

# PRESS RELEASE

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## REPORT FOR THE FOURTH QUARTER OF 2002 (YEAR-END REPORT)

- Sales increased 3% for the quarter, 12% in local currencies, 2% organic growth
- Income before tax increased 17% for the quarter and 23% for the full year
- Operating margin, EBITA, was 14.6% for the quarter
- Strong operating cash flow of SEK 994 M for the quarter and SEK 3,525 M for the full year
- Successful integration of Besam – many collaborative projects initiated

|                               | Fourth quarter |                   |        | Full year |                    |        |
|-------------------------------|----------------|-------------------|--------|-----------|--------------------|--------|
|                               | 2002           | 2001              | Change | 2002      | 2001               | Change |
| Sales, SEK M                  | 6 389          | 6 206             | 3%     | 25 397    | 22 510             | 13%    |
| Organic growth                | 2%             | 0%                | -      | 2%        | 3%                 | -      |
| Operating margin, EBITA, %    | 14.6           | 13.7              | -      | 14.2      | 14.0               | -      |
| Income before tax, SEK M      | 547            | 469 <sup>1</sup>  | 17%    | 2 015     | 1 642 <sup>1</sup> | 23%    |
| Earnings per share (EPS), SEK | 1.00           | 0.86 <sup>1</sup> | 16%    | 3.53      | 2.98 <sup>1</sup>  | 18%    |
| EPS excluding goodwill, SEK   | 1.65           | 1.51 <sup>1</sup> | 9%     | 6.13      | 5.39 <sup>1</sup>  | 14%    |
| Operating cash flow, SEK M    | 994            | 855               | 16%    | 3 525     | 2 338              | 51%    |

### SALES AND EARNINGS

Sales for the fourth quarter increased by 3% to SEK 6,389 M. In local currencies the increase amounted to 12%. Acquired units contributed 10% to the increase in volume. Organic growth was 2%. Exchange-rate effects affected sales negatively by SEK 543 M compared with the fourth quarter last year.

Sales for the full year 2002 totaled SEK 25,397 M, which represents an increase of 13%. Organic growth was 2%. Acquired units contributed 15% to the increase in volume. Exchange-rate effects affected sales negatively by SEK 876 M compared with 2001.

The Group's income before tax for the fourth quarter increased by 17% to SEK 547 M (469<sup>1</sup>). Exchange-rate variations when translating foreign subsidiaries' earnings affected income negatively by SEK 52 M. Operating margin before goodwill amortization was 14.6%. The Group's integration and rationalization projects are proceeding successfully. The quarter's results include one-off costs of around SEK 50 M associated with the coordination of certain production in Europe and the USA.

The Group's income before tax for the full year increased by 23% to SEK 2,015 M (1,642<sup>1</sup>). Exchange-rate variations when translating foreign subsidiaries' earnings affected income negatively by SEK 88 M.

<sup>1</sup> Excluding non-recurring items

Earnings per share after tax and full conversion amounted to SEK 1.00 (0.86<sup>1</sup>) for the quarter, an increase of 16%. Earnings per share after tax and full conversion but excluding goodwill amortization amounted to SEK 1.65. For the full year, earnings per share after tax and full conversion rose by 18% to SEK 3.53 (2.98<sup>1</sup>), and earnings per share after tax and full conversion but excluding goodwill amortization amounted to SEK 6.13 (5.39<sup>1</sup>). Cash flow per share for the full year was SEK 9.08 (8.07<sup>1</sup>) per share.

In the fourth quarter operating cash flow before tax and company acquisitions totaled SEK 994 M (855), which represents 182% of income before tax. Cash flow for the full year was SEK 3,525 M (2,338). Initiatives to simplify work flows, improve control of material and coordinate production are contributing to the strong cash flow, and there is significant potential for further improvements.

## **DEVELOPMENT OF THE SUBSIDIARIES**

The Scandinavian units increased sales by 1% for the quarter, and the increase for the full year was 3%. Margins are continuing to improve. The launching of new higher-security products is continuing, among which the CLIQ cylinder is arousing great interest. Norway is generally reporting the strongest rises, although even there growth weakened somewhat in the fourth quarter.

The quarter's sales in Finland were comparable with those for the fourth quarter last year, while for the year as a whole sales increased by 1%. Coordination of Abloy's and Besam's sales and service of door automatics is underway, which will result in Abloy becoming the first Group company able to offer complete door solutions.

