

Press release from ASSA ABLOY AB (publ)

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ASSA ABLOY STRENGTHEN ITS POSITION ON THE SPANISH MARKET

ASSA ABLOY acquires AZBE B ZUBIA SA – one of Spain's leading lock manufacturers. AZBE is the second largest supplier of locks for wooden doors on the Spanish market. Through AZBE ASSA ABLOY will get:

- A strong platform in Spain where AZBE together with ASSA ABLOY's present sales operation can offer a more complete product package to the market
- New cross-selling opportunities for e.g. the French units
- A well-known brand in Spain with a large installed base of locks
- Access to a strong product range for cylinders and lock cases, especially suitable for southern Europe
- Access to an electromechanical cylinder programme
- Export channels to new markets, e.g. Latin America

AZBE has not been able to bid directly on larger projects for new construction on the Spanish market due to their relatively narrow product range. Together with ASSA ABLOY AZBE will now be able to better capitalise on the relatively strong Spanish construction market. Furthermore AZBE will add a strong programme for security cylinders and multi-point locks, which can be sold on other markets where the Group is active. AZBE's products have a high level of innovation and the company has recently launched a programme of electromechanical cylinders, which also is an area of interest in many of ASSA ABLOY's present markets.

AZBE's manufacturing unit is situated in Aretxabaleta in the Basque county and has approximately 100 employees. The Spanish lock manufacturing industry started in this region. AZBE is geographically relatively close to ASSA ABLOY's sales organisation in Barcelona and the two companies can share management and administration resources.

AZBE's sales for 1998 amounted to 84 MSEK, an increase of 7% compared with 1997. The sales for 1999 are estimated to 90 MSEK. The profitability is currently low, however, the potential for improvements is high and the acquisition will contribute to earnings per share as from next year. The acquisition is consolidated on the 1st of June and goodwill amounts to approximately 15 MSEK.

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The ASSA ABLOY Group is the world's leading manufacturer and supplier of locks and associated products, dedicated to satisfying end-user needs for security, safety and convenience. In 1999 the Group will report sales exceeding SEK 10 billions and has about 12 000 employees.