

# Interim Report

## Q1 2016

27 April 2016

ASSA ABLOY

The global leader in  
door opening solutions

## A good start to the year for ASSA ABLOY

### First quarter

- Net sales amounted to SEK 15,891 M (15,252), an increase of 4%, of which 3% (5) was organic growth and 3% (3) was acquired growth.
- Strong growth in Americas and good growth in EMEA and Entrance Systems.
- Growth in Global Technologies and continued negative growth in Asia Pacific because of China.
- Contracts have been signed for the acquisition of three companies with combined expected annual sales of about SEK 750 M. A contract has also been signed for the divestment of the Group's Car Locks business, which has annual sales of about SEK 550 M.
- Operating income (EBIT) amounted to SEK 2,411 M (2,329). The operating margin was 15.2% (15.3).
- Net income amounted to SEK 1,638 M (1,616).
- Earnings per share increased by 1% and amounted to SEK 1.47 (1.45).
- Cash flow was normal for the season and amounted to SEK 498 M (520).

Organic growth

**+3%**

Operating income

**+4%**

Earnings per share

**+1%**

### Sales and income

	Full year			First quarter		
	2014	2015	Δ	2015	2016	Δ
<b>Sales, SEK M</b>	<b>56,843</b>	<b>68,099</b>	<b>20%</b>	<b>15,252</b>	<b>15,891</b>	<b>4%</b>
of which,						
Organic growth	1,510	2,634	4%	680	448	3%
Acquisitions	4,714	2,078	3%	376	490	3%
Exchange-rate effects	2,138	6,544	13%	1,892	-299	-2%
<b>Operating income (EBIT), SEK M</b>	<b>9,257</b>	<b>11,079</b>	<b>20%</b>	<b>2,329</b>	<b>2,411</b>	<b>4%</b>
Operating margin (EBIT), %	16.3%	16.3%		15.3%	15.2%	
Income before tax, SEK M	8,698	10,382	19%	2,184	2,209	1%
Net income, SEK M	6,436	7,693	20%	1,616	1,638	1%
Operating cash flow, SEK M	8,238	9,952	21%	520	498	-4%
<b>Earnings per share (EPS), SEK<sup>1)</sup></b>	<b>5.79</b>	<b>6.93</b>	<b>20%</b>	<b>1.45</b>	<b>1.47</b>	<b>1%</b>

1) Earnings per share has been recalculated for all historical periods as a result of the 3:1 stock split carried out in 2015.

## Comments by the President and CEO

"The first quarter of the year showed stable demand for ASSA ABLOY, with increased sales of 4% during the quarter," says Johan Molin, President and CEO. "The operating income increased in line with sales and also improved by 4%.

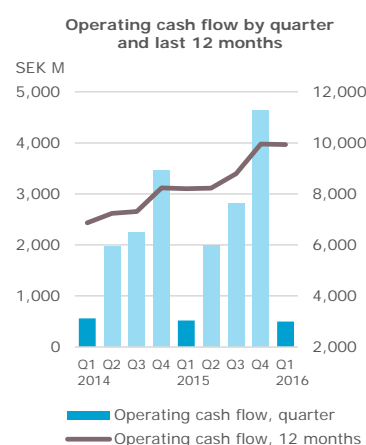
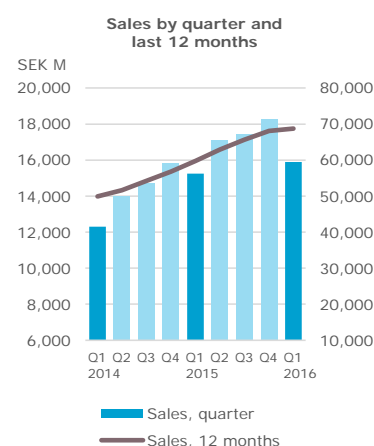
"Organic growth was good, with a 3% increase for the quarter despite the negative effect of Easter falling in the first quarter this year. The strong sales trend on the US market continued, while Europe and Entrance Systems showed good growth. Sales by Global Technologies were weakly positive, but the downward trend in Asia Pacific continued because of the market situation in China. The emerging markets also remained weak, but with a few bright spots that included eastern Europe and Latin America.

"ASSA ABLOY has once again won recognition for its strength in innovation by winning no fewer than six first prizes for Best Product Innovations at one of the industry's most important exhibitions, ISC West in the USA. There is a clear market trend towards an ever more digitized world in which locks are to an increasing extent connected online. This change is occurring both on the commercial and residential markets. For ASSA ABLOY it is a very beneficial trend since we have consistently built up a technological leadership.