Development in Central Europe is still weak for the quarter and for the year as a whole sales were 1% down on last year. The ongoing reconstruction program is proceeding according to plan. The total cost will amount to EUR 7 M, and it is expected to result in a significant improvement in earnings in 2003. The corresponding cost for the period amounts to about EUR 3 M. Integration of the German fittings manufacturer Melchert is proceeding as planned.

South Europe increased sales for the full year by 1%, although there was a slight downturn in the fourth quarter. The French units reported increased sales and margins. Integration of TESA in Spain is proceeding well; operations have been combined with those of AZBE, the Group's other Spanish company. The Italian companies increased their focus on the home market, and the winding up of unprofitable exports will lead to rather lower growth in the short term. The operation to reduce working capital is highly successful and cash flow in the region is generally very strong.

Sales in Great Britain rose by 1% for both the quarter and the full year. The new business strategy by which the three brands Yale, Chubb and Union each focus on their own market segment has now been implemented. Major projects that involve many of the Group's products are handled by a joint organization, Union Design Centre. Car lock production in England has been moved to the sister company FAB in the Czech Republic, which is expected to produce significant improvements in income.

Growth for the North American operations amounted to 2% for both the quarter and the full year. Weakening in the commercial market segment seems to have leveled out. Growth in the electromechanical and high-security segments is good. Some softening can be noted in the institutional segment but the large proportion of aftermarket sales and an increased focus on security are having positive effects. The cessation of door-frame manufacture in Oklahoma has been accomplished and production has moved to Currie's production plant in Mason City. Rising margins have thereby been maintained despite the weak market. Emtek's successes in the private market are continuing, with highly satisfactory volume and margin growth. The Mexican and Canadian units are developing well.

Australia and New Zealand increased their growth rate to 13% in the fourth quarter, and sales for the full year rose by 10%. In Australia sales to the private market in particular are rising strongly, while Interlock in New Zealand is mainly increasing its sales to OEM customers in Asia and America. All companies in the region report significantly increased income.

New Markets showed good growth of 10% for the quarter. For the full year sales increased by 4% after a weak start which saw the elimination of unprofitable products. Growth is especially good in South Africa, Brazil and eastern Europe. Mul-T-Lock is also now reporting increasing volumes since the company's sales on the Asian market stabilized. Cash flow and income both improved significantly.

The hotel segment has again weakened to some extent, probably because of the risk of war in the Middle East. For both the quarter and the full year sales fell by 10% compared with last year, but at the same time income improved. The Group's marketing to the hotel segment with the, Elsafe, Timelox, VingCard and Inhova brands has now been coordinated through a new organization, ASSA ABLOY Hospitality. This is expected to increase the Group's effectiveness when dealing with the large international hotel chains.

Growth in the Identification sector remains strong, increasing to 19% during the quarter and totaling 10% for the year. The rise is linked to a generally increased focus on security and increased demand for electronic access-control systems. A number of successful product launches have also been made.

The integration of Besam is continuing to go well. Despite a weak market, especially in the trade segment in the USA, the company reports increasing margins. The operation to coordinate the Group's sales to major customers is ongoing and Besam will play an important role in this.

## **OTHER EVENTS**

### **Disputes**

ASSA ABLOY's dispute regarding VingCard's liability to pay damages to Merrimac, for which SEK 166 M was reserved in the 2001 accounts, has been finalized in line with the earlier judgment. However, thereafter another company, Ibertech, has sued VingCard based on the same contractual dispute. Ibertech is a sales company for the restaurant market which had a sales agreement with Merrimac. Settlement negotiations are ongoing and it is still too early to estimate the final outcome of this dispute. No reservation has therefore been made in the accounts.

In the 2001 Annual Report ASSA ABLOY reported a dispute in which the former owner of Mul-T-Lock was claiming a sum of about USD 45 M. After ASSA ABLOY won an important interim court judgment in Tel Aviv, the parties have come to a settlement without significant net cost for ASSA ABLOY.

## **ACCOUNTING PRINCIPLES**

The new recommendations of the Swedish Financial Accounting Standards Council, which came into force on 1 January 2002, have been adopted in this Report. This has not resulted in adjustment of figures for previously reported periods.

## **DIVIDEND AND ANNUAL GENERAL MEETING**

The Board of Directors proposes a dividend of SEK 1.25 (1.00) per share for the 2002 financial year. The Annual General Meeting will be held on 26 March 2003.

## **OUTLOOK FOR 2003**

ASSA ABLOY's development prospects are substantial. The Group's strong position and security-driven growth, the increased need for user-friendly locking solutions, the potential for continued rationalization and the consolidation of the lock industry create conditions for continued good development of volumes and profit.

