

Press Release

7 February 2014
No. 02/14

Strong end of year for ASSA ABLOY

Fourth quarter

- Sales increased by 8% in the quarter, with 4% organic growth, and totaled SEK 13,242 M (12,239).
- Strong growth in Global Technologies and Americas divisions and good growth in Asia Pacific and Entrance Systems.
- EMEA division stabilized and showed weak growth.
- Acquisitions of Amarr (USA), Ameristar (USA) and Mercor (Poland) with expected annual sales totaling SEK 3,600 M.
- Restructuring program costed at SEK 1,000 M.
- Operating income (EBIT) amounted to SEK 2,202¹⁾ M (2,030), an increase of 8%. The operating margin was 16.6%¹⁾ (16.6).
- Net income amounted to SEK 1,510²⁾ M (1,405).
- Earnings per share rose by 8% to SEK 4.08²⁾ (3.79).
- Strong operating cash flow amounting to SEK 2,541 M (3,160).

Full year

- Sales increased by 4%, including 2% organic growth, and totaled SEK 48,481 M (46,619).
- Operating income (EBIT) amounted to SEK 7,923¹⁾ M (7,501), representing an increase of 6%. The operating margin was 16.3%¹⁾ (16.1).
- Net income amounted to SEK 5,496²⁾ M (5,172).
- Earnings per share rose by 6% to SEK 14.84²⁾ (13.97).
- Strong operating cash flow totaling SEK 6,803 M (7,044).
- The Board of Directors proposes a dividend of SEK 5.70 per share (5.10).

¹⁾ Excluding items affecting comparability in 2013 amounting to SEK -1,000 M for both the quarter and the full year.

²⁾ Excluding items affecting comparability in 2013 amounting after tax to SEK -721 M for both the quarter and the full year.

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SALES AND INCOME

	Fourth quarter			Full year		
	2012	2013	Change	2012	2013	Change
Sales, SEK M	12,239	13,242	+8%	46,619	48,481	+4%
of which,						
Organic growth			+4%			+2%
Acquisitions			+5%			+4%
Exchange-rate effects	-212	-134	-1%	290	-1,156	-2%
Operating income (EBIT), SEK M¹⁾	2,030	2,202	+8%	7,501	7,923	+6%
Operating margin (EBIT), % ¹⁾	16.6	16.6		16.1	16.3	
Income before tax, SEK M ¹⁾	1,836	2,050	+12%	6,784	7,381	+9%
Net income, SEK M ²⁾	1,405	1,510	+7% ²⁾	5,172	5,496	+6% ²⁾
Operating cash flow, SEK M	3,160	2,541	-20%	7,044	6,803	-3%
Earnings per share (EPS), SEK²⁾	3.79	4.08	+8%	13.97	14.84	+6%

1) Excluding items affecting comparability in 2013 amounting to SEK -1,000 M for both the quarter and the full year.

2) Excluding items affecting comparability in 2013 amounting after tax to SEK -721 M for both the quarter and the full year.

COMMENTS BY THE PRESIDENT AND CEO

"The fourth quarter was very satisfactory, with a strong increase in sales and record earnings," says Johan Molin, President and CEO. "The global economy continues to remain static, but a continued positive development primarily in Global Technologies and Americas, gave an organic growth of 4%. At the same time acquired sales rose by 5%, mainly through the acquisitions of Ameristar and Amarr.

"Operating income increased by a full 8% as a result of increased efficiency in acquired units, somewhat lower raw-material costs and specific savings from the restructuring programs carried out.

"Sales of new products continued to develop very positively and in the fourth quarter accounted for a full 27% of total sales value. It was also very pleasing that the rapid rise in sales of electromechanical products continued during the quarter.

"Operating income for the full year 2013 improved by a gratifying 6% in spite of the very challenging market. Operating cash flow also remained very good as a result of increased profit and stable working capital but was affected by major investments in buildings.

"Activity in the acquisition field remained high in 2013. Contracts were signed for a total of twelve acquisitions, whose total annual sales of SEK 4,200 M represent 9% added growth. After the quarter ended there was one exciting addition on the technology side for HID with the strategic acquisition of IdenTrust in digital authentication.

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"My judgment is that the world economy is slowly on the way to improving, although still affected by the budget cutbacks that many countries are making. Our strategy therefore remains unchanged, to reduce our dependence on mature markets and to expand strongly in the emerging markets, which are expected to go on growing well. Another continuing priority will be investments in new products, especially in the growth area of electromechanics."

FOURTH QUARTER

The Group's sales totaled SEK 13,242 M (12,239), an increase of 8% compared with the fourth quarter of 2012. Organic growth for comparable units was 4% (0). Acquired units contributed 5% (7). Exchange-rate effects had an impact of SEK -134 M (-212) on sales, that is -1% (-3).

Operating income before depreciation, EBITDA, amounted to SEK 2,440 M (2,268). The corresponding EBITDA margin was 18.4% (18.5). The Group's operating income, EBIT, excluding items affecting comparability, amounted to SEK 2,202 M (2,030), an increase of 8%. The operating margin excluding items affecting comparability was 16.6% (16.6).

