

Press Release

27 July 2011
No. 24/11

Solid progress for ASSA ABLOY

- Sales totaled SEK 10,502 M (9,356), representing an increase of 12%, made up of 5% organic growth, 20% acquired growth and currency effects of -13%.
- Strong growth in Asia and South America.
- Slow but stable development on the mature markets.
- Operating income (EBIT) increased by 7% and amounted to SEK 1,615 M (1,515).
- The operating margin amounted to 15.4% (16.2) including dilution from acquisitions and currency with 1.1%.
- Sale of Lorentzen & Wettre to ABB means that the Cardo transaction will be complete.
- Reduced tax rate to 22% (24).
- Net income amounted to SEK 1,156 M (1,031).
- Earnings per share rose by 12% to SEK 3.07 (2.74).

SALES AND INCOME

	Second quarter			First half-year		
	2010	2011	Change	2010	2011	Change
Sales, SEK M	9,356	10,502	+12%	17,701	19,201	+8%
of which,						
Organic growth			+5%			+5%
Acquisitions			+20%			+14%
Currency effects		-956	-13%		-1,623	-11%
Operating income (EBIT), SEK M	1,515	1,615	+7%	2,810	2,992	+6%
Operating margin (EBIT), %	16.2	15.4		15.9	15.6	
Income before tax, SEK M	1,363	1,460	+7%	2,521	2,675	+6%
Net income, SEK M	1,031	1,156	+12%	1,910	2,099	+10%
Operating cash flow, SEK M	1,440	1,311	-9%	2,310	1,758	-24%
Earnings per share (EPS), SEK	2.74	3.07	+12%	5.10	5.60	+10%

COMMENTS BY THE PRESIDENT AND CEO

"In the second quarter of the year sales grew by an exciting 25% in local currencies, made up of 5% organic growth and 20% acquired growth," says Johan Molin, President and CEO. Asia and South America showed strong growth, while development in the mature markets

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was slow but stable. It was pleasing that our electromechanical products did extremely well and continued to grow in all divisions and on all markets, with HID in particular reporting great successes and achieving 19% organic growth during the quarter.

“Operating income improved by 7% in spite of strong negative currency effects. The operating margin was affected positively by the volume growth and the efficiency and restructuring programs at the same time as it was diluted by acquisitions and currency.

“It is very pleasing that the Cardo deal is now concluding with the signing with ABB Ltd for the sale of Lorentzen & Wettre. This means that the parts of Cardo that do not fit ASSA ABLOY long term will get industrial owners that gives them better opportunities for continued development and growth. The integration of Crawford is progressing rapidly and is looking extremely promising.

“During the quarter Portafeu, France’s leading manufacturer of fire doors, was acquired and its integration into EMEA division is in good progress. Portafeu broadens our offer in one of our most important European markets. I want to take this opportunity to welcome Portafeu’s highly skilled staff into the Group.

“The business cycle on the mature markets is expected to be slow but stable due to cuts in public spending at the same time as the development on the emerging markets is expected to continue to be positive.”

SECOND QUARTER

The Group’s sales totaled SEK 10,502 M (9,356), an increase of 12% compared with 2010. Organic growth for comparable units was 5% (2). Acquired units contributed 20% (8). Currency effects had a negative impact of SEK 956 M on sales, that is -13% (-5).

Operating income before depreciation, EBITDA, excluding restructuring costs, amounted to SEK 1,863 M (1,780). The corresponding EBITDA margin was 17.7% (19.0). The Group’s operating income, EBIT, amounted to SEK 1,615 M (1,515), an increase of 7%. The operating margin was 15.4% (16.2).

Net financial items amounted to SEK -156 M (-152). The Group’s income before tax amounted to SEK 1,460 M (1,363), an improvement of 7% compared with the previous year. Currency effects had a negative impact of SEK 153 M on the Group’s income before tax. The profit margin was 13.9% (14.6). The estimated effective tax rate amounted to 22%, giving a tax charge of SEK 321 M (333). Earnings per share amounted to SEK 3.07 (2.74), an increase of 12%.

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FIRST HALF-YEAR

Sales for the first half of 2011 totaled SEK 19,201 M (17,701), representing an increase of 8%. Organic growth was 5% (-1). Acquired units contributed 14% (6). Currency effects affected sales negatively by SEK 1,623 M, that is -11% (-5), compared with the first half of 2010.