Stockholm, 6 February 2003

Carl-Henric Svanberg  
President and CEO

## **REVIEW REPORT**

We have reviewed this interim report in accordance with the recommendation issued by FAR. A review is considerably limited in scope compared with an audit. Nothing has come to our attention that causes us to believe that the Interim report does not comply with the requirements of the Securities and Clearing Operations Act and the Annual Accounts Act.

Stockholm, 6 February 2003

PricewaterhouseCoopers AB

Anders Lundin  
Authorized public accountant

## **Financial information**

The Annual Report for 2002 will be published in March 2003.

The Annual General Meeting will take place at 4pm on the 26<sup>th</sup> of March at Norra Latin in Stockholm. Quarterly Reports from ASSA ABLOY AB for 2003 will be published on 29 April, 7 August and 7 November.

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Information about the analysts' meeting, web and telephone conference later today  
can be found on ASSA ABLOY's website, [www.assaabloy.com](http://www.assaabloy.com)

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*The ASSA ABLOY Group is the world's leading manufacturer and supplier of locking solutions, dedicated to satisfying end-user needs for security, safety and convenience. The Group has about 30,000 employees and annual sales of about EUR3 billion.*

# FINANCIAL INFORMATION

| INCOME STATEMENT  | Oct-Dec        | Oct-Dec            | Jan-Dec                   | Jan-Dec        | Jan-Dec            |
|---|----------------|--------------------|---------------------------|----------------|--------------------|
|   | 2002           | 2001               | 2002                      | 2002           | 2001               |
|   | SEK M          | SEK M              | EUR M <sup>1)</sup>       | SEK M          | SEK M              |
| Sales   | 6,388.8        | 6,206.2            | 2,778.7                   | 25,396.9       | 22,510.0           |
| Cost of goods sold  | -3,869.3       | -3,827.0           | -1,698.7                  | -15,525.9      | -13,863.1          |
| <b>Gross Income</b>   | <b>2,519.5</b> | <b>2,379.2</b>     | <b>1,080.0</b>            | <b>9,871.0</b> | <b>8,646.9</b>     |
| Selling and administrative expenses   | -1,587.4       | -1,527.9           | -686.7                    | -6,276.0       | -5,487.7           |
| <b>Operating income before goodwill amortization</b>                              | <b>932.1</b>   | <b>851.3</b>       | <b>393.3</b>              | <b>3,595.0</b> | <b>3,159.2</b>     |
| Goodwill amortization   | -245.8         | -231.7             | -104.7                    | -957.1         | -860.4             |
| Non-recurring items   | -              | -166.0             | -                         | -              | -166.0             |
| <b>Operating income</b>   | <b>686.3</b>   | <b>453.6</b>       | <b>288.6</b>              | <b>2,637.9</b> | <b>2,132.8</b>     |
| Financial items   | -141.1         | -154.2             | -69.0                     | -631.1         | -664.4             |
| Share in earnings of associated companies   | 2.2            | 3.2                | 0.9                       | 8.2            | 7.2                |
| <b>Income before tax</b>  | <b>547.4</b>   | <b>302.6</b>       | <b>220.5</b>              | <b>2,015.0</b> | <b>1,475.6</b>     |
| Tax   | -172.5         | -96.8              | -75.5                     | -689.1         | -507.4             |
| Minority interests  | -12.1          | -6.6               | -6.1                      | -56.0          | -19.6              |
| <b>Net income</b>   | <b>362.8</b>   | <b>199.2</b>       | <b>138.9</b>              | <b>1,269.9</b> | <b>948.6</b>       |
| <b>EARNINGS PER SHARE</b>   | <b>Oct-Dec</b> | <b>Oct-Dec</b>     |                           | <b>Jan-Dec</b> | <b>Jan-Dec</b>     |
|   | <b>2002</b>    | <b>2001</b>        |                           | <b>2002</b>    | <b>2001</b>        |
|   | <b>SEK</b>     | <b>SEK</b>         |                           | <b>SEK</b>     | <b>SEK</b>         |
| Earnings per share after tax and before conversion <sup>3)</sup>                  | 1.00           | 0.87 <sup>5)</sup> |                           | 3.53           | 2.99 <sup>5)</sup> |
| Earnings per share after tax and full conversion <sup>4)</sup>                    | 1.00           | 0.86 <sup>5)</sup> |                           | 3.53           | 2.98 <sup>5)</sup> |
| Earnings per share after tax and full conversion excluding goodwill <sup>4)</sup> | 1.65           | 1.51 <sup>5)</sup> |                           | 6.13           | 5.39 <sup>5)</sup> |
| <b>CASH FLOW STATEMENT</b>  | <b>Oct-Dec</b> | <b>Oct-Dec</b>     | <b>Jan-Dec</b>            | <b>Jan-Dec</b> | <b>Jan-Dec</b>     |
|   | <b>2002</b>    | <b>2001</b>        | <b>2002</b>               | <b>2002</b>    | <b>2001</b>        |
|   | <b>SEK M</b>   | <b>SEK M</b>       | <b>EUR M<sup>1)</sup></b> | <b>SEK M</b>   | <b>SEK M</b>       |
| Cash flow from operating activities   | 1,291.4        | 929.8              | 420.9                     | 3,846.7        | 2,631.2            |
| Cash flow from investing activities   | -456.4         | -2,866.1           | -467.0                    | -4,268.0       | -7,112.2           |
| Cash flow from financing activities   | -1,210.2       | 1,915.8            | 62.1                      | 567.6          | 4,259.4            |
| <b>Cash flow</b>  | <b>-375.2</b>  | <b>-20.5</b>       | <b>16.0</b>               | <b>146.3</b>   | <b>-221.6</b>      |