Net financial items amounted to SEK -152M (-193). The Group's income before tax, excluding items affecting comparability, amounted to SEK 2,050 M (1,836), an improvement of 12% compared with the previous year. Exchange-rate effects had an impact of SEK -42 M (-47) on the Group's income before tax. The profit margin, excluding items affecting comparability, was 15.5% (15.0). The effective tax rate on an annual basis amounted to 25% (24). Earnings per share, excluding items affecting comparability, amounted to SEK 4.08 (3.79), an increase of 8%.

FULL YEAR

Full-year sales for 2013 totaled SEK 48,481 M (46,619), representing an increase of 4%. Organic growth was 2% (2). Acquired units contributed 4% (9). Exchange-rate effects affected sales by SEK -1,156 M (290), representing -2% (1), compared with 2012.

Operating income before depreciation, EBITDA, for the full year amounted to SEK 8,917 M (8,536). The corresponding margin was 18.4% (18.3). The Group's operating income, EBIT, excluding items affecting comparability, amounted to SEK 7,923 M (7,501), which was an increase of 6%. The corresponding operating margin, excluding items affecting comparability, was 16.3% (16.1).

Earnings per share for the full year, excluding items affecting comparability, amounted to SEK 14.84 (13.97), an increase of 6%. Operating cash flow totaled SEK 6,803 M (7,044).

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RESTRUCTURING MEASURES

A new restructuring program was launched during the fourth quarter. A total of some thirty production units and offices are expected to be closed over a three-year period. The restructuring costs amount to SEK 1,000 M, with an estimated payback time of just over three years.

Payments related to all existing restructuring programs amounted to SEK 230 M in the quarter. The restructuring programs proceeded according to plan and led to a reduction in personnel of 1,274 people during the quarter and 8,358 people since the projects began.

At the end of the year provisions of SEK 1,369 M remained in the balance sheet for carrying out the programs, of which SEK 896 M relates to this year's restructuring program.

COMMENTS BY DIVISION

EMEA

Sales for the quarter in EMEA division totaled SEK 3,546 M (3,479), with organic growth of 1% (-1). The markets in Scandinavia, Africa and eastern Europe showed strong growth. Britain showed growth and Germany was stable, but the trend was negative in France, the Netherlands, Spain, Italy and Israel. Acquired growth amounted to 1%. Operating income totaled SEK 631 M (633). The operating margin (EBIT) was sustained at a high level and was 17.8% (18.2). Return on capital employed amounted to 22.9% (24.0). Operating cash flow before interest paid totaled SEK 944 M (788).

AMERICAS

Sales for the quarter in Americas division totaled SEK 2,558 M (2,340), with organic growth of 6% (5). The sales trends for electromechanical products and the private residential market were very strong, and traditional lock products remained strong. Security doors and high-security products showed good growth, while Canada and Mexico showed a stable trend. South America showed strong growth. Acquired growth amounted to 6%. Operating income totaled SEK 525 M (484) and the operating margin was 20.5% (20.7). Return on capital employed amounted to 22.3% (22.9). Operating cash flow before interest paid totaled SEK 656 M (548).

ASIA PACIFIC

Sales for the quarter in Asia Pacific division totaled SEK 2,066 M (2,034), with organic growth of 4% (2). South Korea, South-East Asia and New Zealand showed strong growth. The market in China showed strong growth for fire doors, good growth for traditional lock products and a weak trend for security doors. Australia showed a weakly negative trend. Acquired growth amounted to 0%. Operating income totaled SEK 281 M (276), giving an operating margin (EBIT) of 13.6% (13.6). The quarter's return on capital employed

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amounted to 14.8% (20.9). Operating cash flow before interest paid totaled SEK 450 M (928), affected by a major investment in building.

GLOBAL TECHNOLOGIES

Sales for the quarter in Global Technologies division totaled SEK 1,690 M (1,516), with organic growth of 13% (2). HID had strong growth in access control and logical access, Government ID and project orders. Hospitality showed strong growth, mainly from the important renovation market. Profitability improved for both Business Units. Acquired growth amounted to 0%. The division's operating income amounted to SEK 312 M (262), with an operating margin (EBIT) of 18.4% (17.3). Return on capital employed amounted to 20.3% (17.3). Operating cash flow before interest paid totaled SEK 258 M (467), affected by a major investment in building.

ENTRANCE SYSTEMS

Sales for the quarter in Entrance Systems division totaled SEK 3,615 M (3,080), with organic growth of 3% (-5). The markets in Americas and Asia showed good growth while demand in Europe stabilized. Sales increased in the segments of industrial doors and high-speed doors, while door automation and docking systems were stable. Ditec continued to show a negative trend, affected by the weak demand in southern Europe. Acquired growth amounted to 15%. Operating income totaled SEK 587 M (515), giving an operating margin of 16.2% (16.7). Return on capital employed amounted to 16.3% (15.3). Operating cash flow before interest paid totaled SEK 594 M (651).