Operating income before depreciation, EBITDA, excluding restructuring costs, amounted to SEK 3,493 M (3,316) for the half-year. The corresponding margin was 18.2% (18.7). The Group's operating income, EBIT, excluding restructuring costs, amounted to SEK 2,992 M (2,810), an increase of 6%. The corresponding operating margin (EBIT) was 15.6% (15.9).

Earnings per share for the first half-year rose to SEK 5.60 (5.10) an increase of 10%. Operating cash flow for the half-year amounted to SEK 1,758 M (2,310).

RESTRUCTURING MEASURES

Payments related to all restructuring programs amounted to SEK 67 M in the quarter.

The restructuring programs continued according to plan and have led to a reduction in personnel of 89 people during the quarter and 5,572 people since the projects began. A further 816 people will leave by the end of 2012.

At the end of the quarter, a provision of SEK 809 M was 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 3,253 M (3,311), with organic growth of -3% (3). The market trend remained weak during the second quarter and only Germany, Scandinavia, Eastern Europe and Israel showed growth. Acquired growth amounted to 8%. Operating income totaled SEK 510 M (525), which represents an operating margin (EBIT) of 15.7% (15.9). Return on capital employed amounted to 20.6% (19.9). Operating cash flow before interest paid totaled SEK 429 M (613).

AMERICAS

Sales for the quarter in Americas division totaled SEK 2,177 M (2,503), with organic growth of 2% (-4). The sales trend during the quarter was positive and all business units except Mexico showed growth, with especially good performance from Electromechanics, Residential and South America. Acquired growth amounted to 1%. Operating income

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totalled SEK 456 M (493) and the operating margin was 20.9% (19.7). Return on capital employed amounted to 23.6% (21.6). Operating cash flow before interest paid totalled SEK 482 M (586).

ASIA PACIFIC

Sales for the quarter in Asia Pacific division totalled SEK 1,630 M (1,566), with organic growth of 12% (18). Growth was strong throughout Asia, and especially for security doors in China. Australia and New Zealand recorded a negative sales trend affected by the natural disasters in the region and a reduction in stimulation measures in Australia. Acquired growth amounted to 2%. Operating income totalled SEK 232 M (222), representing an operating margin (EBIT) of 14.3% (14.2). The quarter's return on capital employed amounted to 22.4% (20.3). Operating cash flow before interest paid totalled SEK 199 M (57).

GLOBAL TECHNOLOGIES

Sales for the quarter in Global Technologies division totalled SEK 1,416 M (1,240), with organic growth amounting to 17% (5). HID showed strong growth again in the second quarter, but with an increasing proportion of project orders with lower margins. Hospitality recorded strong growth driven by the recovery on the renovation market and rising sales of RFID locks and energy-efficiency products. Acquired growth amounted to 14%. The division's operating income amounted to SEK 224 M (208), giving an operating margin (EBIT) of 15.9% (16.8). The operating margin was diluted by 1.1% from the acquisitions of LaserCard and ActivIdentity. Return on capital employed amounted to 15.0% (14.5). Operating cash flow before interest paid totalled SEK 270 M (204).

ENTRANCE SYSTEMS

Sales for the quarter in Entrance Systems division totalled SEK 2,235 M (1,012), with organic growth amounting to 5% (-2). Growth was good for all units including the newly acquired Crawford (formerly Cardo) and FlexiForce. Profitability also showed a positive trend for all units and the integration of Crawford and FlexiForce proceeded at a satisfactory pace. Acquired growth amounted to 135%. Operating income totalled SEK 281 M (145), giving an operating margin of 12.6% (14.3). The operating margin was diluted by 2.4% mainly from the acquisition of Crawford (Cardo). Return on capital employed amounted to 10.6% (13.6). Operating cash flow before interest paid totalled SEK 1 66 M (106).

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ACQUISITIONS

During the quarter FlexiForce in the Netherlands, Swesafe in Sweden, Portafeu in France and one minor acquisition were consolidated. The combined acquisition price for the eight companies acquired during the first half-year, excluding disposal groups, amounted to SEK 6,429 M, and preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to SEK 5,778 M. The acquisition price is adjusted for acquired net debt and estimated earn-outs. Estimated earn-outs amount to SEK 290 M.