**BALANCE SHEET**

|   | <b>31 Dec<br/>2002</b>    | <b>31 Dec<br/>2002</b> | <b>31 Dec<br/>2001</b> |
|---|---------------------------|------------------------|------------------------|
|   | <b>EUR M<sup>2)</sup></b> | <b>SEK M</b>           | <b>SEK M</b>           |
| Intangible fixed assets                   | 1,788.8                   | 16,385.8               | 16,557.8               |
| Tangible fixed assets                     | 674.1                     | 6,175.0                | 6,941.5                |
| Financial fixed assets                    | 72.9                      | 668.0                  | 566.8                  |
| Inventories                               | 392.5                     | 3,595.0                | 3,812.0                |
| Receivables                               | 463.0                     | 4,241.5                | 4,338.5                |
| Other non-interest-bearing current assets | 76.9                      | 703.4                  | 759.7                  |
| Interest-bearing current assets           | 162.9                     | 1,491.9                | 1,692.7                |
| <b>Total assets</b>                       | <b>3,631.1</b>            | <b>33,260.6</b>        | <b>34,669.0</b>        |

|   |                |                 |                 |
|---|----------------|-----------------|-----------------|
| Shareholders' equity                              | 1,351.7        | 12,381.2        | 11,845.6        |
| Minority interests                                | 36.1           | 330.9           | 481.7           |
| Interest-bearing provisions                       | 111.7          | 1,023.3         | 1,093.0         |
| Non-interest-bearing provisions                   | 33.9           | 310.2           | 358.3           |
| Interest-bearing long-term liabilities            | 1,020.7        | 9,349.2         | 12,111.0        |
| Non-interest-bearing long-term liabilities        | 8.7            | 79.9            | 16.3            |
| Interest-bearing current liabilities              | 564.6          | 5,172.0         | 4,074.5         |
| Non-interest-bearing current liabilities          | 503.7          | 4,613.9         | 4,688.6         |
| <b>Total shareholders' equity and liabilities</b> | <b>3,631.1</b> | <b>33,260.6</b> | <b>34,669.0</b> |

**CHANGE IN SHAREHOLDER'S EQUITY**

|   | <b>31 Dec<br/>2002</b> | <b>31 Dec<br/>2002</b> | <b>31 Dec<br/>2001</b> |
|---|------------------------|------------------------|------------------------|
|   | <b>EUR M</b>           | <b>SEK M</b>           | <b>SEK M</b>           |
| <b>Opening balance 1 January</b>                      | <b>1,272.4</b>         | <b>11,845.6</b>        | <b>10,659.0</b>        |
| Conversion to shares <sup>2)</sup>                    | 13.9                   | 127.2                  | 58.2                   |
| Repurchase convertible debentures                     | -11.8                  | -108.3                 | -                      |
| New share issue <sup>2, 6)</sup>                      | 135.8                  | 1,243.7                | -                      |
| Dividend <sup>2)</sup>                                | -38.6                  | -353.8                 | -317.8                 |
| Exchange difference for the year                      | -158.9                 | -1,643.1               | 497.6                  |
| Net Income <sup>1)</sup>                              | 138.9                  | 1,269.9                | 948.6                  |
| <b>Closing balance at end of period <sup>2)</sup></b> | <b>1,351.7</b>         | <b>12,381.2</b>        | <b>11,845.6</b>        |