ACQUISITIONS

During the quarter ASSA ABLOY acquired the US company Amarr, the third-largest player on the North American market for overhead doors. The company has about 1,200 employees and its sales in 2014 are expected to total about SEK 2,100 M (USD 330 M).

During the quarter Ameristar (USA), Amarr (USA), Mercor (Poland) and one minor acquisition were consolidated. The combined acquisition price for the ten companies acquired during the year amounted to SEK 4,684 M, and preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to SEK 3,360 M. The acquisition price is adjusted for acquired net debt and estimated earn-outs. Estimated earn-outs amount to SEK 602 M.

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SUSTAINABLE DEVELOPMENT

ASSA ABLOY places a strong focus on reducing the environmental impact related to the Group's factories and offices worldwide. In the ongoing consolidation of the Group's units, efficiency benefits will be realized in the form of reduced energy and water consumption as the number of properties falls and the remaining premises can be utilized more efficiently. In some cases the consolidated units are moving into completely new premises optimized for reduced environmental impact. One example of this is HID's new North American Operations Center in Austin, Texas. In the new property, the Division's manufacturing in the USA is brought together in a single unit, which has meant that the energy consumption per manufactured product has been reduced by 20% and the water consumption by over 50%. All lighting in the property uses LED lamps, and a sophisticated system continuously controls and measures energy consumption.

ASSA ABLOY's Sustainability Report for 2013 will be available from 26 March 2014 on the company's website, www.assaabloy.com.

PARENT COMPANY

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 2,261 M (1,938) for the full year. Income before tax amounted to SEK 2,896 M (3,507). Investments in tangible and intangible assets totaled SEK 992 M (1,063), of which intangible assets accounted for SEK 991 M (1,062). Liquidity is good and the equity ratio was 45.1% (50.0).

DIVIDEND AND ANNUAL GENERAL MEETING

The Board of Directors proposes a dividend of SEK 5.70 (5.10) per share for the 2013 financial year. The Annual General Meeting will be held on 7 May 2014. The Annual Report for 2013 will be available from 26 March 2014 on the company's website, www.assaabloy.com.

ACCOUNTING PRINCIPLES

ASSA ABLOY applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. Significant accounting and valuation principles are detailed on pages 90-95 of the 2012 Annual Report.

This Year-end Report was prepared in accordance with IAS 34 'Interim Financial Reporting' and the Annual Accounts Act. The Year-end Report for the Parent company was prepared in accordance with the Annual Accounts Act and RFR 2 'Reporting by a Legal Entity'.

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EFFECTS OF CHANGED ACCOUNTING PRINCIPLES

In 2013 financial reporting is affected by changes relating to the reporting of defined-benefit pension plans. The changed accounting principles remove the option of using the so-called corridor method: that is, the option of reporting only a proportion of actuarial gains and losses as income or expense. The significant changed valuations are instead reported as they arise in 'Other comprehensive income'. The changes also mean that the return on plan assets is no longer reported as expected return but is reported as an interest income item in the income statement, based on the value of the discount rate at the start of the financial year. The accounting principles for defined-benefit pension plans are therefore changed from the Group's accounting principles in the 2012 Annual Report and the Interim Reports published earlier in 2012.

The new principles affect reporting retroactively, and the opening balance at 1 January 2012 has been recalculated, as have the comparatives for 2012. On the balance-sheet date of 1 January 2012, pension obligations and net debt increased by SEK 1,092 M. Equity was reduced by SEK 737 M and financial assets increased by SEK 355 M. Operating income for the quarter and the full year 2012 is unchanged. Financial items for the quarter and the full year 2012 improved by SEK 11 M and SEK 53 M respectively. The tax expense fell by SEK 8 M for the quarter and increased by SEK 6 M for the full year 2012. Net profit for the quarter and the full year 2012 increased by SEK 19 M and SEK 47 M respectively. Earnings per share after dilution for the quarter and the full year 2012 increased by SEK 0.05 per share and SEK 0.13 per share respectively.

TRANSACTIONS WITH RELATED PARTIES

No transactions that significantly affected the company's position and income have taken place between ASSA ABLOY and related parties.

RISKS AND UNCERTAINTY FACTORS

As an international Group with a wide geographic spread, ASSA ABLOY is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. The financial risks are related to such factors as exchange rates, interest rates, liquidity, the giving of credit, raw materials and financial instruments. Risk management in ASSA ABLOY aims to identify, control and reduce risks. This work begins with an assessment of the probability of risks occurring and their potential effect on the Group. For a more detailed description of risks and risk management, see the 2012 Annual Report. No significant risks other than the risks described there are judged to have occurred.

AUDIT

The Company's Auditor has not carried out any review of the Report for the fourth quarter of 2013.

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OUTLOOK*

Long-term outlook

Long term, ASSA ABLOY expects an increase in security-driven demand. Focus on end-user value and innovation as well as leverage on ASSA ABLOY's strong position will accelerate growth and increase profitability.

Organic sales growth is expected to continue at a good rate. The operating margin (EBIT) and operating cash flow are expected to develop well.