"During the quarter Lighthouse and ADAEZ were acquired. The acquisition of Lighthouse was especially exciting as a first step in the strategic development of direct sales and service of industrial doors in the American market. Lighthouse is the basis for a new business unit in Entrance Systems which is expected to grow significantly. During the quarter, ADAEZ was also acquired and will be an excellent complement for our range of energy-efficient products directed towards the rapidly rising demand for 'net zero buildings'.

Operating income for the quarter increased by 4%. The underlying marginal growth remained good as a result of organic growth of 3% together with lower raw-material costs, savings made and price compensation for exchange-rate effects. The operating margin remained at virtually the same level as in the first quarter of 2015 despite negative effects from both exchange-rate effects and dilution due to acquisitions.

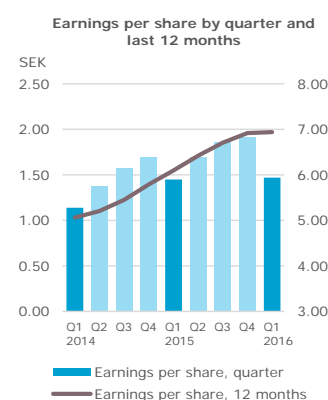
"My judgment is that the global economic trend remains weak, with a positive trend in America but low growth in Europe. In addition many of the emerging markets are stagnating. However, our strategy of expanding on the emerging markets remains unchanged, since in the long term they are expected to achieve very good economic growth. We are also continuing our investments in new products, especially in the growth area of electromechanics."



## First quarter

The Group's sales totaled SEK 15,891 M (15,252). Organic growth for comparable units was 3% (5). Acquired units contributed 3% (3). Exchange-rate effects had an impact of SEK -299 M (1,892) on sales, that is -2% (16). Operating income before depreciation and amortization, EBITDA, amounted to SEK 2,787 M (2,659). The corresponding EBITDA margin was 17.5% (17.4). The Group's operating income, EBIT, amounted to SEK 2,411 M (2,329). The operating margin was 15.2% (15.3).

Net financial items amounted to SEK -201 M (-145). The Group's income before tax was SEK 2,209 M (2,184), an improvement of 1% compared with last year. Exchange-rate effects had an impact of SEK -73 M (226) on income before tax. The profit margin was 13.9% (14.3). The estimated underlying effective tax rate on an annual basis was 26% (26). Earnings per share amounted to SEK 1.47 (1.45).



## Restructuring measures

Payments related to all existing restructuring programs amounted to SEK 95 M in the quarter. The restructuring programs proceeded according to plan and led to a reduction in personnel of 457 people during the quarter and 11,207 people since the projects began.

At the end of the year, provisions of SEK 457 M remained in the balance sheet for carrying out the programs.

## Comments by division

### EMEA

Sales for the quarter in EMEA division totaled SEK 4,004 M (3,944), with organic growth of 3% (3). The markets in Scandinavia and eastern Europe showed strong growth. Finland, Benelux, France and Italy showed good growth. Germany and Israel showed growth while sales in Britain and Iberia were stable. Acquired growth amounted to 2% (2). Operating income totaled SEK 634 M (626) and the corresponding operating margin (EBIT) was 15.8% (15.9). Return on capital employed amounted to 18.6% (19.1). Operating cash flow before interest paid totaled SEK 188 M (217).

### Americas

Sales for the quarter in Americas division totaled SEK 3,969 M (3,664), with organic growth of 6% (8). Growth was strong for traditional lock products, Electromechanical products, the residential market, Canada and Mexico. Security doors showed good development and High-security products showed growth. Acquired growth amounted to 3% (2). Operating income totaled SEK 824 M (772) and the operating margin (EBIT) was 20.8% (21.1). Return on capital employed amounted to 23.0% (22.1). Operating cash flow before interest paid totaled SEK 271 M (156).

## Asia Pacific

Sales for the quarter in Asia Pacific division totaled SEK 1,758 M (1,847), with organic growth of -3% (-3). New Zealand and South-East Asia showed strong growth. Sales levels weakened in Australia and South Korea. China continued to show a negative sales trend due to low domestic demand. Acquired growth amounted to 2% (10). Operating income totaled SEK 174 M (189), and the corresponding operating margin (EBIT) was 9.9% (10.2). Return on capital employed amounted to 5.7% (7.1). Operating cash flow before interest paid totaled SEK -221 M (-212).