The acquisition analysis for Cardo Entrance Solutions is presented on Page 18. The parts of Cardo that are to be divested – that is, Cardo Flow Solutions and Lorentzen & Wettre – have been classified as ‘disposal groups held for sale’ in accordance with IFRS 5, ‘Non-current Assets Held for Sale and Discontinued Operations’. The disposal groups have been valued at fair value at the time of acquisition with a deduction for costs to sell.

On 4 July it was announced that ASSA ABLOY had signed a contract with the Swedish/Swiss company ABB Ltd for the sale of Lorentzen & Wettre, part of the former Cardo Group. The sale price is SEK 750 M on a liability-free basis. The sale is expected to be completed during the second half of 2011.

SUSTAINABLE DEVELOPMENT

The Security Doors business unit of ASSA ABLOY Americas has received both GREENGUARD Indoor Air Quality Certification and GREENGUARD Children & Schools Certification for its four brands Ceco, Curries, Graham and Maiman.

The GREENGUARD Environmental Institute certifies products and materials that give off the lowest possible levels of particles and chemical vapors during their lifetimes, with the aim of recommending healthier products and materials for indoor environments.

PARENT COMPANY

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 877 M (911) for the half-year. Income before tax amounted to SEK 592M (1,188), a reduction due primarily to reduced dividends from subsidiaries. Investments in tangible and intangible assets totaled SEK 2 M (1). Liquidity is good and the equity ratio was 36.2 % (50.4). The equity ratio has fallen because of borrowing for the acquisition of Cardo.

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

This 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'.

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 2010 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 28 April 2011:*

Long-term outlook

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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, 27 July 2011

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 2011 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 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.

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, 27 July 2011

PricewaterhouseCoopers AB

Peter Nyllinge

Authorized Public Accountant
Auditor in charge

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FINANCIAL INFORMATION

The Quarterly Report for the third quarter will be published on 28 October 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 July.

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

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FINANCIAL INFORMATION - GROUP

INCOME STATEMENT	Jan-Dec	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun
	2010	2010	2011	2010	2011
	SEK M	SEK M	SEK M	SEK M	SEK M
Sales	36,823	17,701	19,201	9,356	10,502
Cost of goods sold	-21,987	-10,580	-11,591	-5,596	-6,452
Gross Income	14,836	7,121	7,610	3,761	4,050
Selling and administrative expenses	-8,793	-4,312	-4,636	-2,246	-2,448
Share in earnings of associated companies:	3	0	18	0	12
Operating income	6,046	2,810	2,992	1,515	1,615
Financial item	-680	-289	-317	-152	-155
Income before tax	5,366	2,521	2,675	1,363	1,460
Tax	-1,286	-611	-589	-333	-321
Net income of disposal group classified as held for sale	-	-	13	-	17
Net income	4,080	1,910	2,099	1,031	1,156
Allocation of net income:					
Shareholders in ASSA ABLOY AB	4,050	1,895	2,084	1,019	1,143
Non-controlling interest	30	15	14	11	13

EARNINGS PER SHARE	Jan-Dec	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun
	2010	2010	2011	2010	2011
	SEK	SEK	SEK	SEK	SEK
Total operations					
Earnings per share after tax and before dilution ¹⁾	11.07	5.18	5.65	2.79	3.08
Earnings per share after tax and dilution ²⁾	10.89	5.10	5.60	2.74	3.07
Continuing operations					
Earnings per share after tax and before dilution ¹⁾	11.07	5.18	5.62	2.79	3.04
Earnings per share after tax and dilution ²⁾	10.89	5.10	5.57	2.74	3.02
Discontinued operations					
Earnings per share after tax and before dilution ¹⁾	-	-	0.03	-	0.04
Earnings per share after tax and dilution ²⁾	-	-	0.03	-	0.05

COMPREHENSIVE INCOME	Jan-Dec	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun
	2010	2010	2011	2010	2011
	SEK M	SEK M	SEK M	SEK M	SEK M
Profit for the period	4,080	1,910	2,099	1,031	1,156
Other comprehensive income					
Exchange differences on translating foreign operations	-1,249	579	-662	739	383
Total comprehensive income for the period	2,831	2,489	1,437	1,770	1,539
Total comprehensive income attributable to:					
-Parent company shareholders	2,805	2,461	1,432	1,747	1,525
-Non-controlling interest	26	28	5	22	14

