

Press Release

17 July 2015
No. 15/15

The year continues strongly for ASSA ABLOY

- Sales increased by 22% in the quarter, with 4% organic growth, and totaled SEK 17,082 M (13,964).
- Strong growth in Global Technologies and good growth in Americas, EMEA and Entrance Systems.
- Negative growth in Asia Pacific as result of continued weak demand in China.
- Three acquisitions signed during the quarter, with expected annual sales totaling just over SEK 700 M.
- Operating income (EBIT) for the quarter increased by 24% to SEK 2,742 M (2,219). The operating margin was 16.1% (15.9).
- Net income for the quarter amounted to SEK 1,888 M (1,534).
- Earnings per share for the quarter rose by 23% and amounted to SEK 1.70 (1.38).
- Cash flow for the quarter was SEK 1,991 M (1,963).

SALES AND INCOME

	Second quarter			First half-year		
	2014	2015	Change	2014	2015	Change
Sales, SEK M	13,964	17,082	+22%	26,268	32,334	+23%
of which,						
Organic growth			+4%			+4%
Acquisitions			+3%			+3%
Exchange-rate effects		+2,008	+15%		+3,900	+16%
Operating income (EBIT), SEK M	2,219	2,742	+24%	4,076	5,071	+24%
Operating margin (EBIT), %	15.9	16.1		15.5	15.7	
Income before tax, SEK M	2,073	2,551	+23%	3,782	4,735	+25%
Net income, SEK M	1,534	1,888	+23%	2,798	3,504	+25%
Operating cash flow, SEK M	1,963	1,991	+1%	2,520	2,511	0%
Earnings per share (EPS), SEK¹⁾	1.38	1.70	+23%	2.52	3.15	+25%

1) Earnings per share have been restated for all periods presented reflecting the stock split (3:1) approved in May 2015.

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COMMENTS BY THE PRESIDENT AND CEO

"The second quarter and the first six months showed a continued very strong performance for ASSA ABLOY, with a rise in sales of a full 22% in the quarter and a very strong improvement in operating income of 24%," says Johan Molin, President and CEO. "The good organic growth in all divisions, apart from in China, was very pleasing and an indication of strength in tough economic times.

"Organic growth during the quarter was 4%, driven mainly by a very strong performance in Global Technologies and good growth in the Americas, EMEA and Entrance Systems divisions. Performance in Asia Pacific was also very gratifying, with strong growth in all regions except China, where sales remained weak.

"The Group's innovations in the form of new products are achieving great successes in the market. In the USA the Group has taken a strong lead in energy saving and smart locks for so-called Home Automation Systems. In Europe we are seeing the same trend, with our new electromechanical lock systems making particularly strong advances. The share taken by new products in the first half-year was over 30% of total sales, a very pleasing figure. We have also achieved a geographical broadening for similar electromechanical products in Asia during the quarter.

"Three further acquisitions were made during the quarter. In Finland the company Flexim was acquired, a leading Finnish supplier of security systems which provided important complementary market coverage. In Belgium the service and industrial door company L-Door was acquired, which complements Entrance Systems' business in Belgium very well. On the important Middle Eastern market we succeeded in carrying through the purchase of Prometal, which manufactures security doors for local applications. This is an important product category for the specification market. Our acquisitions so far this year represent 3% in added sales.

"Operating income continued to improve strongly during the quarter, by a full 24%. Our organic growth combined with continued improvements in efficiency meant that the operating margin continued its positive trend, rising to 16.1%, in spite of the turbulence on the foreign-exchange markets and dilution from acquisitions.

"My judgment is that the global economic trend remains weak. Although America is showing a positive trend, Europe and many of the Emerging Markets are stagnating. However, our strategy of expanding on the Emerging Markets remains unchanged, since in the long term they are expected to achieve very good economic growth. We are also continuing our investments in new products, especially in the growth area of electromechanics."

SECOND QUARTER

The Group's sales for the quarter totaled SEK 17,082 M (13,964), an increase of 22% compared with the second quarter of 2014. Organic growth for comparable units was 4%

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(2). Acquired units contributed 3% (10). Exchange-rate effects had a positive impact of SEK 2,008 M on sales, equivalent to 15% (2).

Operating income before depreciation, EBITDA, amounted to SEK 3,117 M (2,504). The corresponding EBITDA margin was 18.2% (17.9). The Group's operating income, EBIT, amounted to SEK 2,742 M (2,219) an increase of 24%. The operating margin was 16.1% (15.9).

Net financial items amounted to SEK -191 M (-146). The Group's income before tax was SEK 2,551 M (2,073), an improvement of 23% compared with the previous year. Exchange-rate effects had an impact of SEK 278 M on the Group's income before tax. The profit margin was 14.9% (14.8). The underlying estimated effective tax rate on an annual basis was 26% (26). Earnings per share amounted to SEK 1.70 (1.38), an increase of 23%.