| <b>KEY RATIO</b>  | <b>Jan-Dec<br/>2002</b> | <b>Jan-Dec<br/>2001</b> |
|---|-------------------------|-------------------------|
| Return on capital employed, %                                 | 9.9                     | 9.7 <sup>5)</sup>       |
| Return on capital employed before<br>goodwill amortization, % | 33.3                    | 32.9 <sup>5)</sup>      |
| Operational return on capital employed, %                     | 13.4                    | 13.3 <sup>5)</sup>      |
| Return on shareholders' equity, %                             | 9.9                     | 8.9 <sup>5)</sup>       |
| Equity ratio, %   | 38.2                    | 35.6                    |
| Interest coverage ratio, times                                | 3.9                     | 3.5 <sup>5)</sup>       |
| Interest on convertible debentures net after tax, SEK M       | 27.2                    | 9.0                     |
| Number of shares, thousands                                   | 365,918                 | 353,751                 |
| Number of shares after full conversion, thousands             | 370,935                 | 361,730                 |
| Average number of employees                                   | 28,754                  | 24,211                  |

<sup>1)</sup> Translated using an average rate during the year of 9.14

<sup>2)</sup> Translated using a closing rate at 31 December 2002 of 9.16

<sup>3)</sup> Number of shares, thousands, used for the calculation amount to 359,952 for December 2002 and 353,236 for December 2001.

<sup>4)</sup> Number of shares, thousands, used for the calculation amount to 367,511 for December 2002 and 357,276 for December 2001.

<sup>5)</sup> Excluding non-recurring items.

<sup>6)</sup> The amount raised through the new share issue has been reduced by SEK 16.3 M corresponding to transaction costs after tax.

## QUARTERLY INFORMATION

### THE GROUP IN SUMMARY

(All amounts in SEK M if not noted otherwise)

|   | Q 1<br>2001    | Q 2<br>2001    | Q 3<br>2001    | Q 4<br>2001         | Full Year<br>2001   | Q 1<br>2002    | Q 2<br>2002    | Q 3<br>2002    | Q 4<br>2002    | Full Year<br>2002 |
|---|----------------|----------------|----------------|---------------------|---------------------|----------------|----------------|----------------|----------------|-------------------|
| Sales   | 5,104.1        | 5,483.1        | 5,716.6        | 6,206.2             | 22,510.0            | 6,303.3        | 6,245.4        | 6,459.4        | 6,388.8        | 25,396.9          |
| Organic growth  | 4%             | 4%             | 4%             | 0%                  | 3%                  | 0%             | 4%             | 3%             | 2%             | 2%                |
| <b>Gross income</b>                                   | <b>1,987.8</b> | <b>2,115.7</b> | <b>2,164.2</b> | <b>2,379.2</b>      | <b>8,646.9</b>      | <b>2,407.5</b> | <b>2,437.7</b> | <b>2,506.3</b> | <b>2,519.5</b> | <b>9,871.0</b>    |
| Gross income / Sales                                  | 38.9%          | 38.6%          | 37.9%          | 38.3%               | 38.4%               | 38.2%          | 39.0%          | 38.8%          | 39.4%          | 38.9%             |
| <b>Operating income before depreciation</b>           | <b>922.1</b>   | <b>991.1</b>   | <b>1,024.5</b> | <b>1,082.2</b>      | <b>4,019.9</b>      | <b>1,104.3</b> | <b>1,105.5</b> | <b>1,172.2</b> | <b>1,163.0</b> | <b>4,545.0</b>    |
| Gross margin (EBITDA)                                 | 18.1%          | 18.1%          | 17.9%          | 17.4%               | 17.9%               | 17.5%          | 17.7%          | 18.1%          | 18.2%          | 17.9%             |
| Depreciation  | -178.2         | -223.6         | -228.0         | -230.9              | -860.7              | -241.7         | -238.6         | -238.8         | -230.9         | -950.0            |
| <b>Operating income before goodwill amortization</b>  | <b>743.9</b>   | <b>767.5</b>   | <b>796.5</b>   | <b>851.3</b>        | <b>3,159.2</b>      | <b>862.6</b>   | <b>866.9</b>   | <b>933.4</b>   | <b>932.1</b>   | <b>3,595.0</b>    |
| Operating margin before goodwill amortization (EBITA) | 14.6%          | 14.0%          | 13.9%          | 13.7%               | 14.0%               | 13.7%          | 13.9%          | 14.5%          | 14.6%          | 14.2%             |
| Goodwill amortization                                 | -202.3         | -208.3         | -218.1         | -231.7              | -860.4              | -232.4         | -231.8         | -247.1         | -245.8         | -957.1            |
| Non-recurring items                                   | -              | -              | -              | -166.0              | -166.0              | -              | -              | -              | -              | -                 |
| <b>Operating income</b>                               | <b>541.6</b>   | <b>559.2</b>   | <b>578.4</b>   | <b>453.6</b>        | <b>2,132.8</b>      | <b>630.2</b>   | <b>635.1</b>   | <b>686.3</b>   | <b>686.3</b>   | <b>2,637.9</b>    |
| Operating margin (EBIT)                               | 10.6%          | 10.2%          | 10.1%          | 10.0% <sup>5)</sup> | 10.2% <sup>5)</sup> | 10.0%          | 10.2%          | 10.6%          | 10.7%          | 10.4%             |
| Financial items                                       | -161.6         | -177.4         | -171.2         | -154.2              | -664.4              | -171.1         | -154.0         | -164.9         | -141.1         | -631.1            |
| <b>Income before tax</b>                              | <b>379.8</b>   | <b>385.2</b>   | <b>408.0</b>   | <b>302.6</b>        | <b>1,475.6</b>      | <b>460.5</b>   | <b>483.7</b>   | <b>523.4</b>   | <b>547.4</b>   | <b>2,015.0</b>    |
| Profit margin (EBT)                                   | 7.4%           | 7.0%           | 7.1%           | 7.6% <sup>5)</sup>  | 7.3% <sup>5)</sup>  | 7.3%           | 7.7%           | 8.1%           | 8.6%           | 7.9%              |
| Tax   | -132.9         | -134.8         | -142.9         | -96.8               | -507.4              | -162.2         | -170.2         | -184.2         | -172.5         | -689.1            |
| Minority interest                                     | 0.5            | -0.7           | -12.8          | -6.6                | -19.6               | -14.1          | -12.6          | -17.2          | -12.1          | -56.0             |
| <b>Net income</b>                                     | <b>247.4</b>   | <b>249.7</b>   | <b>252.3</b>   | <b>199.2</b>        | <b>948.6</b>        | <b>284.2</b>   | <b>300.9</b>   | <b>322.0</b>   | <b>362.8</b>   | <b>1,269.9</b>    |