CASH FLOW STATEMENT	Jan-Dec	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun
	2010	2010	2011	2010	2011
	SEK M	SEK M	SEK M	SEK M	SEK M
Cash flow from operating activities	5,729	1,834	1,441	1,287	1,120
Cash flow from investing activities	-4,027	-1,461	-12,987	-643	-1,219
Cash flow from financing activities	-2,597	-1,358	11,702	-1,097	-25
Cash flow	-895	-985	156	-453	-124
Cash and cash equivalents at beginning of period					
Cash flow	2,235	2,235	1,302	1,710	1,517
Effect of exchange rate differences	-895	-985	156	-453	-124
	-38	63	-54	56	11
Cash and cash equivalents at end of period	1,302	1,313	1,404	1,313	1,404

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BALANCE SHEET	31 Dec	30 Jun	30 Jun
	2010	2010	2011
	SEK M	SEK M	SEK M
Intangible assets	25,193	25,703	30,040
Tangible fixed assets	5,422	6,116	5,753
Financial fixed assets	1,595	970	1,986
Total non-current assets	32,210	32,789	37,779
Inventories	4,825	5,189	5,938
Trade receivable	5,596	6,100	6,772
Other non-interest-bearing current assets	1,308	1,350	1,501
Interest-bearing current assets	1,450	1,476	1,614
Assets of disposal group classified as held for sale	-	-	7,646
Total current assets	13,179	14,115	23,471
Total assets	45,389	46,905	61,250
Equity before non-controlling interest	20,652	20,269	20,907
Non-controlling interest	169	174	301
Total equity	20,821	20,443	21,208
Interest-bearing non-current liabilities	9,212	11,415	7,796
Non-interest-bearing non-current liabilities	4,236	3,928	4,791
Total non-current liabilities	13,448	15,343	12,587
Interest-bearing current liabilities	2,864	2,729	17,279
Non-interest-bearing current liabilities	8,256	8,390	8,908
Liabilities of disposal group classified as held for sale	-	-	1,268
Total current liabilities	11,120	11,119	27,455
Total equity and liabilities	45,389	45,905	61,250
CHANGE IN EQUITY	Jan-Dec	Jan-Jun	Jan-Jun
	2010	2010	2011
	SEK M	SEK M	SEK M
Opening balance	19,334	19,334	20,821
Total comprehensive income for the year	2,831	2,489	1,437
Dividend	-1,317	-1,317	-1,472
Stock purchase plans	6	1	5
Share issue ¹⁾	34	-	308
Purchase of treasury shares	-48	-4€	-17
Non-controlling interest, net	-19	-1€	126
Closing balance	20,821	20,443	21,208
KEY DATA	Jan-Dec	Jan-Jun	Jan-Jun
	2010	2010	2011
Return on capital employed excluding items affecting comparability, %	18.5	17.0	16.5
Return on shareholders' equity, %	19.1	18.0	19.1
Equity ratio, %	45.9	43.6	34.6
Interest coverage ratio, times	10.1	9.7	10.7
Interest on convertible debentures net after tax, SEK M	9.9	4.7	4.8
Number of shares, thousands	366,177	365,918	368,250
Weighted average number of shares, thousands	365,744	365,850	368,878
Number of shares after dilution, thousands	372,736	372,718	372,918
Weighted average number of shares after dilution, thousands	372,810	372,882	373,000
Average number of employees	37,279	36,962	39,677

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FINANCIAL INFORMATION - PARENT COMPANY

INCOME STATEMENT	Jan-Dec	Jan-Jun	Jan-Jun
	2010	2010	2011
	SEK M	SEK M	SEK M
Operating income	778	487	486
Income before tax	1,679	1,188	592
Net income	1,492	1,189	594

BALANCE SHEET	31 Dec	30 Jun	30 Jun
	2010	2010	2011
	SEK M	SEK M	SEK M
Non-current assets	20,614	21,754	31,844
Current assets	3,560	3,978	2,551
Total assets	24,174	25,732	34,395
Equity	12,781	12,974	12,436
Provisions	0	2,033	0
Non-current liabilities	3,601	5,434	2,944
Current liabilities	7,792	5,291	19,015
Total equity and liabilities	24,174	25,732	34,395

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QUARTERLY INFORMATION - GROUP

THE GROUP IN SUMMARY

All amounts in SEK M if not otherwise noted.

