

P R E S S R E L E A S E

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ASSA ABLOY signs final agreement for the acquisition of the lock division of Williams PLC

ASSA ABLOY entered into a Letter of Intent to acquire Yale Intruder Security from Williams PLC on 7 March. A final agreement was signed today.

Williams' lock division is one of the world's leading manufacturers of locks, lock cylinders and safes and includes some of the best known brand names within security including Chubb, Tesa, Union and Yale. The lock division has important market positions in the UK, US, Spain, the Netherlands and Italy and is well positioned in emerging markets such as China, India, Latin America and South Africa. The business is recognised within the residential segment through Yale, probably the world's best known lock brand. The division employs 13,000 people globally.

As previously announced, the price is £825 million and will be paid with £618.75 million in cash and 19.765 million new B-shares in ASSA ABLOY. The number of shares was fixed based on a price of SEK 145 per share, which was the average closing price during the weeks prior to announcement of the Letter of Intent. The net assets of the businesses acquired will be approximately £275 million.

Completion of the transaction is subject to approval by the shareholders of Williams PLC and regulatory approval. The issuance of the ASSA ABLOY B-shares to Williams PLC and the Rights Issue of approx. SEK 1,500 million will be proposed to ASSA ABLOY shareholders for approval at the Annual General Meeting on 3 May, 2000. The minimum period for the seller to hold the consideration shares is 12 months from completion.

The acquisition will enhance ASSA ABLOY's ability to continue its good volume growth and profit development. It will add 60% to total sales and be strongly cash flow positive from the start. The effect on earnings per share is expected to be neutral through 2001 and to be positive thereafter.

“The finalisation of this agreement with Williams marks the start of an exciting phase of development for the ASSA ABLOY Group. During the due diligence process we have been impressed by the quality of the employees and the management, as well as the production facilities within Yale Intruder Security. We look forward to an exciting future together.” said Carl-Henric Svanberg, President and CEO of ASSA ABLOY.

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The ASSA ABLOY Group is a global manufacturer and supplier of locks and associated products, dedicated to satisfying end-user needs for security, safety and convenience. In 1999 the Group reported sales of SEK 10, 277 million and has about 13,000 employees.