** Outlook published on 28 October 2013:*

Long-term outlook

Long term, ASSA ABLOY expects an increase in security-driven demand. Focus on end-user value and innovation as well as leverage on ASSA ABLOY's strong position will accelerate growth and increase profitability.

Organic sales growth is expected to continue at a good rate. The operating margin (EBIT) and operating cash flow are expected to develop well.

Stockholm, 7 February 2014

Johan Molin

President and CEO

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FINANCIAL INFORMATION

The Interim Report for the first quarter will be published on 29 April 2014. The Annual General Meeting will be held on 7 May 2014 at the Museum of Modern Art in Stockholm.

FURTHER INFORMATION CAN BE OBTAINED FROM:

Johan Molin, President and CEO, Tel: +46 8 506 485 42
Carolina Dybeck Happe, Chief Financial Officer, Tel: +46 8 506 485 72

ASSA ABLOY is holding an **analysts' meeting at 10.00 today** at Operaterrassen in Stockholm.

The analysts' meeting can also be followed on the Internet at www.assaabloy.com.
It is possible to submit questions by telephone on **+46 8 5055 6476, +44 203 364 5371 or +1 877 679 2993**.

This information is that which ASSA ABLOY is required to disclose under the Swedish Securities Exchange and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act.

The information is released for publication at 08.00 on 7 February.

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FINANCIAL INFORMATION - GROUP

CONSOLIDATED INCOME STATEMENT

SEK M	Oct-Dec 2012	Oct-Dec 2013	Jan-Dec 2012	Jan-Dec 2013
Sales	12,239	13,242	46,619	48,481
Cost of goods sold	-7,408	-8,826	-28,190	-30,082
Gross income	4,832	4,416	18,429	18,399
Selling, administrative and RnD costs	-2,814	-3,237	-10,998	-11,569
Share of earnings in associates	12	23	70	94
Operating income	2,030	1,202	7,501	6,924
Financial items	-193	-152	-717	-542
Income before tax	1,836	1,050	6,784	6,381
Tax on income	-431	-262	-1,623	-1,595
Net income of disposal group classified as held for sale and discontinued operations	-	0	11	-11
Net income	1,405	788	5,172	4,775
Net income attributable to:				
Parent company's shareholders	1,405	788	5,158	4,772
Non-controlling interest	1	0	14	2
Earnings per share				
before dilution, SEK	3.79	2.13	13.97	12.89
after dilution, SEK	3.79	2.13	13.97	12.89
after dilution excluding items affecting comparability, SEK	3.79	4.08	13.97	14.84

STATEMENT OF COMPREHENSIVE INCOME

SEK M	Oct-Dec 2012	Oct-Dec 2013	Jan-Dec 2012	Jan-Dec 2013
Net income	1,405	788	5,172	4,775
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Actuarial gain/loss on post employment benefit obligations, net after tax	-34	-24	-34	225
Sum	-34	-24	-34	225
Items that may be reclassified subsequently to profit or loss				
Share of other comprehensive income of associates	-17	23	-96	-18
Net investment and cashflow hedges	-20	-33	180	9
Exchange rate differences	190	467	-978	143
Sum	153	457	-893	134
Total comprehensive income	1,524	1,222	4,245	5,133
Total comprehensive income attributable to:				
Parent company's shareholders	1,530	1,222	4,238	5,129
Non-controlling interest	-7	0	6	4

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FINANCIAL INFORMATION - GROUP

CONSOLIDATED BALANCE SHEET

SEK M	31 Dec 2012	31 Dec 2013
ASSETS		
Non-current assets		
Intangible assets	34,422	38,280
Tangible assets	5,603	6,390
Investments in associates	1,519	1,675
Other financial assets	89	86
Deferred tax assets	1,719	1,677
Total non-current assets	43,352	48,109
Current assets		
Inventories	5,905	6,498
Trade receivables	7,557	8,531
Other current receivables and investments	1,874	2,263
Cash and cash equivalents	907	362
Asset of disposal group classified as held for sale	610	-
Total current assets	16,853	17,654
TOTAL ASSETS	60,205	65,763
EQUITY AND LIABILITIES		
Equity		
Parent company's shareholders	25,819	28,812
Non-controlling interest	183	0
Total equity	26,001	28,813
Non-current liabilities		
Long-term loans	11,194	13,329
Deferred tax liabilities	1,226	1,416
Other non-current liabilities and provisions	4,871	5,364
Total non-current liabilities	17,292	20,109
Current liabilities		
Short-term loans	3,301	4,875
Trade payables	3,883	4,393
Other current liabilities and provisions	9,502	7,574
Liabilities of disposal group classified as held for sale	226	-
Total current liabilities	16,911	16,842
TOTAL EQUITY AND LIABILITIES	60,205	65,763