## Global Technologies

Sales for the quarter in Global Technologies division totaled SEK 2,147 M (2,071), with organic growth of 1% (12). Quantum Secure, AdvanIDe and Identification Technology (IDT) showed strong growth within HID Global. Access Control (PACS) showed growth while Government ID recorded weakening sales. Hospitality showed growth and continued good earnings performance. Acquired growth amounted to 4% (2). The division's operating income amounted to SEK 363 M (360), with an operating margin (EBIT) of 16.9% (17.4). Return on capital employed amounted to 14.7% (16.3). Operating cash flow before interest paid totaled SEK 110 M (130).

## Entrance Systems

Sales for the quarter in Entrance Systems division totaled SEK 4,291 M (4,041), with organic growth of 3% (5). Sales for 4Front and Amarr increased strongly while growth for Door automation and High-speed doors was good. European industrial doors showed a stable sales level. Sales weakened for Ditec and for the residential market in Europe. Acquired growth amounted to 5% (0). Operating income totaled SEK 529 M (486), with an operating margin (EBIT) was 12.3% (12.0). Return on capital employed amounted to 12.3% (11.6). Operating cash flow before interest paid totaled SEK 403 M (462).

## Acquisitions and disposals

A total of three acquisitions were consolidated during the quarter. The combined acquisition price for the companies acquired this year amounted to SEK 1,094 M, and preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to SEK 785 M. The acquisition price is adjusted for acquired net debt and estimated deferred considerations. Estimated deferred considerations amount to SEK 123 M.

A decision has been taken to initiate the selling of the Group's Car Locks business. A contract for the sale was signed with the Japanese company Alpha Corporation in March. The transaction is expected to be completed in the second quarter of 2016 and is dependent on approval by the appropriate authorities. From 1 January the business has been reclassified under 'Assets held for sale' in accordance with IFRS 5. As a result of the reclassification, the quarter's sales fell by SEK 144 M compared with the corresponding quarter last year.

## Sustainable development

ASSA ABLOY's Sustainability Report for 2015 was published on 23 March 2016. The majority of the key indicators are continuing to move in a positive direction. During the year, the number of certified Environmental Product Declarations increased to 250. In relation to the size of the entire business, the energy and water consumption showed significant improvements compared with last year. The Group's total emissions of greenhouse gases fell by 13%, mostly related to the introduction of new production technology in China.

The number of units certified in accordance with ISO 14001 and equivalent environmental certification systems increased during the year to 119 (111). 890 sustainability reviews were carried out in low-cost countries during 2015. By the end of the year, 1,362 active suppliers had achieved minimum requirements in the areas of sustainability and quality and were classed as Approved.

## Parent company

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 401 M (244) for the first quarter. Operating income amounted to SEK -116 M (-232). Investments in tangible and intangible assets totaled SEK 2 M (2). Liquidity is good and the equity ratio was 45.4% (45.2).

## 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 92-97 of the 2015 Annual Report.

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

The total amount in tables and statements might not always summarize as there are rounding differences. The aim is to have each line item corresponding to the source and it might therefore be rounding differences in the total.

## 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, financial and tax-related 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 particular risks and risk management, see the 2015 Annual Report.

## Review

The Company's Auditors have not carried out any review of this Report for the first quarter of 2016.

Stockholm, 27 April 2016

Johan Molin  
President and CEO

## Financial information

The Interim Report for the second quarter will be published on 19 July 2016.

The Interim Report for the third quarter will be published on 21 October 2016.

A capital markets day will be held on 16 November 2016 in Stockholm, Sweden.

## Further information can be obtained from:

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

The analysts' meeting can also be followed on the Internet at [www.assaabloy.com](http://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.

*ASSA ABLOY discloses the information provided herein pursuant to the Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 08.00 CET on 27 April.*

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No. 6/2016

## Financial information – Group

### CONSOLIDATED INCOME STATEMENT

	Year	Q1	
SEK M	2015	2015	2016
Sales	68,099	15,252	15,891
Cost of goods sold	-41,704	-9,283	-9,596
<b>Gross income</b>	<b>26,395</b>	<b>5,969</b>	<b>6,295</b>
Selling, administrative and R&D costs	-15,449	-3,664	-3,917
Share of earnings in associates	134	23	33
<b>Operating income</b>	<b>11,079</b>	<b>2,329</b>	<b>2,411</b>
Financial items	-697	-145	-201
<b>Income before tax</b>	<b>10,382</b>	<b>2,184</b>	<b>2,209</b>
Tax on income	-2,689	-568	-574
Net income of disposal group classified as held for sale	-	-	3
<b>Net income for the period</b>	<b>7,693</b>	<b>1,616</b>	<b>1,638</b>
<b>Net income attributable to:</b>			
Parent company's shareholders	7,693	1,616	1,638
Non-controlling interest	0	0	0
<b>Earnings per share<sup>1)</sup></b>			
before dilution, SEK	6.93	1.45	1.47
after dilution, SEK	6.93	1.45	1.47

