

## **Press release from ASSA ABLOY AB (publ)**

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### **ASSA ABLOY ACQUIRES 83 PER CENT OF FAB, THE LEADING LOCK COMPANY IN THE CZECH REPUBLIC**

- The leading Czech lock producer with a market share exceeding 70 per cent, strong position in Slovakia
- One of Eastern Europe's strongest lock brands
- Well functioning production setup in an area with a long mechanical engineering tradition
- Growth potential is good in the Czech Republic, Slovakia and neighbouring areas, the increasing need for higher security is obvious
- FAB's sales amounted to approx. 650 MKc in 1996 (150 MSEK) with a result before tax amounting to 108 Mkc. The company is listed on the stock exchange

FAB a.s. Rychnov nad Křeznou dates back to the beginning of the century and is the Czech Republic's leading producer of locks. The company has a market share of approx. 70 per cent. Production is mainly concentrated to the factory in Rychnov. Some production also takes place in Slovakia. FAB produces a complete program of cylinder and other lock products as well as car locks, mainly for Skoda.

The Czech Republic has a strong tradition in the area of high quality mechanical production. The factories have a well functioning production setup where considerable investments have been made in modern production techniques and the adaptation to environmental legislation.

Through the acquisition of FAB, being one of eastern Europe's strongest lock brands, a good platform is created for ASSA ABLOY's continued organic expansion in the area.

FAB's sales for 1996 amounted to 650 MKc (150 MSEK) with a result before tax amounting to 108 MKc (25 MSEK). The number of employees is approx. 1000.

In the light of FAB's positive and stable profit margin and obvious growth potential, the acquisition is expected to have a positive effect on the earnings per share, to some extent already in 1997.

The acquisition is subject to necessary Czech antitrust authorities' approval which are expected in the near future. ASSA ABLOY acquires the shares from a number of mutual funds. ASSA ABLOY's subsidiary Ruko has during a number of years cooperated with FAB, giving Ruko a good insight into FAB's business.

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ASSA ABLOY is the world's leading lock group with sales exceeding 7 000 MSEK. The number of employees is approximately 8 000. ASSA ABLOY develops, manufactures and markets mechanical, industrial, electromechanical and electronic locks and hotel locks. The group has market leading positions in Sweden, Finland, Norway, Denmark, Germany, France and in the United States.

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