CHANGES IN CONSOLIDATED EQUITY

SEK M	Equity attributable to:		
	Parent company's shareholders	Non- controlling interest	Total equity
Opening balance 1 January 2012	23,527	208	23,735
The effects of changes in accounting policies for defined benefit pension plans	-737	-	-737
Adjusted opening balance 1 January 2012	22,790	208	22,998
Net income	5,158	14	5,172
Other comprehensive income	-920	-7	-927
Total comprehensive income	4,238	6	4,245
Dividend	-1,655	-27	-1,683
Purchase of treasury shares	-38	-	-38
Share issue	450	-	450
Stock purchase plans	27	-	27
Change in non-controlling interest	5	-4	1
Total transactions with parent company's shareholders	-1,210	-32	-1,242
Closing balance 31 December 2012	25,819	183	26,001
Opening balance 1 January 2013	25,819	183	26,001
Net income	4,772	2	4,775
Other comprehensive income	357	2	359
Total comprehensive income	5,129	4	5,133
Dividend	-1,888	-155	-2,044
Stock purchase plans	-18	-	-18
Change in non-controlling interest	-229	-32	-260
Total transactions with parent company's shareholders	-2,135	-187	-2,322
Closing balance 31 December 2013	28,812	0	28,813

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FINANCIAL INFORMATION - GROUP

CONSOLIDATED CASH FLOW STATEMENT

SEK M	Oct-Dec 2012	Oct-Dec 2013	Jan-Dec 2012	Jan-Dec 2013
OPERATING ACTIVITIES				
Operating income	2,030	1,202	7,501	6,924
Depreciation	238	238	1,034	993
Reversal of restructuring costs	-	1,000	-	1,000
Restructuring payments	-202	-230	-498	-647
Other non-cash items	-123	86	-312	17
Cash flow before interest and tax	1,943	2,296	7,726	8,286
Interest paid and received	-154	-139	-546	-431
Tax paid on income	-239	-271	-1,113	-1,134
Cash flow before changes in working capital	1,550	1,886	6,067	6,721
Changes in working capital	1,112	615	-77	-497
Cash flow from operating activities	2,662	2,501	5,990	6,224
INVESTING ACTIVITIES				
Net investments in tangible and intangible assets	57	-461	-557	-1,202
Investments in subsidiaries	-936	-3,932	-3,836	-4,783
Investments in associates	-82	-27	-352	-131
Disposals of subsidiaries	-	-	-12	85
Other investments and disposals	-1	1	19	1
Cash flow from investing activities	-962	-4,418	-4,738	-6,030
FINANCING ACTIVITIES				
Dividends	0	-29	-1,683	-2,007
Share issue	-	-	450	-
Purchase of treasury shares	-	-	-38	-
Acquisition of non-controlling interest	-	-	-	-2,155
Net cash effect of changes in borrowings	-1,761	1,680	-294	3,431
Cash flow from financing activities	-1,761	1,650	-1,564	-731
CASH FLOW	-61	-267	-312	-537
CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of period	971	619	1,665	907
Cash flow	-61	-267	-312	-537
Effect of exchange rate differences	4	9	-56	-9
Cash and cash equivalents in disposal group held for sale	-8	-	-390	-
Cash and cash equivalents at end of period	907	362	907	362

KEY RATIOS

	Jan-Dec 2012	Jan-Dec 2013
Return on capital employed excluding items affecting comparability, %	18.1	17.1
Return on capital employed including items affecting comparability, %	18.1	14.9
Return on shareholders' equity, %	20.9	17.5
Equity ratio, %	43.2	43.8
Interest coverage ratio, times	11.1	13.5
Interest on convertible debentures net after tax, SEK M	3.9	-
Number of shares outstanding at the end of period, thousands	370,859	370,859
Weighted average number of shares, thousands	369,185	370,259
Weighted average number of shares after dilution, thousands	369,592	370,259
Average number of employees	42,762	42,556

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FINANCIAL INFORMATION - PARENT COMPANY

INCOME STATEMENT

SEK M	Jan-Dec 2012	Jan-Dec 2013
Operating income	850	826
Income before tax	3,507	2,896
Net income	3,496	2,731

BALANCE SHEET

SEK M	31 Dec 2012	31 Dec 2013
Non-current assets	30,515	32,781
Current assets	2,470	5,695
Total assets	32,985	38,476
Equity	16,507	17,365
Provisions	73	9
Non-current liabilities	5,386	5,973
Current liabilities	11,019	15,129
Total equity and liabilities	32,985	38,476

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QUARTERLY INFORMATION - GROUP