### STATEMENT OF COMPREHENSIVE INCOME

	Year	Q1	
SEK M	2015	2015	2016
<b>Net income</b>	<b>7,693</b>	<b>1,616</b>	<b>1,638</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gain/loss on post-employment benefit obligations, net after tax	117	-111	-149
<b>Total</b>	<b>117</b>	<b>-111</b>	<b>-149</b>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Share of other comprehensive income of associates	-28	8	33
Net investment and cashflow hedges	96	15	5
Exchange rate differences	75	1,965	-507
<b>Total</b>	<b>143</b>	<b>1,988</b>	<b>-469</b>
<b>Total comprehensive income for the period</b>	<b>7,953</b>	<b>3,493</b>	<b>1,020</b>
<b>Total comprehensive income attributable to:</b>			
Parent company's shareholders	7,953	3,493	1,020
Non-controlling interest	0	0	0

<sup>1)</sup> Earnings per share has been restated for all historical periods reflecting the stock split (3:1) in 2015.



## Financial information – Group

## CONSOLIDATED BALANCE SHEET

SEK M	31 Dec	31 Mar	
	2015	2015	2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	51,863	51,317	52,054
Property, plant and equipment	7,562	8,100	7,657
Investments in associates	1,910	1,890	1,970
Other financial assets	77	75	80
Deferred tax assets	1,434	1,634	1,535
<b>Total non-current assets</b>	<b>62,847</b>	<b>63,015</b>	<b>63,297</b>
<b>Current assets</b>			
Inventories	8,348	8,775	8,731
Trade receivables	11,775	11,399	11,725
Other current receivables and investments	2,707	3,154	3,253
Cash and cash equivalents	501	515	578
Asset of disposal group classified as held for sale	-	-	218
<b>Total current assets</b>	<b>23,330</b>	<b>23,844</b>	<b>24,504</b>
<b>TOTAL ASSETS</b>	<b>86,177</b>	<b>86,859</b>	<b>87,801</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Parent company's shareholders	41,575	39,513	42,551
Non-controlling interest	4	2	4
<b>Total equity</b>	<b>41,579</b>	<b>39,515</b>	<b>42,554</b>
<b>Non-current liabilities</b>			
Long-term loans	15,568	16,497	15,668
Deferred tax liabilities	2,031	1,578	2,036
Other non-current liabilities and provisions	6,567	8,775	6,001
<b>Total non-current liabilities</b>	<b>24,166</b>	<b>26,849</b>	<b>23,705</b>
<b>Current liabilities</b>			
Short-term loans	4,574	5,752	6,760
Trade payables	6,553	5,517	5,828
Other current liabilities and provisions	9,305	9,225	8,847
Liabilities of disposal group classified as held for sale	-	-	107
<b>Total current liabilities</b>	<b>20,432</b>	<b>20,494</b>	<b>21,542</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>86,177</b>	<b>86,859</b>	<b>87,801</b>

## CHANGES IN CONSOLIDATED EQUITY

SEK M	Equity attributable to:		
	Parent company's shareholders	Non-controlling interest	Total equity
<b>Opening balance 1 January 2015</b>	<b>36,096</b>	<b>2</b>	<b>36,098</b>
Net income	1,616	0	1,616
Other comprehensive income	1,877	0	1,877
<b>Total comprehensive income</b>	<b>3,493</b>	<b>0</b>	<b>3,493</b>
Stock purchase plans	-76	-	-76
<b>Total transactions with parent company's shareholders</b>	<b>-76</b>	<b>0</b>	<b>-76</b>
<b>Closing balance 31 March 2015</b>	<b>39,513</b>	<b>2</b>	<b>39,515</b>
<b>Opening balance 1 January 2016</b>	<b>41,575</b>	<b>4</b>	<b>41,579</b>
Net income	1,638	0	1,638
Other comprehensive income	-618	0	-618
<b>Total comprehensive income</b>	<b>1,020</b>	<b>0</b>	<b>1,020</b>
Stock purchase plans	-44	-	-44
<b>Total transactions with parent company's shareholders</b>	<b>-44</b>	<b>-</b>	<b>-44</b>
<b>Closing balance 31 March 2016</b>	<b>42,551</b>	<b>4</b>	<b>42,554</b>