FIRST HALF-YEAR

The Group's sales for the first half of 2015 totaled SEK 32,334 M (26,268), representing an increase of 23%. Organic growth was 4% (3). Acquired units contributed 3% (9).

Exchange-rate effects had a positive impact of SEK 3,900 M on sales, that is 16% (2) compared with the first half of 2014. Operating income before depreciation, EBITDA, for the half-year amounted to SEK 5,776 M (4,639). The corresponding margin was 17.9% (17.7). The Group's operating income, EBIT, amounted to SEK 5,071 M (4,076), which was an increase of 24%. The corresponding EBIT operating margin was 15.7% (15.5).

Earnings per share for the first half-year increased to SEK 3.15 (2.52), a rise of 25%. Operating cash flow for the half-year totaled SEK 2,511 M (2,520).

RESTRUCTURING MEASURES

Payments related to all existing restructuring programs amounted to SEK 60 M in the quarter. The restructuring programs proceeded according to plan and led to a reduction in personnel of 139 people during the quarter and 9,759 people since the projects began.

At the end of the half-year provisions of SEK 776 M remained in the balance sheet for carrying out the programs.

COMMENTS BY DIVISION

EMEA

Sales for the quarter in EMEA division totaled SEK 4,068 M (3,672), with organic growth of 5% (3). The markets in Scandinavia, Finland, eastern Europe and Africa showed strong growth. Germany and Spain achieved good growth while sales were stable in Great Britain, Israel and Italy. Sales growth remained negative in Benelux and France. Acquired growth amounted to 2% (4). Operating income totaled SEK 614 M (566), which represented an

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operating margin (EBIT) of 15.1% (15.4). Return on capital employed amounted to 17.4% (18.4). Operating cash flow before interest paid totaled SEK 355 M (498).

AMERICAS

Sales for the quarter in Americas division totaled SEK 3,953 M (2,996), with organic growth of 5% (3). The sales trends for traditional lock products and the private residential market and for Mexico and South America were strong. Electromechanical products, the door segment and Canada achieved good growth. High-security products showed a stable trend. Acquired growth amounted to 2% (12). Operating income totaled SEK 870 M (662), which represented an operating margin (EBIT) of 22.0% (22.1). Return on capital employed amounted to 24.5% (24.1). Operating cash flow before interest paid totaled SEK 955 M (850).

ASIA PACIFIC

Sales for the quarter in Asia Pacific division totaled SEK 2,793 M (2,151), with organic growth of -2% (7). Australia, South-East Asia and South Korea showed strong growth. New Zealand showed good growth. China showed a continued negative trend due to weak domestic demand combined with ASSA ABLOY's introduction of a strict credit policy. Acquired growth amounted to 9% (6). Operating income totaled SEK 403 M (310), which represented an operating margin (EBIT) of 14.4% (14.4). The quarter's return on capital employed amounted to 14.0% (15.0). Operating cash flow before interest paid totaled SEK 261 M (300).

GLOBAL TECHNOLOGIES

Sales for the quarter in Global Technologies division totaled SEK 2,315 M (1,722), with organic growth of 10% (-6). At HID Global, access control & logical access (IAM), identification technology (IDT) and project sales achieved strong growth. Card printers for the issuing of secure ID credentials showed a positive trend, while Government ID showed a weak negative trend. Hospitality showed very strong growth and income development, driven by innovative new products. Acquired growth amounted to 3% (5). The division's operating income amounted to SEK 417 M (315), which represented an operating margin (EBIT) of 18.0% (18.3). Return on capital employed amounted to 16.9% (17.6). Operating cash flow before interest paid totaled SEK 155 M (240).

ENTRANCE SYSTEMS

Sales for the quarter in Entrance Systems division totaled SEK 4,325 M (3,703), with organic growth of 5% (3). Growth was strong for the division's American operations and in the segments of high-speed doors and door components. Door automation achieved good growth. The trends for European industrial doors and Ditec were stable, while doors for the private residential market in Europe showed negative growth. Acquired growth amounted to 0% (19). Operating income totaled SEK 556 M (466), which represented an operating margin (EBIT) of 12.9% (12.6). Return on capital employed was 13.1% (11.9). Operating cash flow before interest paid totaled SEK 603 M (401).

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ACQUISITIONS AND DIVESTMENTS

A total of two acquisitions were consolidated during the quarter, MSL in Switzerland and Prometal in the United Arab Emirates. The combined acquisition price for the four companies acquired this year amounted to SEK 1,989 M, and preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to SEK 1,522 M. The acquisition price is adjusted for acquired net debt and estimated earn-outs. Estimated earn-outs amount to SEK 727 M.

On 28 April it was announced that ASSA ABLOY had signed a contract to acquire the Malaysian company Teamware. Teamware is the market leader in locks and fittings on the Malaysian market. The company has about 120 employees and its 2015 sales are expected to amount to SEK 240 M.