THE GROUP IN SUMMARY

SEK M	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Full Year 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Full Year 2013
Sales	10,839	11,997	11,545	12,239	46,619	10,868	12,239	12,131	13,242	48,481
Organic growth ²⁾	3%	3%	1%	0%	2%	-1%	3%	3%	4%	2%
Gross income excluding items affecting comparability	4,307	4,687	4,603	4,832	18,429	4,358	4,786	4,839	5,176	19,159
Gross margin	39.7%	39.1%	39.9%	39.5%	39.5%	40.1%	39.1%	39.9%	39.1%	39.5%
Operating income before depreciation (EBITDA) excluding items affecting comparability	1,929	2,157	2,183	2,268	8,536	1,911	2,226	2,339	2,440	8,917
Operating margin (EBITDA)	17.8%	18.0%	18.9%	18.5%	18.3%	17.6%	18.2%	19.3%	18.4%	18.4%
Depreciation	-274	-272	-251	-238	-1,034	-250	-256	-249	-238	-993
Operating income (EBIT) excluding items affecting comparability	1,655	1,885	1,932	2,030	7,501	1,662	1,970	2,090	2,202	7,923
Operating margin (EBIT)	15.3%	15.7%	16.7%	16.6%	16.1%	15.3%	16.1%	17.2%	16.6%	16.3%
Items affecting comparability ³⁾	-	-	-	-	-	-	-	-	-1,000	-1,000
Operating income (EBIT)	1,655	1,885	1,932	2,030	7,501	1,662	1,970	2,090	1,202	6,924
Operating margin (EBIT)	15.3%	15.7%	16.7%	16.6%	16.1%	15.3%	16.1%	17.2%	9.1%	14.3%
Net financial items	-165	-192	-166	-193	-717	-129	-138	-124	-152	-542
Income before tax	1,490	1,692	1,766	1,836	6,784	1,533	1,832	1,966	1,050	6,381
Profit margin (EBT)	13.7%	14.1%	15.3%	15.0%	14.6%	14.1%	15.0%	16.2%	7.9%	13.2%
Tax on income	-344	-390	-458	-431	-1,623	-383	-458	-492	-262	-1,595
Net income of disposal group classified as held for sale and discontinued operations	-	4	7	-	11	-11	-	-	-	-11
Net income	1,146	1,306	1,316	1,405	5,172	1,138	1,374	1,474	788	4,775
Net income attributable to:										
Parent company's shareholders	1,144	1,303	1,307	1,405	5,158	1,138	1,372	1,474	788	4,772
Non-controlling interest	2	2	9	1	14	1	2	0	0	2

OPERATING CASH FLOW

SEK M	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Full Year 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Full Year 2013
Operating income (EBIT)	1,655	1,885	1,932	2,030	7,501	1,662	1,970	2,090	1,202	6,924
Restructuring costs	-	-	-	-	-	-	-	-	1,000	1,000
Depreciation	274	272	251	238	1,034	250	256	249	238	993
Net capital expenditure	-183	-165	-265	57	-557	-228	-233	-280	-461	-1,202
Change in working capital	-1,155	-299	266	1,112	-77	-1,110	-234	232	615	-497
Interest paid and received	-112	-180	-100	-154	-546	-73	-165	-53	-139	-431
Non-cash items	4	-77	-116	-123	-312	-2	-6	-63	86	17
Operating cash flow ⁴⁾	483	1,435	1,967	3,160	7,044	498	1,589	2,175	2,541	6,803
Operating cash flow / Income before tax ⁴⁾	0.32	0.85	1.11	1.72	1.04	0.33	0.87	1.11	1.24	0.92

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QUARTERLY INFORMATION - GROUP

THE GROUP IN SUMMARY

CHANGE IN NET DEBT

SEK M	Q1 2012	Q2 2012	Q3 2012	Q4 Full Year 2012	Q1 2012	Q2 2012	Q3 2012	Q4 Full Year 2012	Q1 2013	Q2 2013	Q3 2013	Q4 Full Year 2013	Q1 2013
Net debt at beginning of period	15,299	16,833	19,071	17,559	15,299	15,805	15,364	16,628	17,356	15,805			
Operating cash flow	-483	-1,435	-1,967	-3,160	-7,044	-498	-1,589	-2,175	-2,541	-6,803			
Restructuring payments	92	86	118	202	498	190	109	118	230	647			
Tax paid	360	341	173	239	1,113	357	353	154	271	1,134			
Impact on net debt from acquisitions and disposals	1,489	1,221	452	1,019	4,181	-104	385	2,545	3,957	6,784			
Dividend	-	1,655	27	-	1,683	-	1,888	89	29	2,007			
Purchase of treasury shares	-	38	-	-	38	-	-	-	-	-			
Actuarial gain/loss on post employment benefit obligations	-8	-16	-18	23	-19	-300	-148	80	7	-361			
Net assets of disposal group classified as held for sale	-	324	59	7	390	-	-	-	-	-			
Exchange rate differences and other	83	24	-356	-84	-332	-86	265	-83	286	382			
Net debt at end of period	16,833	19,071	17,559	15,805	15,805	15,364	16,628	17,356	19,595	19,595			
Net debt/Equity ratio	0.71	0.79	0.72	0.61	0.61	0.57	0.62	0.63	0.68	0.68			

NET DEBT

SEK M	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Non-current interest-bearing receivables	-32	-33	-30	-29	-29	-24	-27	-27
Short-term interest-bearing investments including derivatives	-202	-256	-211	-138	-375	-384	-339	-342
Cash and cash equivalents	-1,208	-1,143	-971	-907	-870	-940	-619	-362
Pension provisions	2,298	2,305	2,264	2,297	1,972	1,908	1,941	2,015
Other non-current interest-bearing liabilities	8,153	8,726	10,028	11,194	12,265	11,262	11,045	13,329
Current interest-bearing liabilities including derivatives	7,824	9,472	6,479	3,388	2,401	4,806	5,356	4,983
Total	16,833	19,071	17,559	15,805	15,364	16,628	17,356	19,595