### OPERATING CASH FLOW

|   | Q 1<br>2001  | Q 2<br>2001  | Q 3<br>2001  | Q 4<br>2001        | Full Year<br>2001  | Q 1<br>2002  | Q 2<br>2002  | Q 3<br>2002    | Q 4<br>2002  | Full Year<br>2002 |
|---|--------------|--------------|--------------|--------------------|--------------------|--------------|--------------|----------------|--------------|-------------------|
| Operating income before goodwill amortization | 743.9        | 767.5        | 796.5        | 851.3              | 3,159.2            | 862.6        | 866.9        | 933.4          | 932.1        | 3,595.0           |
| Depreciation                                  | 178.2        | 223.6        | 228.0        | 230.9              | 860.7              | 241.7        | 238.6        | 238.8          | 230.9        | 950.0             |
| Net capital expenditure                       | -129.0       | -161.7       | -281.9       | -257.3             | -829.9             | -154.6       | -211.7       | -138.0         | -334.6       | -838.9            |
| Change in working capital                     | -270.0       | -133.3       | 173.0        | 153.1              | -77.2              | -154.8       | 148.0        | 137.4          | 274.3        | 404.9             |
| Paid and received interest                    | -238.9       | -172.6       | -259.9       | -146.0             | -817.4             | -160.4       | -168.5       | -144.7         | -107.0       | -580.6            |
| Adjustment for non-cash items                 | 9.0          | 8.2          | 2.7          | 23.1               | 43.0               | 8.3          | 12.3         | -25.0          | -1.3         | -5.7              |
| <b>Operating cash flow</b>                    | <b>293.2</b> | <b>531.7</b> | <b>658.4</b> | <b>855.1</b>       | <b>2,338.4</b>     | <b>642.8</b> | <b>885.6</b> | <b>1,001.9</b> | <b>994.4</b> | <b>3,524.7</b>    |
| Operating cash flow / Income before tax       | 0.77         | 1.38         | 1.61         | 1.82 <sup>5)</sup> | 1.42 <sup>5)</sup> | 1.40         | 1.83         | 1.91           | 1.82         | 1.75              |

