operating margin (EBIT)	15.0%	15.1%	16.0%	15.9%	15.0%	15.5%	15.5%	16.2%	15.9%	15.9%
Items affecting comparability ¹¹⁾	-109	-	-	-930	-109	-1,039	-	-	-	-930
Operating income (EBIT)	1,219	1,340	1,346	468	2,559	4,374	1,295	1,515	2,810	4,624
Financial items	-205	-165	-159	-106	-369	-634	-137	-152	-289	-554
Income before tax	1,015	1,176	1,187	362	2,190	3,740	1,158	1,363	2,521	4,070
Profit margin (EBT)	11.4%	13.2%	14.1%	4.1%	12.3%	10.7%	13.9%	14.6%	14.2%	11.7%
Tax	-296	-323	-300	-162	-619	-1,081	-278	-333	-611	-1,073
Net income	718	852	888	200	1,571	2,659	880	1,031	1,910	2,999
Allocation of net income:										
Shareholders in ASSA ABLOY AB	716	843	876	192	1,559	2,626	876	1,019	1,895	2,963
Non-controlling interest	3	9	12	9	12	32	4	11	15	36

OPERATING CASH FLOW

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Jan-Jun 2009	Full Year 2009	Q1 2010	Q2 2010	Jan-Jun 2010	12 month rolling
Operating income (EBIT)	1,219	1,340	1,346	468	2,559	4,374	1,295	1,515	2,810	4,624
Restructuring costs	109	0	0	930	109	1,039	-	-	-	930
Depreciation	266	261	237	249	527	1,014	241	265	506	992
Net capital expenditure	-187	-186	-99	-191	-373	-664	-50	-270	-320	-610
Change in working capital	-316	346	612	818	30	1,460	-475	79	-396	1,034
Paid and received interest	-193	-157	-38	-119	-350	-507	-77	-170	-247	-404
Adjustment for non-cash items	-60	-20	67	140	-80	127	-64	21	-43	164
Operating cash flow ⁴⁾	838	1,584	2,125	2,296	2,422	6,843	870	1,440	2,310	6,730
Operating cash flow / Income before tax ⁴⁾	0.75	1.35	1.79	1.78	1.05	1.43	0.75	1.06	0.92	1.35

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CHANGE IN NET DEBT

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Jan-Jun 2009	Full Year 2009	Q1 2010	Q2 2010	Jan-Jun 2010
Net debt at beginning of the period	14,013	14,317	14,239	12,432	14,013	14,013	11,048	11,469	11,048
Operating cash flow	-838	-1,584	-2,125	-2,296	-2,422	-6,843	-870	-1,440	-2,310
Restructuring payment	144	224	147	161	368	676	112	182	294
Tax paid	298	397	2	210	695	907	261	241	502
Acquisitions/Disposals	263	66	511	331	329	1,171	768	373	1,141
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	-61	-193	150	418	568
Net debt at end of period	14,317	14,239	12,432	11,048	14,239	11,048	11,469	12,608	12,608
Net debt / Equity	0.71	0.74	0.67	0.57	0.74	0.57	0.57	0.62	0.62

NET DEBT

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

CAPITAL EMPLOYED AND FINANCING

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

DATA PER SHARE

	Q1 2009 SEK	Q2 2009 SEK	Q3 2009 SEK	Q4 2009 SEK	Jan-Jun 2009 SEK	Full Year 2009 SEK	Q1 2010 SEK	Q2 2010 SEK	Jan-Jun 2010 SEK	12 month rolling SEK
Earnings per share after tax and before dilution ¹⁾	1.96	2.30	2.39	0.52	4.26	7.18	2.39	2.79	5.18	8.09
Earnings per share after tax and dilution ²⁾	1.92	2.25	2.36	0.54	4.16	7.06	2.36	2.74	5.10	8.00
Earnings per share after tax and dilution excluding items affecting comparability ^{2) 11)}	2.20	2.25	2.36	2.41	4.45	9.22	2.36	2.74	5.10	9.87
Shareholders' equity per share after dilution ²⁾	59.55	54.28	53.47	55.29	54.21	54.76	56.94	57.89	57.88	