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Jan-Jun 2010	Full Year 2010	Q1 2011	Q2 2011	Jan-Jun 2011	12 month rolling
Sales	8,345	9,356	9,474	9,648	17,701	36,823	8,699	10,502	19,201	38,323
Organic growth ⁴	-3%	2%	6%	6%	-1%	3%	6%	5%	5%	
Gross income	3,361	3,761	3,846	3,869	7,121	14,83€	3,560	4,050	7,610	15,325
Gross income / Sales	40.3%	40.2%	40.6%	40.1%	40.2%	40.3%	40.9%	38.6%	39.6%	40.0%
Operating income before depreciation (EBITDA)	1,536	1,780	1,875	1,851	3,316	7,041	1,630	1,863	3,493	7,219
Operating margin (EBITDA)	18.4%	19.0%	19.8%	19.2%	18.7%	19.1%	18.7%	17.7%	18.2%	18.8%
Depreciation	-241	-265	-245	-244	-506	-995	-253	-24€	-501	-990
Operating income (EBIT)	1,295	1,515	1,630	1,606	2,810	6,04€	1,377	1,615	2,992	6,228
Operating margin (EBIT)	15.5%	16.2%	17.2%	16.6%	15.9%	16.4%	15.8%	15.4%	15.6%	16.3%
Financial items	-137	-152	-190	-201	-289	-680	-162	-15€	-317	-709
Income before tax	1,158	1,363	1,440	1,405	2,521	5,36€	1,215	1,460	2,675	5,520
Profit margin (EBT)	13.9%	14.6%	15.2%	14.6%	14.2%	14.6%	14.0%	13.9%	13.9%	14.4%
Tax	-278	-333	-341	-334	-611	-1,286	-268	-321	-589	-1,264
Net income of disposal group classified as held for sale	-	-	-	-	-	-	-4	17	13	13
Net income	880	1,031	1,099	1,071	1,910	4,080	943	1,156	2,099	4,269
Allocation of net income:										
Shareholders in ASSA ABLOY AB	876	1,019	1,090	1,064	1,895	4,050	941	1,143	2,084	4,238
Non-controlling interest	4	11	9	7	15	30	2	13	14	31

OPERATING CASH FLOW

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Jan-Jun 2010	Full Year 2010	Q1 2011	Q2 2011	Jan-Jun 2011	12 month rolling
Operating income (EBIT)	1,295	1,515	1,630	1,606	2,810	6,04€	1,377	1,615	2,992	6,228
Depreciation	241	265	245	244	506	995	253	248	501	990
Net capital expenditure	-50	-270	-153	-235	-320	-708	-161	-223	-384	-772
Change in working capital	-475	79	167	591	-396	362	-963	-181	-1,145	-386
Paid and received interest	-77	-170	-29	-179	-247	-455	-74	-152	-226	-434
Adjustment for non-cash items	-64	21	30	58	-43	45	16	4	20	108
Operating cash flow ⁵⁾	870	1,440	1,890	2,085	2,310	6,285	448	1,311	1,758	5,734
Operating cash flow / Income before tax ⁵⁾	0.75	1.06	1.31	1.48	0.92	1.17	0.37	0.90	0.66	1.04

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CHANGE IN NET DEBT

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Jan-Jun 2010	Full Year 2010	Q1 2011	Q2 2011	Jan-Jun 2011
Net debt at beginning of the period	11,048	11,469	12,608	10,864	11,048	11,048	10,564	21,586	10,564
Operating cash flow	-870	-1,440	-1,890	-2,085	-2,310	-6,285	-448	-1,311	-1,758
Restructuring payment	112	182	71	101	294	465	48	67	114
Tax paid	261	241	94	203	502	799	235	363	598
Acquisitions/Disposals	768	373	720	1,458	1,141	3,319	11,606	996	12,603
Dividend	-	1,317	-	-	1,317	1,317	-	1,472	1,472
Purchase of treasury shares	-	48	-	-	48	48	-	17	17
Translation differences and other	150	418	-739	23	566	-147	-419	213	-207
Net debt at end of period	11,465	12,608	10,864	10,564	12,608	10,564	21,586	23,403	23,403
Net debt / Equity	0.57	0.62	0.55	0.51	0.62	0.51	1.03	1.10	1.10