On 11 May it was announced that ASSA ABLOY had signed a contract to acquire the Belgian company L-Door. L-Door is one of the market-leading companies in industrial doors on the Belgian market. The company has about 120 employees and its 2015 sales are expected to amount to SEK 175 M.

On 4 June it was announced that ASSA ABLOY had signed a contract to acquire the Finnish company Flexim. Flexim is a leading Finnish locksmith and supplier of security systems. The company has about 245 employees and its 2015 sales are expected to amount to SEK 340 M.

ORGANIZATION

Stefan Widing has been appointed as Executive Vice President and Head of the HID Global business unit from 1 August 2015. He succeeds Denis Hébert, who has left the ASSA ABLOY Group. Stefan Widing has worked in ASSA ABLOY's Shared Technologies Unit since 2005 and for the past two years as Head of the Unit with total responsibility for a product development organization with development centers in Sweden, Poland, Spain and India. Stefan Widing has an M.Sc in engineering physics and electrical technology and a Bachelor of Business Administration degree.

SUSTAINABLE DEVELOPMENT

The number of units in the Group with certifiable environmental management systems according to ISO 14001 is continuing to increase. During 2014 the number of certified units rose from 75 to 85. During the first half of 2015 a further five manufacturing units were certified, which included HID's new manufacturing plant in Austin, USA. Another 15 units have initiated preparations to receive ISO 14001 certification. The Group's target is that all major manufacturing units should be ISO 14001 certified in order to ensure a standardized and structured process in its Sustainable Development project.

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STOCK SPLIT

The total number of shares in the company as per 30 June 2015 amounts to 1,112,576,334, of which 57,525,969 are shares of series A, entitling to ten votes each and 1,055,050,365 are shares of series B, entitling to one vote each. The increase in number of shares and votes results from the stock split (3:1) approved at the Annual General Meeting of ASSA ABLOY AB on 7 May 2015.

Share-based key figures have been restated for all prior periods in this report as a consequence of the stock split.

PARENT COMPANY

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 1,588 M (1,488) for the half-year. Income before tax amounted to SEK 437 M (1,394). Investments in tangible and intangible assets totaled SEK 7 M (4). Liquidity is good and the equity ratio was 41.4% (41.8).

ACCOUNTING PRINCIPLES

ASSA ABLOY applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. Significant accounting and valuation principles are detailed on pages 90-95 of the 2014 Annual Report.

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

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-, financial-, as well as tax 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 2014 Annual Report.

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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 2015:*

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.

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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, 16 July 2015

Lars Renström
Chairman

Carl Douglas
Vice Chairman

Eva Karlsson
Board member

Birgitta Klasén
Board member

Eva Lindqvist
Board member

Johan Molin
President and CEO

Jan Svensson
Board member

Ulrik Svensson
Board member

Bert Arleros
Employee representative

Mats Persson
Employee representative

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Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of ASSA ABLOY AB as of 30 June 2015 and the six-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

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

Conclusion

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

Stockholm, 16 July 2015

PricewaterhouseCoopers

Bo Karlsson
Authorized Public Accountant
Auditor in charge

Linda Corneliusson
Authorized Public Accountant

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FINANCIAL INFORMATION

The Interim Report for the third quarter will be published on 20 October 2015.
A capital markets day will be held on 18 November 2015 in Stockholm, Sweden.

FURTHER INFORMATION CAN BE OBTAINED FROM:

Johan Molin, President and CEO, Tel: +46 8 506 485 42
Carolina Dybeck Happe, Chief Financial Officer, Tel: +46 8 506 485 72

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

This information is that which ASSA ABLOY is required to disclose under the Swedish Securities Exchange and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act.

The information is released for publication at 08.00 on 17 July.

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FINANCIAL INFORMATION - GROUP

CONSOLIDATED INCOME STATEMENT

SEK M	Apr-Jun 2014	Apr-Jun 2015	Jan-Jun 2014	Jan-Jun 2015
Sales	13,964	17,082	26,268	32,334
Cost of goods sold	-8,596	-10,459	-16,110	-19,742
Gross income	5,368	6,623	10,159	12,591
Selling, administrative and RnD costs	-3,208	-3,933	-6,160	-7,596
Share of earnings in associates	60	52	77	76
Operating income	2,219	2,742	4,076	5,071
Financial items	-146	-191	-294	-336
Income before tax	2,073	2,551	3,782	4,735
Tax on income	-539	-663	-984	-1 231
Net income	1,534	1,888	2,798	3,504
Net income attributable to:				
Parent company's shareholders	1,534	1,888	2,798	3,504
Non-controlling interest	0	0	0	0
Earnings per share¹				
before dilution, SEK	1.38	1.70	2.52	3.15
after dilution, SEK	1.38	1.70	2.52	3.15