CAPITAL EMPLOYED AND FINANCING

SEK M	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Capital employed	40,546	42,950	41,626	41,422	42,170	43,433	44,884	48,408
- of which goodwill	27,824	29,924	28,635	28,932	28,742	29,446	28,841	31,817
- of which other intangible and tangible assets	10,436	10,599	10,917	11,093	10,937	11,302	11,094	12,854
- of which investments in associates	1,206	1,231	1,444	1,519	1,466	1,532	1,613	1,675
Assets and liabilities of disposal group classified as held for sale	-	396	382	385	-	-	-	-
Net debt	16,833	19,071	17,559	15,805	15,364	16,628	17,356	19,595
Non-controlling interest	214	211	183	183	68	0	0	0
Shareholders' equity	23,499	24,064	24,266	25,819	26,738	26,805	27,527	28,812

DATA PER SHARE

SEK	Q1 2012	Q2 2012	Q3 2012	Q4 Full Year 2012	Q1 2012	Q2 2012	Q3 2012	Q4 Full Year 2012	Q1 2013	Q2 2013	Q3 2013	Q4 Full Year 2013	Q1 2013
Earnings per share after tax and before dilution	3.11	3.54	3.53	3.79	13.97	3.07	3.71	3.98	2.13	12.89			
Earnings per share after tax and dilution	3.11	3.54	3.53	3.79	13.97	3.07	3.71	3.98	2.13	12.89			
Earnings per share after tax and dilution excluding items affecting comparability ³⁾	3.11	3.54	3.53	3.79	13.97	3.07	3.71	3.98	4.08	14.84			
Shareholders' equity per share after dilution	66.25	65.28	65.48	69.65	69.86	72.21	72.39	74.35	77.83	77.83			

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RESULTS BY DIVISION

Oct-Dec and 31 Dec

	EMEA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Sales, external	3,428	3,497	2,331	2,546	1,918	1,932	1,495	1,673	3,066	3,594			12,239	13,242
Sales, internal	51	49	9	11	115	134	21	17	14	21	-210	-232	-	-
Sales	3,479	3,546	2,340	2,558	2,034	2,066	1,516	1,690	3,080	3,615	-210	-232	12,239	13,242
Organic growth ²⁾	-1%	1%	5%	6%	2%	4%	2%	13%	-5%	3%			0%	4%
Operating income (EBIT)	633	631	484	525	276	281	262	312	515	587	-140	-134	2,030	2,202
Operating margin (EBIT)	18.2%	17.8%	20.7%	20.5%	13.6%	13.6%	17.3%	18.4%	16.7%	16.2%			16.6%	16.6%
Items affecting comparability ³⁾	-	-300	-	-18	-	-183	-	-38	-	-313	-	-149	-	-1,000
Operating income (EBIT) including items affecting comparability	633	332	484	507	276	99	262	274	515	274	-140	-283	2,030	1,202
Capital employed	9,217	10,499	8,301	10,475	5,168	7,436	5,717	6,114	13,189	14,592	-169	-708	41,422	48,408
- of which goodwill	5,846	6,395	5,913	7,319	4,326	4,311	4,524	4,511	8,323	9,282	-	-	28,932	31,817
- of which other intangible and tangible assets	2,556	2,703	1,442	2,384	2,488	2,481	1,133	1,338	3,377	3,850	97	97	11,093	12,854
- of which investments in associates	22	8	-	-	315	371	-	-	1,182	1,296	-	-	1,519	1,675
Return on capital employed	24.0%	22.9%	22.9%	22.3%	20.9%	14.8%	17.3%	20.3%	15.3%	16.3%			18.8%	18.2%
Operating income (EBIT)	633	332	484	507	276	99	262	274	515	274	-140	-283	2,030	1,202
Restructuring costs	-	300	-	18	-	183	-	38	-	313	-	149	-	1,000
Depreciation	87	79	39	48	44	41	39	40	29	31	1	0	238	238
Net capital expenditure	-99	-113	-64	-56	176	-111	-39	-131	84	-50	0	0	57	-461
Change in working capital	167	347	89	138	432	239	205	38	23	27	196	-174	1,112	615
Cash flow ⁴⁾	788	944	548	656	928	450	467	258	651	594	56	-307	3,437	2,594
Non-cash items											-123	86	-123	86
Interest paid and received											-154	-139	-154	-139
Operating cash flow ³⁾													3,160	2,541