## Financial information – Group

### CONSOLIDATED CASH FLOW STATEMENT

SEK M	Year	Q1	
	2015	2015	2016
<b>OPERATING ACTIVITIES</b>			
Operating income	11,079	2,329	2,411
Depreciation and amortization	1,433	331	376
Restructuring payments	-375	-90	-95
Other non-cash items	-269	-2	-17
<b>Cash flow before interest and tax</b>	<b>11,869</b>	<b>2,567</b>	<b>2,674</b>
Interest paid and received	-548	-71	-94
Tax paid on income	-2,247	-711	-1,298
<b>Cash flow before changes in working capital</b>	<b>9,073</b>	<b>1,785</b>	<b>1,282</b>
Changes in working capital	-502	-1,722	-1,836
<b>Cash flow from operating activities</b>	<b>8,572</b>	<b>63</b>	<b>-554</b>
<b>INVESTING ACTIVITIES</b>			
Net investments in intangible assets and property, plant and equipment	-1,241	-344	-342
Investments in subsidiaries	-3,171	-978	-977
Investments in associates	-1	-	-1
Other investments and disposals	0	-	-
<b>Cash flow from investing activities</b>	<b>-4,412</b>	<b>-1,322</b>	<b>-1,320</b>
<b>FINANCING ACTIVITIES</b>			
Dividends	-2,407	-	-
Acquisition of non-controlling interest	-990	-	-
Net cash effect of changes in borrowings	-938	1,071	1,958
<b>Cash flow from financing activities</b>	<b>-4,335</b>	<b>1,071</b>	<b>1,958</b>
<b>CASH FLOW</b>	<b>-175</b>	<b>-188</b>	<b>85</b>
<b>CASH AND CASH EQUIVALENTS</b>			
<b>Cash and cash equivalents at beginning of period</b>	<b>667</b>	<b>667</b>	<b>501</b>
Cash flow	-175	-188	85
Effect of exchange rate differences	9	36	-8
Cash and cash equivalents in disposal group held for sale	-	-	0
<b>Cash and cash equivalents at end of period</b>	<b>501</b>	<b>515</b>	<b>578</b>

### KEY RATIOS

	Year	Q1	
	2015	2015	2016
Return on capital employed, %	17.8	14.9	14.5
Return on shareholders' equity, %	19.8	17.1	15.6
Equity ratio, %	48.2	45.5	48.5
Interest coverage ratio, times	16.7	15.7	13.5
Total number of shares at the end of period, thousands	1,112,576	1,112,576	1,112,576
Number of shares outstanding at the end of period, thousands	1,110,776	1,110,776	1,110,776
Weighted average number of outstanding shares, thousands	1,110,776	1,110,776	1,110,776
Weighted average number of outstanding shares after dilution, thousands	1,110,776	1,110,776	1,110,776
Average number of employees	45,994	45,199	46,796

## Financial information – Parent company

### INCOME STATEMENT

	Year	Q1	
SEK M	2015	2015	2016
Operating income	1,351	-232	-116
Income before appropriations and tax	2,193	-300	-70
Net income	2,725	-291	-35

### BALANCE SHEET

	31 Dec	31 Mar	
SEK M	2015	2015	2016
Non-current assets	35,138	35,596	35,789
Current assets	9,410	8,008	9,288
<b>Total assets</b>	<b>44,548</b>	<b>43,604</b>	<b>45,077</b>
Equity	20,553	19,691	20,474
Provisions	-	0	-
Non-current liabilities	8,153	8,318	8,266
Current liabilities	15,842	15,594	16,337
<b>Total equity and liabilities</b>	<b>44,548</b>	<b>43,604</b>	<b>45,077</b>