NET DEBT

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011
Non current interest-bearing receivables	-64	-60	-56	-62	-64	-58
Current interest-bearing investments including derivatives	-699	-205	-252	-170	-378	-315
Cash and bank balances	-1,216	-1,271	-1,225	-1,280	-1,298	-1,299
Pension provisions	1,114	1,150	1,056	1,078	1,179	1,214
Other non current interest-bearing liabilities	10,561	10,265	9,481	8,134	7,479	6,582
Current interest-bearing liabilities including derivatives	1,773	2,729	1,860	2,864	14,668	17,279
Total	11,465	12,608	10,864	10,564	21,586	23,403

CAPITAL EMPLOYED AND FINANCING

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

DATA PER SHARE

	Q1 2010 SEK	Q2 2010 SEK	Q3 2010 SEK	Q4 2010 SEK	Jan-Jun 2010 SEK	Full Year 2010 SEK	Q1 2011 SEK	Q2 2011 SEK	Jan-Jun 2011 SEK	12 month rolling SEK
Earnings per share after tax and before dilution ¹⁾	2.39	2.79	2.98	2.91	5.18	11.07	2.57	3.08	5.65	11.54
Earnings per share after tax and dilution ²⁾	2.36	2.74	2.93	2.86	5.10	10.89	2.53	3.07	5.60	11.39
Earnings per share after tax and dilution after dilution ²⁾	56.94	57.89	55.65	58.65	57.88	58.64	58.34	59.35	58.51	

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RESULTS BY DIVISION

SEKM	EMEA ⁶⁾		Americas ⁷⁾		Asia Pacific ⁸⁾		Global Technologies ⁹⁾		Entrance Systems		Other		Total	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Apr - Jun and 30 Jun respectively														
Sales, external	3,195	3,185	2,492	2,167	1,450	1,529	1,221	1,396	999	2,224			9,356 ⁴⁾	10,502 ²⁾
Sales, intragroup	116	67	11	10	115	101	15	19	13	11	-276	-208		
Sales	3,311	3,253	2,503	2,177	1,566	1,630	1,240	1,416	1,012	2,235	-276	-208	9,356	10,502
Organic growth ⁴⁾	3%	-3%	-4%	2%	18%	12%	5%	17%	-2%	5%			2%	5%
Operating income (EBIT)	525	510	493	456	222	232	20€	224	145	281	-78	-88	1,515	1,615
Operating margin (EBIT)	15.9%	15.7%	19.7%	20.9%	14.2%	14.3%	16.8%	15.9%	14.3%	12.6%			16.2%	15.4%
Capital employec	9,695	9,696	9,271	7,814	4,792	4,325	5,695	5,832	4,212	11,198	-618	-633	33,051	38,232
- of which goodwill	5,423	5,707	6,535	5,631	4,160	3,076	4,205	4,188	3,335	7,060	-	-	23,659	25,663
- of which other intangibles and fixed assets	2,945	2,676	1,877	1,429	1,583	2,256	1,166	1,347	466	2,300	123	121	8,160	10,129
- of which shares in associates	37	33	-	-	-	-	-	-	-	1,088	-	-	37	1,121
Return on capital employec	19.9%	20.6%	21.6%	23.6%	20.3%	22.4%	14.5%	15.0%	13.6%	10.6%			18.1%	16.8%
Operating income (EBIT)	525	510	493	456	222	232	20€	224	145	281	-78	-88	1,515	1,615
Depreciation	109	101	59	43	41	34	37	28	15	37	3	4	265	248
Net capital expenditure	-159	-77	-24	-29	-60	-67	-22	-16	-5	-34	0	-1	-270	-223
Movement in working capital	139	-105	58	11	-147	0	-15	33	-49	-117	97	-3	79	-181
Cash flow ⁵⁾	613	429	586	482	57	199	204	27€	106	166			1,589	1,459
Adjustment for non-cash items											21	4	21	4
Paid and received interest											-170	-152	-170	-152
Operating cash flow ⁹⁾													1,440	1,311

