

Third quarter report 2005

Göran Jansson, Deputy CEO and CFO



Financial highlights Q3 and 9 months 2005

SEK M	3rd Quarter			Nine months		
	2005	2004	Change	2005	2004	Change
Sales	7,019	6,447	+9%	20,272	19,263	+5%
<i>Whereof</i>						
Organic growth			+5%			+4%
Acquisitions			+1%			+1%
FX-differences	184		+3%	1		0%
EBIT-margin (%)	15.7	15.0		14.9	14.3	
Income before taxes	969	838	+16%	2,633	2,397	+10%
Operating cash flow	1,190	1,082	+10%	2,552	2,349	+9%
EPS (SEK)	1.89	1.65	+14%	5.13	4.76	+8%

EMEA business review

EUR M	3rd Quarter			Nine months		
	2005	2004	Change	2005	2004	Change
Sales	295	282	+5%	925	902	+3%
<i>Organic growth</i>			+4%			+2%
EBIT	45	40	+12%	136	129	+5%
EBIT-margin (%)	15.2	14.2		14.7	14.3	
RoCE (%)	15.6	14.4		16.1	16.4	
Operating cash flow before paid interest	59	67	-12%	119	132	-10%

EMEA business review Q3 2005

- Strong sales development in Scandinavia, UK, Middle East and Eastern Europe
- Sales trend improved in France and Italy
- Margin expansion from restructuring savings
- Positive volume impact offset by increased sales costs

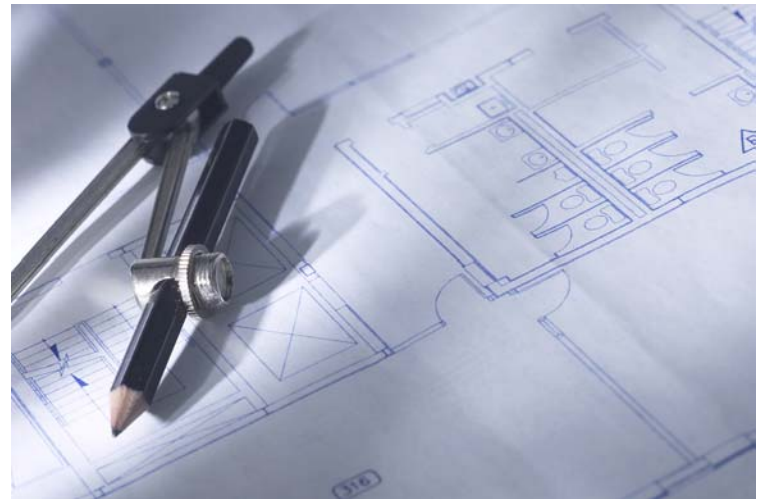


Americas business review

USD M	3rd Quarter			Nine months		
	2005	2004	Change	2005	2004	Change
Sales	308	299	+3%	889	854	+4%
<i>Organic growth</i>			+4%			+5%
EBIT	58	54	+7%	163	149	+9%
EBIT-margin (%)	18.9	18.0		18.3	17.4	
RoCE (%)	21.6	19.8		20.0	18.4	
Operating cash flow before paid interest	80	49	+63%	165	126	+31%

Americas business review Q3 2005

- Door Group and Residential Group continue to show strong growth
- Architectural Hardware reported weaker growth in the quarter
- Mexico was weak whereas Canada and South America were stable in the quarter
- Favourable sales trend in the US market drives margin expansion



Asia Pacific business review

AUD M	3rd Quarter			Nine months		
	2005	2004	Change	2005	2004	Change
Sales	108	93	+16%	284	252	+13%
<i>Organic growth</i>			+5%			+2%
EBIT	15	15	+0%	35	36	-3%
EBIT-margin (%)	13.9	16.0		12.2	14.2	
RoCE (%)	18.6	18.8		14.0	15.9	
Operating cash flow before paid interest	6	8	-25%	40	36	+11%

Asia Pacific business review Q3 2005

- Acquisition driven sales growth in China and South Korea
- Growth further improved in Asia, strong growth in China
- Weak sales in Australian residential market
- Margins negatively affected by dilution from newly acquired entities, higher material and restructuring costs