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RESULTS BY DIVISION

SEK M	EMEA ⁵⁾		Americas ⁶⁾		Asia Pacific ⁷⁾		Global Technologies ⁸⁾		Entrance Systems		Other		Total	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
Apr - Jun and 30 Jun respectively														
Sales, external	3,353	3,195	2,607	2,492	884	1,450	1,204	1,221	851	999	-	-	8,899 ⁹⁾	9,356 ⁹⁾
Sales, intragroup	92	116	9	11	79	115	31	19	11	13	-222	-276	-	-
Sales	3,445	3,311	2,615	2,503	963	1,566	1,235	1,240	863	1,012	-222	-276	8,899	9,356
Organic growth ³⁾	-18%	3%	-17%	-4%	-9%	18%	-10%	5%	-5%	-2%	-	-	-14%	2%
Operating income (EBIT)	489	525	512	493	123	222	194	208	128	145	-106	-78	1,340	1,515
Operating margin (EBIT)	14.2%	15.9%	19.6%	19.7%	12.7%	14.2%	15.7%	16.8%	14.9%	14.3%	-	-	15.1%	16.2%
Items affecting comparability ¹¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating income (EBIT) including items affecting comparability	489	525	512	493	123	222	194	208	128	145	-106	-78	1,340	1,515
Capital employed	11,526	9,695	9,470	9,271	3,000	4,792	6,139	5,699	3,316	4,212	43	-618	33,494	33,051
- of which goodwill	5,886	5,423	6,202	6,535	1,665	4,160	4,309	4,205	2,796	3,335	-	-	20,857	23,659
- of which other intangibles and fixed assets	3,399	2,945	2,002	1,877	972	1,583	1,266	1,166	205	466	129	123	7,972	8,160
- of which shares in associates	37	37	2	-	14	-	-	-	-	-	-	-	54	37
Return on capital employed excluding items affecting comparability	15.9%	19.9%	20.9%	21.6%	16.4%	20.3%	12.1%	14.5%	15.1%	13.6%	-	-	14.8%	18.1%
Operating income (EBIT)	489	525	512	493	123	222	194	208	128	145	-106	-78	1,340	1,515
Restructuring costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	125	109	59	59	24	41	40	37	10	15	3	3	261	265
Net capital expenditure	-77	-159	-37	-24	-23	-60	-34	-22	-13	-5	-1	0	-186	-270
Movement in working capital	61	139	323	58	97	-147	34	-19	24	-49	-193	97	346	79
Cash flow ⁴⁾	597	613	857	586	221	57	234	204	149	106	-	-	1,761	1,589
Adjustment for non-cash items	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paid and received interest	-	-	-	-	-	-	-	-	-	-	-20	21	-20	21
Operating cash flow ⁴⁾	-	-	-	-	-	-	-	-	-	-	-157	-170	1,584	1,440