SEKM	EMEA ⁶⁾		Americas ⁷⁾		Asia Pacific ⁸⁾		Global Technologies ⁹⁾		Entrance Systems		Other		Total	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Jan - Jun and 30 Jun respectively														
Sales, external	6,399	6,219	4,688	4,347	2,383	2,636	2,291	2,688	1,940	3,311			17,701 ³⁾	19,201 ¹⁾
Sales, intragroup	208	133	20	19	197	186	34	34	26	22	-485	-394		
Sales	6,607	6,352	4,708	4,366	2,580	2,822	2,325	2,722	1,966	3,333	-485	-394	17,701	19,201
Organic growth ⁴⁾	2%	-2%	-7%	5%	15%	11%	0%	18%	-3%	4%			-1%	5%
Operating income (EBIT)	1,050	1,028	912	896	326	379	392	412	278	439	-148	-162	2,810	2,992
Operating margin (EBIT)	15.9%	16.2%	19.4%	20.5%	12.6%	13.4%	16.8%	15.1%	14.2%	13.2%			15.9%	15.6%
Capital employec	9,695	9,696	9,271	7,814	4,792	4,325	5,695	5,832	4,212	11,198	-618	-633	33,051	38,232
- of which goodwill	5,423	5,707	6,535	5,631	4,160	3,076	4,205	4,188	3,335	7,060	-	-	23,659	25,663
- of which other intangibles and fixed assets	2,945	2,676	1,877	1,429	1,583	2,256	1,166	1,347	466	2,300	123	121	8,160	10,129
- of which shares in associates	37	33	-	-	-	-	-	-	-	1,088	-	-	37	1,121
Return on capital employec	19.8%	20.7%	20.5%	23.0%	17.2%	18.6%	13.7%	13.8%	13.0%	11.2%			17.0%	16.5%
Operating income (EBIT)	1,050	1,028	912	896	326	379	392	412	278	439	-148	-162	2,810	2,992
Depreciation	220	202	114	91	66	70	73	80	27	50	6	8	506	501
Net capital expenditure	-199	-140	-47	-60	-85	-106	-4€	-39	-28	-46	87	8	-320	-384
Movement in working capital	-28	-387	-72	-214	-251	-281	-9€	-234	-3	-137	53	108	-396	-1,145
Cash flow ⁵⁾	1,043	704	906	713	56	61	323	21€	275	306			2,600	1,964
Adjustment for non-cash items											-43	20	-43	20
Paid and received interest											-247	-226	-247	-226
Operating cash flow ⁹⁾													2,310	1,758
Average number of employees	9,566	9,672	6,757	6,929	15,361	15,445	2,375	2,886	2,799	4,621	100	124	36,962	39,677