Global Technologies business review

SEK M	3rd Quarter			Nine months		
	2005	2004	Change	2005	2004	Change
Sales	1,435	1,253	+15%	4,121	3,642	+13%
<i>Organic growth</i>			+8%			+9%
EBIT	212	182	+16%	577	474	+22%
EBIT-margin (%)	14.8	14.5		14.0	13.0	
RoCE (%)	14.2	13.0		13.6	11.6	
Operating cash flow before paid interest	170	258	-34%	521	489	+7%

Global Technologies business review Q3 2005

- Identification Technology
 - Strong organic growth and margins driven by iClass and other RFID applications
- Entrance Systems Group
 - Service business drives growth
 - Recovery of market share in the USA
- Hospitality Group
 - Good organic growth
 - Margin expansion limited by higher restructuring costs



Leverage & Growth program

- Redundancies
 - 1,200 employees of 1,400 have left
- Savings
 - SEK 450 M on annual basis by end of 2005
 - SEK 95 M realized in Q3



Key data

SEK M	30 Sep 2005	31 Dec 2004
Capital employed	26,292	23,461
whereof goodwill	15,519	13,917
Net debt	12,769	12,208
Equity (excl. of minority interests)	13,449	11,226
Equity ratio	40.4%	37.4%
Interest cover ratio	7.9	7.6
Net debt/equity	0.95	1.09
Return on capital employed (RoCE)	15.7%	15.3%
Return on shareholder's equity	18.3%	20.0%

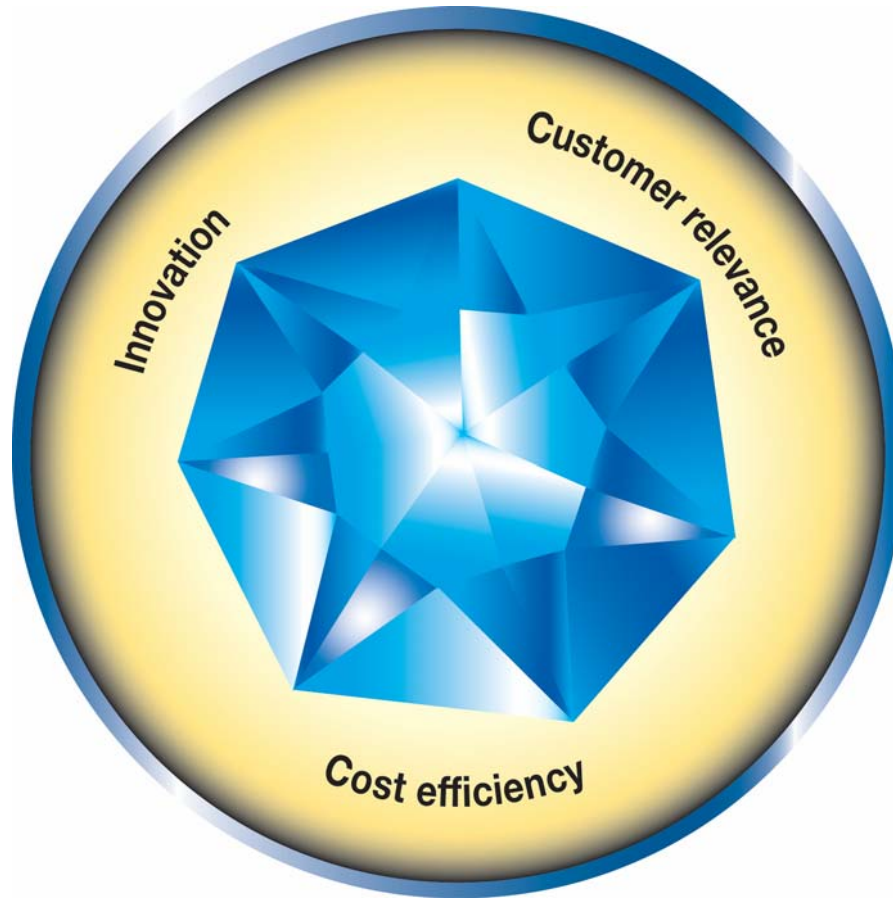
Outlook

- Organic sales growth 2005 is expected to continue at a good rate
- The operating margin (EBIT) is expected to rise for the full year mainly due to savings resulting from the restructuring program
- Continued good cash generation excluding restructuring payments

Long term Outlook

- Increase in security driven demand
- Focus on end-user value and innovations
- Leverage on ASSA ABLOY's strong positions

***Accelerated growth and
increased profitability***



ASSA ABLOY will be the most successful and innovative company in our markets by placing locks at the heart of security and providing safe and secure solutions that give true added value to our customers.