SEK M	EMEA ⁵⁾		Americas ⁶⁾		Asia Pacific ⁷⁾		Global Technologies ⁸⁾		Entrance Systems		Other		Total	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
Jan - Jun and 30 Jun respectively														
Sales, external	6,730	6,399	5,338	4,688	1,576	2,383	2,450	2,291	1,664	1,940	-	-	17,758 ¹⁰⁾	17,701 ¹⁰⁾
Sales, intragroup	172	208	19	20	146	197	59	34	22	26	-418	-485	-	-
Sales	6,903	6,607	5,357	4,708	1,723	2,580	2,509	2,325	1,685	1,966	-418	-485	17,758	17,701
Organic growth ³⁾	-16%	2%	-16%	-7%	-8%	15%	-9%	0%	-3%	-3%	-	-	-13%	-1%
Operating income (EBIT)	985	1,050	1,038	912	177	326	393	392	256	278	-181	-148	2,668	2,810
Operating margin (EBIT)	14.3%	15.9%	19.4%	19.4%	10.3%	12.6%	15.7%	16.8%	15.2%	14.2%	-	-	15.0%	15.9%
Items affecting comparability ¹¹⁾	-109	-	-	-	-	-	-	-	-	-	-	-	-109	-
Operating income (EBIT) including items affecting comparability	876	1,050	1,038	912	177	326	393	392	256	278	-181	-148	2,559	2,810
Capital employed	11,526	9,695	9,470	9,271	3,000	4,792	6,139	5,699	3,316	4,212	43	-618	33,494	33,051
- of which goodwill	5,886	5,423	6,202	6,535	1,665	4,160	4,309	4,205	2,796	3,335	-	-	20,857	23,659
- of which other intangibles and fixed assets	3,399	2,945	2,002	1,877	972	1,583	1,266	1,166	205	466	129	123	7,972	8,160
- of which shares in associates	37	37	2	-	14	-	-	-	-	-	-	-	54	37
Return on capital employed excluding items affecting comparability	15.3%	19.8%	20.7%	20.5%	12.2%	17.2%	12.6%	13.7%	14.9%	13.0%	-	-	15.2%	17.0%
Operating income (EBIT)	876	1,050	1,038	912	177	326	393	392	256	278	-181	-148	2,559	2,810
Restructuring costs	109	-	-	-	-	-	-	-	-	-	-	-	109	-
Depreciation	252	220	122	114	48	66	79	73	20	27	6	6	527	506
Net capital expenditure	-149	-199	-95	-47	-43	-85	-67	-48	-16	-28	-2	87	-373	-320
Movement in working capital	-151	-28	278	-72	74	-251	-81	-95	130	-3	-220	53	30	-396
Cash flow ⁴⁾	938	1,043	1,344	906	255	56	323	323	390	275	-	-	2,852	2,600
Adjustment for non-cash items	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paid and received interest	-	-	-	-	-	-	-	-	-	-	-80	-43	-80	-43
Operating cash flow ⁴⁾	-	-	-	-	-	-	-	-	-	-	-350	-247	2,422	2,310
Average number of employees	10,512	9,566	7,169	6,757	7,404	15,361	2,528	2,379	2,176	2,799	114	100	29,903	36,962

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SEK M	EMEA ⁵⁾		Americas ⁶⁾		Asia Pacific ⁷⁾		Global Technologies ⁸⁾		Entrance Systems		Other		Total	
Jan - Dec and 31 Dec respectively	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 ³⁾	-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: : Apr-Jun 2010 (2009): 365,783 (365,918), Jan-Jun 2010 (2009): 365,850 (365,918), Jan-Dec 2010 (2009): 365,918 (365,918).

²⁾ Number of shares, thousands, used for calculation: Apr-Jun 2010 (2009): 372,815 (379,687), Jan-Jun 2010 (2009): 372,882 (380,197), Jan-Dec 2010 (2009): 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-Jun 2010 (2009) by Continent: Europe 7,857 (8,019), North America 5,790 (6,665), Central and South America 397 (324), Africa 320 (336), Asia 2,335 (1,568), Pacific 1,002 (846).

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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INCOME STATEMENT - Reclassification

	Before reclassification		After reclassification		Before reclassification		After reclassification	
	Jan-Jun 2009	Dev.	Jan-Jun 2009	Dev.	Apr-Jun 2009	Dev.	Apr-Jun 2009	Dev.
	SEK M		SEK M		SEK M		SEK M	
Sales	17,803	-45	17,758		8,921	-22	8,899	
Cost of goods sold	-10,667	-148	-10,815		-5,322	-75	-5,397	
Gross income	7,136	-193	6,943		3,599	-97	3,502	
Selling and administrative expenses	-4,583	193	-4,390		-2,265	97	-2,168	
Share in earnings of associated companies	6	0	6		6	0	6	
Operating income	2,559	0	2,559		1,340	0	1,340	
Financial items	-369	0	-369		-165	0	-165	
Income before tax	2,190	0	2,190		1,176	0	1,176	
Tax	-619	0	-619		-323	0	-323	
Net income	1,571	0	1,571		852	0	852	

	Before reclassification		After reclassification		Before reclassification		After reclassification	
	Jan-Dec 2008	Dev.	Jan-Dec 2008	Dev.	Jan-Dec 2008	Dev.	Jan-Dec 2008	Dev.
	SEK M		SEK M		SEK M		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.