## Quarterly information – Group

THE GROUP IN SUMMARY						
SEK M	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Year 2015	Q1 2016
Sales	15,252	17,082	17,465	18,301	68,099	15,891
Organic growth	5%	4%	3%	5%	4%	3%
Gross income	5,969	6,623	6,758	7,046	26,395	6,295
Gross margin	39.1%	38.8%	38.7%	38.5%	38.8%	39.6%
Operating income before depr. & amort. (EBITDA)	2,659	3,117	3,330	3,406	12,512	2,787
Operating margin (EBITDA)	17.4%	18.2%	19.1%	18.6%	18.4%	17.5%
Depreciation and amortization	-331	-374	-360	-368	-1,433	-376
Operating income (EBIT)	2,329	2,742	2,970	3,038	11,079	2,411
Operating margin (EBIT)	15.3%	16.1%	17.0%	16.6%	16.3%	15.2%
Net financial items	-145	-191	-174	-187	-697	-201
Income before tax (EBT)	2,184	2,551	2,796	2,851	10,382	2,209
Profit margin (EBT)	14.3%	14.9%	16.0%	15.6%	15.2%	13.9%
Tax on income	-568	-663	-727	-731	-2,689	-574
Net income of disposal group classified as held for sale	-	-	-	-	-	3
Net income for the period	1,616	1,888	2,069	2,120	7,693	1,638
Net income attributable to:						
Parent company's shareholders	1,616	1,888	2,069	2,120	7,693	1,638
Non-controlling interest	0	0	0	0	0	0
OPERATING CASH FLOW						
SEK M	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Year 2015	Q1 2016
Operating income (EBIT)	2,329	2,742	2,970	3,038	11,079	2,411
Depreciation and amortization	331	374	360	368	1,433	376
Net capital expenditure	-344	-327	-344	-227	-1,241	-342
Change in working capital	-1,722	-526	-115	1,861	-502	-1,836
Interest paid and received	-71	-200	-84	-195	-548	-94
Non-cash items	-2	-74	28	-221	-269	-17
Operating Cash flow	520	1,991	2,816	4,625	9,952	498
Operating Cash flow/Income before tax	0.24	0.78	1.01	1.62	0.96	0.23
CHANGE IN NET DEBT						
SEK M	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Year 2015	Q1 2016
Net debt at beginning of period	22,327	25,184	26,579	25,131	22,327	22,269
Operating cash flow	-520	-1,991	-2,816	-4,625	-9,952	-498
Restructuring payments	90	60	80	145	375	95
Tax paid	711	371	217	948	2,247	1,298
Acquisitions and disposals	978	1,536	688	959	4,161	1,345
Dividend	-	2,407	-	-	2,407	-
Actuarial gain/loss on post-employment benefit obligations	206	-274	70	-152	-150	221
Net debt of disposal group classified as held for sale	-	-	-	-	-	0
Exchange rate differences and other	1,392	-713	313	-136	855	-49
Net debt at end of period	25,184	26,579	25,131	22,269	22,269	24,681
Net debt/Equity ratio	0.64	0.70	0.63	0.54	0.54	0.58
NET DEBT						
SEK M	Q1 2015	Q2 2015	Q3 2015	Q4 2015		Q1 2016
Non-current interest-bearing receivables	-31	-29	-32	-30		-34
Current interest-bearing investments including derivatives	-263	-217	-265	-182		-270
Cash and cash equivalents	-515	-646	-648	-501		-578
Pension provisions	3,260	2,984	2,954	2,761		3,002
Other non-current interest-bearing liabilities	16,497	16,495	17,453	15,568		15,668
Current interest-bearing liabilities including derivatives	6,235	7,992	5,669	4,653		6,893
Total	25,184	26,579	25,131	22,269		24,681
CAPITAL EMPLOYED AND FINANCING						
SEK M	Q1 2015	Q2 2015	Q3 2015	Q4 2015		Q1 2016
Capital employed	64,699	64,689	65,070	63,848		67,124
- of which goodwill	43,092	41,818	42,404	42,777		43,098
- of which other intangible assets and property, plant and equipment	16,324	16,512	16,693	16,649		16,613
- of which investments in associates	1,890	1,901	1,934	1,910		1,970
Assets and liabilities of disposal group classified as held for sale	-	-	-	-		111
Net debt	25,184	26,579	25,131	22,269		24,681
Non-controlling interest	2	4	4	4		4
Shareholders' equity	39,513	38,105	39,935	41,575		42,551
DATA PER SHARE						
SEK	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Year 2015	Q1 2016
Earnings per share after tax and before dilution	1.45	1.70	1.86	1.91	6.93	1.47
Earnings per share after tax and dilution	1.45	1.70	1.86	1.91	6.93	1.47
Shareholders' equity per share after dilution	35.57	34.31	35.95	37.43	37.43	38.31