STATEMENT OF COMPREHENSIVE INCOME

SEK M	Apr-Jun 2014	Apr-Jun 2015	Jan-Jun 2014	Jan-Jun 2015
Net income	1,534	1,888	2,798	3,504
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Actuarial gain/loss on post-employment benefit obligations, net after tax	-49	0	-116	-111
Total	-49	0	-116	-111
Items that may be reclassified subsequently to profit or loss				
Share of other comprehensive income of associates	51	-36	51	-27
Net investment and cashflow hedges	-123	51	-127	66
Exchange rate differences	1,155	-879	962	1,086
Total	1,083	-864	886	1,124
Total comprehensive income	2,567	1,024	3,568	4,517
Total comprehensive income attributable to:				
Parent company's shareholders	2,567	1,024	3,568	4,517
Non-controlling interest	0	0	0	0

¹⁾ Earnings per share have been restated for all periods presented reflecting the stock split (3:1) approved in May 2015.

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FINANCIAL INFORMATION - GROUP

CONSOLIDATED BALANCE SHEET

SEK M	31 Dec 2014	30 Jun 2014	30 Jun 2015
ASSETS			
Non-current assets			
Intangible assets	47,056	40,688	50,811
Tangible assets	7,712	6,747	7,520
Investments in associates	1,861	1,805	1,901
Other financial assets	76	72	73
Deferred tax assets	1,555	1,643	1,470
Total non-current assets	58,260	50,955	61,774
Current assets			
Inventories	7,845	7,265	8,735
Trade receivables	10,595	9,371	11,883
Other current receivables and investments	2,630	2,508	3,119
Cash and cash equivalents	667	615	646
Total current assets	21,738	19,759	24,382
TOTAL ASSETS	79,998	70,714	86,157
EQUITY AND LIABILITIES			
Equity			
Parent company's shareholders	36,096	30,210	38,105
Non-controlling interest	2	0	4
Total equity	36,098	30,211	38,110
Non-current liabilities			
Long-term loans	15,362	14,209	16,495
Deferred tax liabilities	1,462	1,406	1,751
Other non-current liabilities and provisions	7,693	5,484	7,881
Total non-current liabilities	24,517	21,099	26,127
Current liabilities			
Short-term loans	4,636	7,250	7,861
Trade payables	5,699	4,515	5,613
Other current liabilities and provisions	9,047	7,639	8,446
Total current liabilities	19,383	19,404	21,920
TOTAL EQUITY AND LIABILITIES	79,998	70,714	86,157

CHANGES IN CONSOLIDATED EQUITY

SEK M	Equity attributable to:		
	Parent company's shareholders	Non- controlling interest	Total equity
Opening balance 1 January 2014	28,812	0	28,813
Net income	2,798	0	2,798
Other comprehensive income	770	0	770
Total comprehensive income	3,568	0	3,568
Dividend	-2,110	-	-2,110
Stock purchase plans	-60	-	-60
Total transactions with parent company's shareholders	-2,171	-	-2,171
Closing balance 30 June 2014	30,210	0	30,211
Opening balance 1 January 2015	36,096	2	36,098
Net income	3,504	0	3,504
Other comprehensive income	1,014	0	1,013
Total comprehensive income	4,517	0	4,517
Dividend	-2,407	-	-2,407
Stock purchase plans	-102	-	-102
Change in non-controlling interest	1	2	3
Total transactions with parent company's shareholders	-2,508	2	-2,506
Closing balance 30 June 2015	38,105	4	38,110

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FINANCIAL INFORMATION - GROUP

CONSOLIDATED CASH FLOW STATEMENT

SEK M	Apr-Jun 2014	Apr-Jun 2015	Jan-Jun 2014	Jan-Jun 2015
OPERATING ACTIVITIES				
Operating income	2,219	2,742	4,076	5,071
Depreciation and amortization	285	374	563	705
Restructuring payments	-140	-60	-227	-150
Other non-cash items	-61	-74	-53	-76
Cash flow before interest and tax	2,303	2,983	4,358	5,550
Interest paid and received	-201	-200	-253	-270
Tax paid on income	-409	-371	-1,415	-1,082
Cash flow before changes in working capital	1,693	2,412	2,691	4,197
Changes in working capital	-6	-526	-1,274	-2,248
Cash flow from operating activities	1,687	1,886	1,417	1,949
INVESTING ACTIVITIES				
Net investments in tangible and intangible assets	-272	-327	-538	-670
Investments in subsidiaries	-180	-780	-1,132	-1,758
Disposals of subsidiaries	-	-	180	-
Other investments and disposals	0	0	0	0
Cash flow from investing activities	-453	-1,106	-1,490	-2,428
FINANCING ACTIVITIES				
Dividends	-2,110	-2,407	-2,110	-2,407
Acquisition of non-controlling interest	-	-757	-	-757
Net cash effect of changes in borrowings	974	2,524	2,424	3,595
Cash flow from financing activities	-1,136	-639	314	432
CASH FLOW	98	141	240	-47
CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of period	498	515	362	667
Cash flow	98	141	240	-47
Effect of exchange rate differences	19	-11	13	25
Cash and cash equivalents at end of period	615	646	615	646