Jan-Dec and 31 Dec

	EMEA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Sales, external	13,177	12,957	9,623	10,074	6,705	6,879	6,191	6,406	10,923	12,166			46,619 ¹⁾	48,481 ¹⁾
Sales, internal	204	209	48	48	518	542	71	65	57	71	-898	-935	-	-
Sales	13,382	13,165	9,671	10,121	7,224	7,420	6,262	6,472	10,979	12,237	-898	-935	46,619	48,481
Organic growth ²⁾	1%	-1%	4%	6%	3%	4%	6%	6%	-2%	0%			2%	2%
Operating income (EBIT)	2,279	2,197	2,007	2,140	978	1,032	1,073	1,184	1,546	1,733	-382	-363	7,501	7,923
Operating margin (EBIT)	17.0%	16.7%	20.8%	21.1%	13.5%	13.9%	17.1%	18.3%	14.1%	14.2%			16.1%	16.3%
Items affecting comparability ³⁾	-	-300	-	-18	-	-183	-	-38	-	-313	-	-149	-	-1,000
Operating income (EBIT) including items affecting comparability	2,279	1,897	2,007	2,121	978	850	1,073	1,146	1,546	1,420	-382	-512	7,501	6,924
Capital employed	9,217	10,499	8,301	10,475	5,168	7,436	5,717	6,114	13,189	14,592	-169	-708	41,422	48,408
- of which goodwill	5,846	6,395	5,913	7,319	4,326	4,311	4,524	4,511	8,323	9,282	-	-	28,932	31,817
- of which other intangible and tangible assets	2,556	2,703	1,442	2,384	2,488	2,481	1,133	1,338	3,377	3,850	97	97	11,093	12,854
- of which investments in associates	22	8	-	-	315	371	-	-	1,182	1,296	-	-	1,519	1,675
Return on capital employed	22.6%	20.7%	23.6%	22.7%	20.7%	16.3%	17.3%	19.7%	12.3%	12.1%			18.1%	17.1%
Operating income (EBIT)	2,279	1,897	2,007	2,121	978	850	1,073	1,146	1,546	1,420	-382	-512	7,501	6,924
Restructuring costs	-	300	-	18	-	183	-	38	-	313	-	149	-	1,000
Depreciation	353	328	176	179	162	157	172	159	164	168	6	2	1,034	993
Net capital expenditure	-313	-337	-202	-182	71	-200	-112	-375	-4	-106	2	-2	-557	-1,202
Change in working capital	-79	-104	-185	-154	135	-57	8	-98	-59	-2	102	-82	-77	-497
Cash flow ⁴⁾	2,241	2,084	1,797	1,983	1,348	932	1,140	870	1,648	1,792	-272	-445	7,902	7,218
Non-cash items											-312	17	-312	17
Interest paid and received											-546	-431	-546	-431
Operating cash flow ⁴⁾													7,044	6,803
Average number of employees	10,260	10,089	6,620	6,726	15,284	14,243	3,029	3,136	7,429	8,191	140	171	42,762	42,556

¹⁾ Sales by Continent, SEK M.

	Jan-Dec 2012	Jan-Dec 2013
Europe	21,752	21,111
North America	13,503	15,483
Central and South America	911	957
Africa	645	663
Asia	7,619	8,189
Pacific	2,189	2,078

²⁾ Organic growth concern comparable units after adjustment for acquisitions and currency effects.

³⁾ Items affecting comparability consist of restructuring costs.

⁴⁾ Excluding restructuring payments.

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FINANCIAL INFORMATION - NOTES

NOTE 1 BUSINESS COMBINATIONS

SEK M	Jan-Dec 2012	Oct-Dec 2013	Jan-Dec 2013
Purchase prices			
Cash paid for acquisitions during the period	3,876	3,843	3,991
Holdbacks and deferred considerations for acquisitions during the period	923	528	607
Adjustment of purchase prices for acquisitions in prior years	-	0	0
Fair value of investments in associates held before the business combination	-	0	45
Sum	4,799	4,371	4,643
Acquired net assets at fair value			
Intangible assets	1,055	822	914
Tangible assets	353	561	579
Financial assets	57	36	42
Inventories	477	440	464
Current receivables and investments	818	472	499
Cash and cash equivalents	345	17	53
Non-controlling interests	-13	-	-
Non-current liabilities	-530	-231	-280
Current liabilities	-909	-269	-311
Sum	1,653	1,849	1,959
Goodwill	3,146	2,522	2,684
Change in cash and cash equivalents due to acquisitions			
Cash paid for acquisitions during the period	3,876	3,843	3,991
Cash and cash equivalents in acquired subsidiaries	-345	-17	-53
Paid holdbacks and deferred considerations for acquisitions in previous years	305	106	845
Sum	3,836	3,932	4,783

Fair value adjustments of acquired net assets from acquisitions made in previous periods are included in the above table.

NOTE 2 FAIR VALUE AND CARRYING AMOUNT ON FINANCIAL ASSETS AND LIABILITIES

31 December 2013	Financial instruments at fair value				
SEK M	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets at fair value through profit and loss	77	77		77	
Available-for-sale financial assets	4	4			
Loans and other receivables	10,772	10,772			
Derivative instruments - hedge accounting	62	62			
Financial liabilities					
Financial liabilities at fair value through profit and loss	995	995		58	937
Financial liabilities at amortized cost	22,597	22,759			
Derivative instruments - hedge accounting	50	50			

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