**CHANGE IN NET DEBT**

|                                     | Q 1<br>2001     | Q 2<br>2001     | Q 3<br>2001     | Q 4<br>2001     | Full Year<br>2001 | Q 1<br>2002     | Q 2<br>2002            | Q 3<br>2002     | Q 4<br>2002     | Full Year<br>2002      |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|------------------------|-----------------|-----------------|------------------------|
| Net debt at beginning of the period | 8,538.2         | 12,063.0        | 14,004.7        | 13,961.4        | 8,538.2           | 15,534.2        | 14,987.2               | 12,639.9        | 15,115.8        | 15,534.2               |
| Operating cash flow                 | -293.2          | -531.7          | -658.4          | -855.1          | -2,338.4          | -642.8          | -885.6                 | -1,001.9        | -994.4          | -3,524.7               |
| Paid tax                            | 98.0            | 121.2           | 135.3           | 182.6           | 537.1             | 162.1           | 216.1                  | 101.0           | 37.7            | 516.9                  |
| Acquisitions                        | 2,699.2         | 1,919.6         | 218.0           | 2,418.1         | 7,254.9           | 148.2           | 148.5                  | 3,151.3         | 120.7           | 3,568.7                |
| New share issue                     | -               | -               | -               | -               | -                 | -               | -1,243.7 <sup>6)</sup> | -               | -               | -1,243.7 <sup>6)</sup> |
| Dividend                            | -               | 317.8           | -               | -               | 317.8             | -               | 353.8                  | -               | -               | 353.8                  |
| Translation differences             | 1,020.8         | 114.8           | 261.8           | -172.8          | 1,224.6           | -214.5          | -936.4                 | 225.5           | -290.9          | -1,216.3               |
| <b>Net debt at end of period</b>    | <b>12,063.0</b> | <b>14,004.7</b> | <b>13,961.4</b> | <b>15,534.2</b> | <b>15,534.2</b>   | <b>14,987.2</b> | <b>12,639.9</b>        | <b>15,115.8</b> | <b>13,988.9</b> | <b>13,988.9</b>        |
| Net debt / Equity ratio, times      | 1.05            | 1.21            | 1.19            | 1.31            | 1.31              | 1.26            | 1.04                   | 1.21            | 1.13            | 1.13                   |

**CAPITAL EMPLOYED AND FINANCING**

|                      | Q 1<br>2001 | Q 2<br>2001 | Q 3<br>2001 | Q 4<br>2001 | Full Year<br>2001 | Q 1<br>2002 | Q 2<br>2002 | Q 3<br>2002 | Q 4<br>2002 | Full Year<br>2002 |
|----------------------|-------------|-------------|-------------|-------------|-------------------|-------------|-------------|-------------|-------------|-------------------|
| Capital employed     | 23,922.2    | 25,978.8    | 26,192.6    | 27,861.5    | 27,861.5          | 27,285.2    | 25,209.3    | 28,034.5    | 26,701.0    | 26,701.0          |
| - of which goodwill  | 15,223.0    | 15,853.0    | 15,777.4    | 16,371.0    | 15,777.4          | 15,743.5    | 14,530.6    | 16,955.5    | 16,213.5    | 16,213.5          |
| Net debt             | 12,063.0    | 14,004.7    | 13,961.4    | 15,534.2    | 15,534.2          | 14,987.2    | 12,639.9    | 15,115.8    | 13,988.9    | 13,988.9          |
| Minority interest    | 390.8       | 436.4       | 469.8       | 481.7       | 481.7             | 436.6       | 389.0       | 401.9       | 330.9       | 330.9             |
| Shareholders' equity | 11,468.4    | 11,537.7    | 11,761.4    | 11,845.6    | 11,845.6          | 11,861.4    | 12,180.4    | 12,516.7    | 12,381.2    | 12,381.2          |

