

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

from ASSA ABLOY AB (publ)

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ASSA ABLOY acquires Phillips, a leading Lock Company in Mexico

- Phillips is a leading lock company with strong growth over the past few years
- 2000 sales amounted to approximately SEK 600 M with high profitability
- Complementary product portfolio to ASSA ABLOY's Mexican company Scovill
- Strengthens our platform for exports into Latin America
- Mexico, with a population of 100 million is one of the world's biggest economies
- Economic growth in Mexico, 7% last year, is stimulating demand for housing and security

ASSA ABLOY AB, the world's largest lock group, is to acquire one of Mexico's leading lock companies, Grupo Industrial Phillips S.A. de C.V.

Background

Phillips produces a full range of lock products primarily for the Mexican lock market. The company also has exports to other Latin American countries. Its main product is the rim lock - the most common type of lock used in Mexico. The product portfolios of Phillips and Scovill are highly complementary with almost no overlap.

Phillips is located in Mexico City and has an extensive distribution network. The company was founded in 1959 and has approximately 2,500 employees. Phillips has shown good growth and high profitability over a number of years. As Scovill is also located in Mexico City there are synergies and growth opportunities that will benefit both companies.

The acquisition of Phillips is subject to approval by Mexican Antitrust Authorities. The acquisition is expected to be finalized during the second quarter of 2001.

ASSA ABLOY first established itself in Mexico in 1998 through the acquisition of Scovill. Mexico has a population of around 100 million. The country is politically stable and is experiencing strong economic growth. The demands for new construction and security are considerable and Phillips is well-positioned to capitalize on this opportunity.

Financial effects

Phillips had sales of approximately SEK 600 M in 2000 with a high EBIT margin. The goodwill will amount to approximately SEK 140 M and will be amortized over 20 years. The acquisition will be EPS neutral during 2001 and positive from 2002.

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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. Current sales for the Group are in excess of SEK 18 billion (approximately USD 2 billion) and the number of employees is approximately 20,000.