# Reporting by division

## Q1 and 31 Mar

	EMEA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Sales, external	3,872	3,938	3,644	3,944	1,670	1,614	2,054	2,132	4,012	4,263	0	0	15,252	15,891
Sales, internal	72	66	20	25	176	143	17	15	30	28	-315	-278	-	-
<b>Sales</b>	<b>3,944</b>	<b>4,004</b>	<b>3,664</b>	<b>3,969</b>	<b>1,847</b>	<b>1,758</b>	<b>2,071</b>	<b>2,147</b>	<b>4,041</b>	<b>4,291</b>	<b>-315</b>	<b>-278</b>	<b>15,252</b>	<b>15,891</b>
Organic growth	3%	3%	8%	6%	-3%	-3%	12%	1%	5%	3%	-	-	5%	3%
Share of earnings in associates	-	-	-	-	6	4	-	-	18	28	-	-	23	33
<b>Operating income (EBIT)</b>	<b>626</b>	<b>634</b>	<b>772</b>	<b>824</b>	<b>189</b>	<b>174</b>	<b>360</b>	<b>363</b>	<b>486</b>	<b>529</b>	<b>-103</b>	<b>-112</b>	<b>2,329</b>	<b>2,411</b>
Operating margin (EBIT)	15.9%	15.8%	21.1%	20.8%	10.2%	9.9%	17.4%	16.9%	12.0%	12.3%	-	-	15.3%	15.2%
Capital employed	12,790	13,122	14,708	14,304	11,305	12,145	9,942	9,964	16,402	17,204	-448	385	64,699	67,124
- of which goodwill	7,356	7,756	9,829	9,830	8,266	7,580	7,907	7,282	9,735	10,649	-	-	43,092	43,098
- of which other intangible assets and property, plant and equipment	3,087	3,137	3,229	3,137	3,980	3,849	1,901	2,230	4,039	4,153	89	108	16,324	16,613
- of which investments in associates	8	8	-	-	459	477	-	-	1,422	1,485	-	-	1,890	1,970
Return on capital employed	19.1%	18.6%	22.1%	23.0%	7.1%	5.7%	16.3%	14.7%	11.6%	12.3%	-	-	14.9%	14.5%
Operating income (EBIT)	626	634	772	824	189	174	360	363	486	529	-103	-112	2,329	2,411
Depreciation and amortization	93	99	73	77	65	68	46	67	54	64	0	2	331	376
Net capital expenditure	-124	-92	-59	-93	-57	-68	-83	-40	-19	-47	-2	-2	-344	-342
Change in working capital	-377	-453	-629	-538	-409	-394	-194	-280	-59	-142	-55	-29	-1,722	-1,836
<b>Cash flow<sup>1)</sup></b>	<b>217</b>	<b>188</b>	<b>156</b>	<b>271</b>	<b>-212</b>	<b>-221</b>	<b>130</b>	<b>110</b>	<b>462</b>	<b>403</b>	<b>-160</b>	<b>-142</b>	<b>593</b>	<b>609</b>
Non-cash items	-	-	-	-	-	-	-	-	-	-	-2	-17	-2	-17
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-71	-94	-71	-94
<b>Operating cash flow<sup>1)</sup></b>													<b>520</b>	<b>498</b>
Average number of employees	10,630	10,840	7,786	8,960	13,749	12,856	3,381	3,800	9,426	10,103	228	237	45,199	46,796

## Year and 31 Dec

	EMEA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Sales, external	14,519	16,220	12,096	15,588	7,755	9,401	7,147	9,031	15,325	17,858	0	0	56,843	68,099
Sales, internal	233	304	60	76	581	770	59	69	84	98	-1,017	-1,317	-	-
<b>Sales</b>	<b>14,753</b>	<b>16,524</b>	<b>12,156</b>	<b>15,665</b>	<b>8,336</b>	<b>10,171</b>	<b>7,207</b>	<b>9,100</b>	<b>15,409</b>	<b>17,957</b>	<b>-1,017</b>	<b>-1,317</b>	<b>56,843</b>	<b>68,099</b>
Organic growth	3%	4%	4%	7%	1%	-3%	1%	7%	4%	5%	-	-	3%	4%
Share of earnings in associates	-	-	-	-	23	16	-	-	109	118	-	-	132	134
<b>Operating income (EBIT)</b>	<b>2,432</b>	<b>2,620</b>	<b>2,613</b>	<b>3,363</b>	<b>1,187</b>	<b>1,436</b>	<b>1,368</b>	<b>1,647</b>	<b>2,054</b>	<b>2,436</b>	<b>-398</b>	<b>-422</b>	<b>9,257</b>	<b>11,079</b>
Operating margin (EBIT)	16.5%	15.9%	21.5%	21.5%	14.2%	14.1%	19.0%	18.1%	13.3%	13.6%	-	-	16.3%	16.3%
Capital employed	12,299	12,916	12,909	13,908	9,810	11,689	8,239	9,815	16,245	16,030	-1,077	-509	58,425	63,848
- of which goodwill	7,247	7,857	9,000	9,903	7,931	7,690	5,984	7,437	9,615	9,891	-	-	39,778	42,777
- of which other intangible and property, plant and equipment	3,051	3,210	2,982	3,184	3,137	3,908	1,711	2,300	4,021	3,939	87	107	14,990	16,649
- of which investments in associates	9	8	-	0	414	452	-	-	1,438	1,450	-	-	1,861	1,910
Return on capital employed	21.0%	20.4%	23.1%	24.1%	14.2%	12.6%	19.6%	18.8%	13.1%	14.9%	-	-	16.9%	17.8%
Operating income (EBIT)	2,432	2,620	2,613	3,363	1,187	1,436	1,368	1,647	2,054	2,436	-398	-422	9,257	11,079
Depreciation and amortization	351	398	237	300	183	268	182	232	212	231	-2	4	1,163	1,433
Net capital expenditure	-397	-349	-243	-326	-275	-238	-204	-212	-141	-94	-11	-24	-1,271	-1,241
Change in working capital	-98	-47	31	-120	-164	-231	-63	-110	-118	63	109	-57	-303	-502
<b>Cash flow<sup>1)</sup></b>	<b>2,288</b>	<b>2,622</b>	<b>2,637</b>	<b>3,217</b>	<b>931</b>	<b>1,235</b>	<b>1,282</b>	<b>1,557</b>	<b>2,007</b>	<b>2,637</b>	<b>-302</b>	<b>-499</b>	<b>8,845</b>	<b>10,770</b>
Non-cash items	-	-	-	-	-	-	-	-	-	-	-150	-269	-150	-269
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-457	-548	-457	-548
<b>Operating cash flow<sup>1)</sup></b>													<b>8,238</b>	<b>9,952</b>
Average number of employees	10,678	10,886	7,193	7,957	13,439	13,651	3,331	3,583	9,420	9,686	208	231	44,269	45,994