KEY RATIOS

	Jan-Dec 2014	Jan-Jun 2014	Jan-Jun 2015
Return on capital employed, %	16.9	15.5	16.2
Return on shareholders' equity, %	19.8	19.0	18.9
Equity ratio, %	45.1	42.7	44.2
Interest coverage ratio, times	17.4	15.2	16.3
Total number of shares at the end of period, thousands	370,859	370,859	1,112,576
Number of shares outstanding at the end of period, thousands	370,259	370,259	1,110,776
Weighted average number of outstanding shares, thousands	370,259	370,259	1,110,776
Weighted average number of outstanding shares after dilution, thousands	370,259	370,259	1,110,776
Average number of employees	44,269	43,923	45,388

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FINANCIAL INFORMATION - PARENT COMPANY

INCOME STATEMENT

	Jan-Dec 2014	Jan-Jun 2014	Jan-Jun 2015
SEK M			
Operating income	1,298	630	524
Income before tax	5,553	1,394	437
Net income	5,201	1,300	328

BALANCE SHEET

	31 Dec 2014	30 Jun 2014	30 Jun 2015
SEK M			
Non-current assets	35,684	33,777	35,487
Current assets	7,561	5,337	7,711
Total assets	43,245	39,114	43,198
Equity	20,044	16,368	17,897
Provisions	0	4	-
Non-current liabilities	7,659	7,408	8,482
Current liabilities	15,542	15,334	16,819
Total equity and liabilities	43,245	39,114	43,198

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QUARTERLY INFORMATION - GROUP

THE GROUP IN SUMMARY

SEK M	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Jan-Jun 2014	Year 2014	Q1 2015	Q2 2015	Jan-Jun 2015	Last 12 months
Sales	12,305	13,964	14,727	15,847	26,268	56,843	15,252	17,082	32,334	62,908
Organic growth 2)	4%	2%	4%	3%	3%	3%	5%	4%	4%	
Gross income	4,791	5,368	5,689	6,074	10,159	21,922	5,969	6,623	12,591	24,355
Gross margin	38.9%	38.4%	38.6%	38.3%	38.7%	38.6%	39.1%	38.8%	38.9%	38.7%
Operating income before depreciation (EBITDA)	2,135	2,504	2,791	2,990	4,639	10,419	2,659	3,117	5,776	11,557
Operating margin (EBITDA)	17.3%	17.9%	19.0%	18.9%	17.7%	18.3%	17.4%	18.2%	17.9%	18.4%
Depreciation and amortization	-278	-285	-292	-309	-563	-1,163	-331	-374	-705	-1,305
Operating income (EBIT)	1,857	2,219	2,499	2,681	4,076	9,257	2,329	2,742	5,071	10,252
Operating margin (EBIT)	15.1%	15.9%	17.0%	16.9%	15.5%	16.3%	15.3%	16.1%	15.7%	16.3%
Net financial items	-148	-146	-136	-129	-294	-559	-145	-191	-336	-601
Income before tax (EBT)	1,709	2,073	2,364	2,552	3,782	8,698	2,184	2,551	4,735	9,651
Profit margin (EBT)	13.9%	14.8%	16.0%	16.1%	14.4%	15.3%	14.3%	14.9%	14.6%	15.3%
Tax on income	-444	-539	-614	-664	-984	-2,261	-568	-663	-1,231	-2,509
Net income	1,264	1,534	1,749	1,889	2,798	6,436	1,616	1,888	3,504	7,142
Net income attributable to:										
Parent company's shareholders	1,264	1,534	1,749	1,889	2,798	6,436	1,616	1,888	3,504	7,142
Non-controlling interest	0	0	0	0	0	0	0	0	0	0

OPERATING CASH FLOW

SEK M	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Jan-Jun 2014	Year 2014	Q1 2015	Q2 2015	Jan-Jun 2015	Last 12 months
Operating income (EBIT)	1,857	2,219	2,499	2,681	4,076	9,257	2,329	2,742	5,071	10,252
Depreciation and amortization	278	285	292	309	563	1,163	331	374	705	1,305
Net capital expenditure	-266	-272	-388	-345	-538	-1,271	-344	-327	-670	-1,404
Change in working capital	-1,268	-6	-93	1,064	-1,274	-303	-1,722	-526	-2,248	-1,278
Interest paid and received	-52	-201	-101	-103	-253	-457	-71	-200	-270	-474
Non-cash items	8	-61	39	-136	-53	-150	-2	-74	-76	-172
Operating cash flow 4)	557	1,963	2,249	3,469	2,520	8,238	520	1,991	2,511	8,229
Operating cash flow/Income before tax 4)	0.33	0.95	0.95	1.36	0.67	0.95	0.24	0.78	0.53	0.85