**DATA PER SHARE**

|   | Q 1<br>2001<br>SEK | Q 2<br>2001<br>SEK | Q 3<br>2001<br>SEK | Q 4<br>2001<br>SEK | Full Year<br>2001<br>SEK | Q 1<br>2002<br>SEK | Q 2<br>2002<br>SEK | Q 3<br>2002<br>SEK | Q 4<br>2002<br>SEK | Full Year<br>2002<br>SEK |
|---|--------------------|--------------------|--------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|--------------------|--------------------------|
| Earnings per share after tax and before conversion <sup>3)</sup>                  | 0.70               | 0.71               | 0.71               | 0.87 <sup>5)</sup> | 2.99 <sup>5)</sup>       | 0.80               | 0.85               | 0.88               | 1.00               | 3.53                     |
| Earnings per share after tax and full conversion <sup>4)</sup>                    | 0.70               | 0.71               | 0.71               | 0.86 <sup>5)</sup> | 2.98 <sup>5)</sup>       | 0.81               | 0.84               | 0.88               | 1.00               | 3.53                     |
| Earnings per share after tax and full conversion excluding goodwill <sup>4)</sup> | 1.27               | 1.29               | 1.32               | 1.51 <sup>5)</sup> | 5.39 <sup>5)</sup>       | 1.45               | 1.48               | 1.55               | 1.65               | 6.13                     |
| Cash earnings per share after tax and full conversion                             | 1.79               | 1.91               | 1.98               | 2.39 <sup>5)</sup> | 8.07 <sup>5)</sup>       | 2.15               | 2.17               | 2.24               | 2.52               | 9.08                     |
| Shareholders' equity per share after full conversion                              | 32.79              | 32.83              | 33.43              | 35.80              | 35.80                    | 35.76              | 35.64              | 36.53              | 35.85              | 35.85                    |

**SALES BY ORGANIZATIONAL UNIT**

|                              | Q 1<br>2001  | Q 2<br>2001  | Q 3<br>2001  | Q 4<br>2001  | Full Year<br>2001 | Q 1<br>2002  | Q 2<br>2002  | Q 3<br>2002  | Q 4<br>2002  | Full Year<br>2002 | 02/01    |
|------------------------------|--------------|--------------|--------------|--------------|-------------------|--------------|--------------|--------------|--------------|-------------------|----------|
| Scandinavia                  | 486          | 472          | 444          | 512          | 1,914             | 478          | 515          | 461          | 516          | 1,970             | 3        |
| Finland                      | 31           | 32           | 30           | 33           | 126               | 30           | 34           | 29           | 33           | 126               | 1        |
| Central Europe <sup>9)</sup> | 37           | 34           | 42           | 42           | 155               | 44           | 43           | 45           | 43           | 175               | -1       |
| South Europe <sup>10)</sup>  | 79           | 77           | 70           | 88           | 314               | 108          | 108          | 88           | 103          | 407               | 1        |
| United Kingdom               | 23           | 22           | 21           | 20           | 86                | 23           | 22           | 21           | 20           | 86                | 1        |
| North America                | 204          | 223          | 255          | 255          | 937               | 266          | 273          | 280          | 259          | 1,078             | 2        |
| South Pacific                | 35           | 36           | 39           | 48           | 158               | 48           | 52           | 58           | 58           | 216               | 10       |
| New markets <sup>11)</sup>   | 465          | 525          | 509          | 530          | 2,029             | 452          | 495          | 506          | 499          | 1,952             | 4        |
| Hotel locks                  | 245          | 256          | 213          | 206          | 920               | 222          | 215          | 187          | 192          | 816               | -10      |
| Identification               | 29           | 25           | 22           | 30           | 106               | 32           | 32           | 34           | 34           | 132               | 10       |
| Door Automatics              | -            | -            | -            | -            | -                 | -            | -            | 467          | 548          | 1,015             | -        |
| <b>Total</b>                 | <b>5,104</b> | <b>5,483</b> | <b>5,717</b> | <b>6,206</b> | <b>22,510</b>     | <b>6,303</b> | <b>6,245</b> | <b>6,459</b> | <b>6,389</b> | <b>25,397</b>     | <b>2</b> |

<sup>1)</sup> Translated using an average rate during the year of 9.14.

<sup>2)</sup> Translated using a closing rate at 31 December 2002 of 9.16.

<sup>3)</sup> Number of shares, thousands, used for the calculation amount to 359,952 for December 2002 and 353,236 for December 2001.

<sup>4)</sup> Number of shares, thousands, used for the calculation amount to 367,511 for December 2002 and 357,276 for December 2001.

<sup>5)</sup> Excluding non-recurring items.

<sup>6)</sup> The amount raised through the new share issue has been reduced by SEK 16.3 M corresponding to transaction costs after tax.

<sup>7)</sup> Organic growth concern comparable units after adjustment for acquisitions and currency effects.

<sup>8)</sup> Organic growth in quarter 4 concern comparable units after adjustment for acquisitions and currency effects.

<sup>9)</sup> Germany, Netherlands, Switzerland and Austria.

<sup>10)</sup> France, Belgium, Italy and Spain.

<sup>11)</sup> Africa, Asia, Israel, South America and Eastern Europe.