<sup>1)</sup> Excluding restructuring payments.

# Financial information - Notes

## NOTE 1 SALES BY CONTINENT

	Year	Q1	
SEK M	2015	2015	2016
Europe	25,443	6,076	6,256
North America	26,331	5,893	6,338
Central- and South America	1,524	374	441
Africa	846	198	191
Asia	11,484	2,130	2,118
Pacific	2,470	581	547
<b>Total</b>	<b>68,099</b>	<b>15,252</b>	<b>15,891</b>

## NOTE 2 BUSINESS COMBINATIONS

	Year	Q1	
SEK M	2015	2015	2016
<b>Purchase prices</b>			
Cash paid for acquisitions during the period	2,690	758	844
Holdbacks and deferred considerations for acquisitions during the period	1,155	727	123
Adjustment of purchase prices for acquisitions in prior years	-10	0	-91
<b>Total</b>	<b>3,835</b>	<b>1,484</b>	<b>877</b>
<b>Acquired assets and liabilities at fair value</b>			
Intangible assets	1,305	511	1
Property, plant and equipment	229	4	240
Financial assets	44	6	57
Inventories	385	42	59
Current receivables and investments	673	62	58
Cash and cash equivalents	155	21	112
Non-controlling interests	-3	-	-
Non-current liabilities	-543	-128	-239
Current liabilities	-895	-78	-248
<b>Total</b>	<b>1,350</b>	<b>440</b>	<b>39</b>
<b>Goodwill</b>	<b>2,485</b>	<b>1,044</b>	<b>838</b>
<b>Change in cash and cash equivalents due to acquisitions</b>			
Cash paid for acquisitions during the period	2,690	758	844
Cash and cash equivalents in acquired subsidiaries	-155	-21	-112
Paid holdbacks and deferred considerations for acquisitions in previous years	635	241	246
<b>Total</b>	<b>3,171</b>	<b>978</b>	<b>977</b>

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

## NOTE 3 FAIR VALUE AND CARRYING AMOUNT ON FINANCIAL ASSETS AND LIABILITIES

### 31 March 2016

			Financial instruments at fair value		
SEK M	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Financial assets</b>					
Financial assets at fair value through profit and loss	116	116		116	
Available-for-sale financial assets	11	11			
Loans and other receivables	14,276	14,276			
Derivative instruments - hedge accounting	151	151		151	
<b>Financial liabilities</b>					
Financial liabilities at fair value through profit and loss	2,471	2,471		97	2,374
Financial liabilities at amortized cost	28,256	28,544			
Derivative instruments - hedge accounting	37	37		37	

### 31 December 2015

			Financial instruments at fair value		
SEK M	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Financial assets</b>					
Financial assets at fair value through profit and loss	27	27		27	
Available-for-sale financial assets	11	11			
Loans and other receivables	14,219	14,219			
Derivative instruments - hedge accounting	121	121		121	
<b>Financial liabilities</b>					
Financial liabilities at fair value through profit and loss	2,695	2,695		55	2,640
Financial liabilities at amortized cost	26,695	26,890			
Derivative instruments - hedge accounting	25	25		25	