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RESULTS BY DIVISION

SEK M	EMEA ⁶⁾		Americas ⁷⁾		Asia Pacific ⁸⁾		Global Technologies ⁹⁾		Entrance Systems		Other		Total	
	2005	2010	2005	2010	2005	2010	2009	2010	2009	2010	2009	2010	2009	2010
Jan - Dec and 31 Dec respectively														
Sales, external	13,275	12,660	9,831	9,491	3,507	5,698	4,664	4,951	3,685	4,024	-807	-916	34,963	36,823 ³⁾
Sales, intragroup	327	376	49	45	282	384	102	64	47	43	-	-	-	-
Sales	13,601	13,036	9,880	9,536	3,789	6,081	4,766	5,015	3,733	4,072	-807	-916	34,963	36,823
Organic growth ⁴⁾	-12%	2%	-19%	-2%	-1%	14%	-12%	10%	-3%	-2%	-	-	-12%	3%
Operating income (EBIT)	2,056	2,174	1,925	1,886	459	843	766	862	587	627	-380	-346	5,413	6,046
Operating margin (EBIT)	15.1%	16.7%	19.5%	19.8%	12.1%	13.9%	16.1%	17.2%	15.7%	15.4%	-	-	15.5%	16.4%
Items affecting comparability ¹⁰⁾	-789	-	-	-	-2	-	-167	-	-81	-	-	-	-1,039	-
Operating income (EBIT) including items affecting comparability	1,267	2,174	1,925	1,886	457	843	599	862	506	627	-380	-346	4,374	6,046
Capital employed	9,814	8,759	8,687	8,163	2,768	4,080	5,464	5,772	4,116	4,365	-467	245	30,382	31,385
- of which, goodwill	5,540	5,471	6,003	6,039	1,536	3,202	4,030	4,265	3,223	3,303	-	-	20,333	22,279
- of which, other intangibles and fixed assets	3,097	2,632	1,757	1,566	933	2,306	1,138	1,267	485	431	130	136	7,541	8,336
- of which, shares in associates	35	37	-	-	-	-	-	-	-	-	-	-	39	37
Return on capital employed excluding items affecting comparability	16.9%	21.6%	20.5%	21.3%	16.1%	25.1%	12.9%	14.7%	15.2%	14.6%	-	-	16.2%	18.5%
Operating income (EBIT)	1,267	2,174	1,925	1,886	457	843	599	862	506	627	-380	-346	4,374	6,046
Restructuring cost	789	-	-	-	2	-	167	-	81	-	-	-	1,039	-
Depreciator	473	417	236	222	99	142	156	145	38	57	11	14	1,014	995
Net capital expenditure	-281	-317	-134	-114	-80	-198	-127	-109	-33	-47	-9	76	-664	-708
Movement in working capital	602	334	649	19	132	130	211	-30	88	-58	-222	-33	1,460	362
Cash flow¹¹⁾	2,850	2,607	2,677	2,013	610	917	1,005	868	680	580	-	-	7,222	6,695
Adjustment for non-cash items	-	-	-	-	-	-	-	-	-	-	127	45	127	45
Paid and received interest	-	-	-	-	-	-	-	-	-	-	-507	-455	-507	-455
Operating cash flow⁹⁾	-	-	-	-	-	-	-	-	-	-	-	-	6,843	6,285
Average number of employees	10,136	9,471	6,897	6,969	7,560	15,510	2,416	2,487	2,253	2,738	112	104	29,375	37,279

Notes

Number of shares, thousands.

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

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

Jan-Dec 2010	Jan-Jun 2010	Jan-Jun 2011	Apr-Jun 2010	Apr-Jun 2011
365,744	365,850	368,878	365,783	368,114
372,810	372,882	373,000	372,815	367,677

⁹⁾ Sales by Continent.

	Jan-Dec 2010	Jan-Jun 2010	Jan-Jun 2011
Europe	15,789	7,857	9,111
North America	11,907	5,790	5,609
Central and South America	854	397	410
Africa	622	320	279
Asia	5,533	2,335	2,743
Pacific	2,118	1,002	989

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

⁵⁾ Excluding restructuring items.

⁶⁾ Europe, Middle East and Africa.

⁷⁾ North, Central and South America.

⁸⁾ Asia, Australia and New Zealand.

⁹⁾ ASSA ABLOY Hospitality and HID Global.

¹⁰⁾ Items affecting comparability consist of restructuring costs.

¹¹⁾ Conversion of convertible debenture relating to Incentive 2006.

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ACQUISITION OF CARDO

At 30 June 2011 ASSA ABLOY owns 26,709,682 shares representing 98.9% of Cardo. The total purchase price was SEK 11,217 M for 98.9% of the shares. Remaining shares will be acquired during the second half of 2011.

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

Preliminary acquisition analysis for Cardo Entrance Solutions – i.e. excluding disposal groups held for sale – indicates that goodwill amounts to SEK 3,070 M. Remuneration of employees after termination of employment and inventories have been adjusted to fair value with tax effects due considered.

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

Preliminary acquisition analysis for Cardo Entrance Solutions	SEK M
Purchase price paid for Cardo Group	11,217
<u>Less: Disposal groups held for sale</u>	<u>-6,280</u>
Total purchase price	4,937
<u>Identifiable acquired assets and liabilities</u>	
Intangible assets	1,444
Tangible fixed assets	352
Financial fixed assets	203
Inventories	517
Accounts receivable	921
Cash and cash equivalents	176
Interest-bearing liabilities	-111
<u>Other liabilities</u>	<u>-1,513</u>
Acquired net assets at fair value	1,989
Non-controlling interest	-122
Goodwill	3 070
Net sales from times of acquisition	1,275
EBIT from times of acquisition	121
<u>Net income from times of acquisition</u>	<u>83</u>

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

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