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QUARTERLY INFORMATION - GROUP

THE GROUP IN SUMMARY

CHANGE IN NET DEBT

SEK M	Q1	Q2	Q3	Q4	Jan-Jun	Year	Q1	Q2	Jan-Jun
	2014	2014	2014	2014	2014	2014	2015	2015	2015
Net debt at beginning of period	19,595	21,375	23,072	22,348	19,595	19,595	22,327	25,184	22,327
Operating cash flow	-557	-1,963	-2,249	-3,469	-2,520	-8,238	-520	-1,991	-2,511
Restructuring payments	87	140	107	119	227	453	90	60	150
Tax paid	1,005	409	437	525	1,415	2,376	711	371	1,082
Acquisitions and disposals	952	180	109	1,213	1,132	2,454	978	1,536	2,514
Dividend	-	2,110	-	-	2,110	2,110	-	2,407	2,407
Actuarial gain/loss on post-employment benefit obligations	97	71	73	455	167	695	206	-274	-68
Exchange rate differences and other	195	750	799	1,136	945	2,880	1,392	-713	678
Net debt at end of period	21,375	23,072	22,348	22,327	23,072	22,327	25,184	26,579	26,579
Net debt/Equity ratio	0.72	0.76	0.68	0.62	0.76	0.62	0.64	0.70	0.70

NET DEBT

SEK M	Q1	Q2	Q3	Q4	Q1	Q2
	2014	2014	2014	2014	2015	2015
Non-current interest-bearing receivables	-26	-28	-30	-28	-31	-29
Short-term interest-bearing investments including derivatives	-148	-153	-247	-174	-263	-217
Cash and cash equivalents	-498	-615	-809	-667	-515	-646
Pension provisions	2,110	2,242	2,400	2,946	3,260	2,984
Other non-current interest-bearing liabilities	14,627	14,209	14,272	15,362	16,497	16,495
Current interest-bearing liabilities including derivatives	5,311	7,415	6,762	4,887	6,235	7,992
Total	21,375	23,072	22,348	22,327	25,184	26,579

CAPITAL EMPLOYED AND FINANCING

SEK M	Q1	Q2	Q3	Q4	Q1	Q2
	2014	2014	2014	2014	2015	2015
Capital employed	51,141	53,282	55,359	58,425	64,699	64,689
- of which goodwill	32,930	34,052	35,423	39,778	43,092	41,818
- of which other intangible and tangible assets	12,941	13,383	14,055	14,990	16,324	16,512
- of which investments in associates	1,696	1,805	1,790	1,861	1,890	1,901
Net debt	21,375	23,072	22,348	22,327	25,184	26,579
Non-controlling interest	0	0	0	2	2	4
Shareholders' equity	29,766	30,210	33,010	36,096	39,513	38,105

DATA PER SHARE

SEK	Q1	Q2	Q3	Q4	Jan-Jun	Year	Q1	Q2	Jan-Jun
	2014	2014	2014	2014	2014	2014	2015	2015	2015
Earnings per share after tax and before dilution	1.14	1.38	1.57	1.70	2.52	5.79	1.45	1.70	3.15
Earnings per share after tax and dilution	1.14	1.38	1.57	1.70	2.52	5.79	1.45	1.70	3.15
Shareholders' equity per share after dilution	26.80	27.20	29.72	32.50	27.20	32.50	35.57	34.31	34.31

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RESULTS BY DIVISION

Apr-Jun and 30 Jun

SEK M	EMEA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Sales, external	3,608	3,981	2,981	3,934	1,985	2,570	1,706	2,296	3,683	4,301	0	0	13,964	17,082
Sales, internal	64	87	15	19	166	223	16	19	19	24	-280	-373	-	-
Sales	3,672	4,068	2,996	3,953	2,151	2,793	1,722	2,315	3,703	4,325	-280	-373	13,964	17,082
Organic growth ²⁾	3%	5%	3%	5%	7%	-2%	-6%	10%	3%	5%	-	-	2%	4%
Operating income (EBIT)	566	614	662	870	310	403	315	417	466	556	-100	-117	2,219	2,742
Operating margin (EBIT)	15.4%	15.1%	22.1%	22.0%	14.4%	14.4%	18.3%	18.0%	12.6%	12.9%	-	-	15.9%	16.1%
Capital employed	11,969	13,929	10,864	13,931	8,371	11,732	7,250	9,791	15,670	16,592	-842	-1,285	53,282	64,689
- of which goodwill	6,936	7,687	7,551	9,413	5,011	7,780	5,257	7,317	9,298	9,621	-	-	34,052	41,818
- of which other intangible and tangible assets	2,876	3,171	2,453	3,100	2,693	3,945	1,409	2,239	3,872	3,965	79	92	13,383	16,512
- of which investments in associates	8	8	-	-	408	438	-	-	1,389	1,455	-	-	1,805	1,901
Return on capital employed	18.4%	17.4%	24.1%	24.5%	15.0%	14.0%	17.6%	16.9%	11.9%	13.1%	-	-	16.6%	16.6%
Operating income (EBIT)	566	614	662	870	310	403	315	417	466	556	-100	-117	2,219	2,742
Depreciation and amortization	89	112	56	75	45	68	45	59	50	59	-1	2	285	374
Net capital expenditure	-99	-123	-45	-82	-47	-57	-47	-39	-30	-19	-4	-6	-272	-327
Change in working capital	-58	-247	177	92	-8	-152	-73	-281	-85	7	41	55	-6	-526
Cash flow ⁴⁾	498	355	850	955	300	261	240	155	401	603	-64	-65	2,225	2,264
Non-cash items	-	-	-	-	-	-	-	-	-	-	-61	-74	-61	-74
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-201	-200	-201	-200
Operating cash flow ⁴⁾	498	355	850	955	300	261	240	155	401	603	-64	-65	2,225	2,264

Jan-Jun and 30 Jun

SEK M	EMEA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Sales, external	7,067	7,853	5,641	7,578	3,282	4,240	3,211	4,350	7,068	8,313	0	0	26,268 ¹⁾	32,334 ¹⁾
Sales, internal	116	159	28	39	289	399	31	37	39	54	-503	-688	-	-
Sales	7,183	8,012	5,668	7,617	3,571	4,640	3,241	4,386	7,108	8,366	-503	-688	26,268	32,334
Organic growth ²⁾	4%	4%	2%	6%	5%	-2%	-2%	10%	4%	5%	-	-	3%	4%
Operating income (EBIT)	1,131	1,240	1,225	1,641	461	592	575	777	860	1,042	-176	-220	4,076	5,071
Operating margin (EBIT)	15.8%	15.5%	21.6%	21.5%	12.9%	12.8%	17.7%	17.7%	12.1%	12.5%	-	-	15.5%	15.7%
Capital employed	11,969	13,929	10,864	13,931	8,371	11,732	7,250	9,791	15,670	16,592	-842	-1,285	53,282	64,689
- of which goodwill	6,936	7,687	7,551	9,413	5,011	7,780	5,257	7,317	9,298	9,621	-	-	34,052	41,818
- of which other intangible and tangible assets	2,876	3,171	2,453	3,100	2,693	3,945	1,409	2,239	3,872	3,965	79	92	13,383	16,512
- of which investments in associates	8	8	-	-	408	438	-	-	1,389	1,455	-	-	1,805	1,901
Return on capital employed	19.4%	18.5%	23.1%	23.6%	11.7%	10.5%	17.0%	17.7%	11.1%	12.5%	-	-	15.5%	16.2%
Operating income (EBIT)	1,131	1,240	1,225	1,641	461	592	575	777	860	1,042	-176	-220	4,076	5,071
Depreciation and amortization	176	204	111	148	86	133	90	105	101	113	-2	2	563	705
Net capital expenditure	-177	-247	-92	-141	-95	-114	-106	-122	-64	-38	-4	-7	-538	-670
Change in working capital	-371	-624	-278	-536	-290	-561	-252	-475	-94	-51	11	0	-1,274	-2,248
Cash flow ⁴⁾	759	573	966	1,111	162	49	306	285	804	1,066	-170	-226	2,826	2,857
Non-cash items	-	-	-	-	-	-	-	-	-	-	-53	-76	-53	-76
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-253	-270	-253	-270
Operating cash flow ⁴⁾	759	573	966	1,111	162	49	306	285	804	1,066	-170	-226	2,520	2,511
Average number of employees	10,605	10,727	7,050	7,777	13,465	13,780	3,200	3,440	9,405	9,431	198	231	43,923	45,388

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RESULTS BY DIVISION

Jan-Dec and 31 Dec

SEK M	EMEA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Sales, external	12,957	14,519	10,074	12,096	6,879	7,755	6,406	7,147	12,166	15,325	0	0	48,481 ¹⁾	56,843 ¹⁾
Sales, internal	209	233	48	60	542	581	65	59	71	84	-935	-1,017	-	-
Sales	13,165	14,753	10,121	12,156	7,420	8,336	6,472	7,207	12,237	15,409	-935	-1,017	48,481	56,843
Organic growth ²⁾	-1%	3%	6%	4%	4%	1%	6%	1%	0%	4%	-	-	2%	3%
Operating income (EBIT)	2,197	2,432	2,140	2,613	1,032	1,187	1,184	1,368	1,733	2,054	-363	-398	7,923	9,257
Operating margin (EBIT)	16.7%	16.5%	21.1%	21.5%	13.9%	14.2%	18.3%	19.0%	14.2%	13.3%	-	-	16.3%	16.3%
Items affecting comparability ³⁾	-300	-	-18	-	-183	-	-38	-	-313	-	-149	-	-1,000	-
Operating income (EBIT) incl. items affecting comparability	1,897	2,432	2,121	2,613	850	1,187	1,146	1,368	1,420	2,054	-512	-398	6,924	9,257
Capital employed	10,499	12,299	10,475	12,909	7,436	9,810	6,114	8,239	14,592	16,245	-708	-1,077	48,408	58,425
- of which goodwill	6,395	7,247	7,319	9,000	4,311	7,931	4,511	5,984	9,282	9,615	-	-	31,817	39,778
- of which other intangible and tangible assets	2,703	3,051	2,384	2,982	2,481	3,137	1,338	1,711	3,850	4,021	97	87	12,854	14,990
- of which investments in associates	8	9	-	-	371	414	-	-	1,296	1,438	-	-	1,675	1,861
Return on capital employed	20.7%	21.0%	22.7%	23.1%	16.3%	14.2%	19.7%	19.6%	12.1%	13.1%	-	-	17.1%	16.9%
Operating income (EBIT)	1,897	2,432	2,121	2,613	850	1,187	1,146	1,368	1,420	2,054	-512	-398	6,924	9,257
Restructuring costs	300	-	18	-	183	-	38	-	313	-	149	-	1,000	-
Depreciation and amortization	328	351	179	237	157	183	159	182	168	212	2	-2	993	1,163
Net capital expenditure	-337	-397	-182	-243	-200	-275	-375	-204	-106	-141	-2	-11	-1,202	-1,271
Change in working capital	-104	-98	-154	31	-57	-164	-98	-63	-2	-118	-82	109	-497	-303
Cash flow⁴⁾	2,084	2,288	1,983	2,637	932	931	870	1,282	1,792	2,007	-445	-302	7,218	8,845
Non-cash items	-	-	-	-	-	-	-	-	-	-	17	-150	17	-150
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-431	-457	-431	-457
Operating cash flow⁴⁾													6,803	8,238
Average number of employees	10,089	10,678	6,726	7,193	14,243	13,439	3,136	3,331	8,191	9,420	171	208	42,556	44,269

¹⁾ Sales by Continent, SEK M.

	Jan-Dec 2013	Jan-Dec 2014	Jan-Jun 2014	Jan-Jun 2015
Europe	21,111	23,242	11,282	12,306
North America	15,483	20,468	9,311	12,516
Central and South America	957	1,150	513	749
Africa	663	783	339	408
Asia	8,189	8,980	3,809	5,147
Pacific	2,078	2,220	1,015	1,208

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

³⁾ Items affecting comparability consist of restructuring costs.

⁴⁾ Excluding restructuring payments.

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FINANCIAL INFORMATION - NOTES

NOTE 1 BUSINESS COMBINATIONS

SEK M	Apr-Jun 2014	Apr-Jun 2015	Jan-Jun 2014	Jan-Jun 2015
Purchase prices				
Cash paid for acquisitions during the period	40	559	1,093	1,316
Holdbacks and deferred considerations for acquisitions during the period	21	0	507	727
Adjustment of purchase prices for acquisitions in prior years	-	-11	-28	-11
Total	61	548	1,572	2,032
Acquired assets and liabilities at fair value				
Intangible assets	0	608	73	1,119
Tangible assets	3	110	101	114
Financial assets	4	10	-27	16
Inventories	24	53	100	95
Current receivables and investments	20	109	100	171
Cash and cash equivalents	17	71	93	92
Non-controlling interests	-	-3	-	-3
Non-current liabilities	0	-283	79	-411
Current liabilities	-37	-54	-265	-132
Total	31	621	255	1,061
Goodwill	30	-73	1,317	972
Change in cash and cash equivalents due to acquisitions				
Cash paid for acquisitions during the period	40	559	1,093	1,316
Cash and cash equivalents in acquired subsidiaries	-17	-71	-93	-92
Paid holdbacks and deferred considerations for acquisitions in previous years	157	292	132	534
Total	180	780	1,132	1,758

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

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

31 June 2015

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
Financial assets					
Financial assets at fair value through profit and loss	116	116		116	
Available-for-sale financial assets	5	5			
Loans and other receivables	14,430	14,430			
Derivative instruments - hedge accounting	101	101		101	
Financial liabilities					
Financial liabilities at fair value through profit and loss	2,860	2,860		102	2,758
Financial liabilities at amortized cost	29,970	30,154			
Derivative instruments - hedge accounting	28	28		28	

31 December 2014

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
Financial assets					
Financial assets at fair value through profit and loss	23	23		23	
Available-for-sale financial assets	5	5			
Loans and other receivables	13,138	13,138			
Derivative instruments - hedge accounting	136	136		136	
Financial liabilities					
Financial liabilities at fair value through profit and loss	3,455	3,455		216	3,239
Financial liabilities at amortized cost	25,697	26,039			
Derivative instruments - hedge accounting	35	35		35	

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