

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

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## **ASSA ABLOY has closed the acquisition of Yale Intruder Security**

On 24 March, ASSA ABLOY AB entered into an agreement with Williams PLC to acquire Yale Intruder Security. The acquisition closed today and will be consolidated from 1 September. The closing of the previously announced divestiture of the Chubb safes business to Gunnebo AB will take place within the next few days.

Following discussions with regulatory officials, ASSA ABLOY has deferred its acquisition of the Spanish company, Tesa SA, and its subsidiaries within the Tesa Group, with sales of approximately SEK 700 million. A minor portion of Tesa SA's sales consists of components for Tesa Entry Systems Inc., a company not included in the acquisition. Tesa Entry Systems Inc. manufactures electronic hotel locking systems in competition with ASSA ABLOY's subsidiary, VingCard. ASSA ABLOY and Williams PLC are pursuing steps in order to permit ASSA ABLOY to acquire Tesa SA promptly.

As part of the consideration Williams PLC received 19.8 million shares in ASSA ABLOY AB at closing. Williams PLC has agreed not to sell more than 50% of these shares within 12 months after closing.

The acquisition enhances ASSA ABLOY's continued strong sales and profit growth. The Yale Intruder Security acquisition adds 45% to total sales and will be cash flow positive from the start. Following the divestiture of the Chubb safes business referenced earlier, ASSA ABLOY expects the division this year to reach sales of approximately SEK 5,600 million with an EBIT margin over 15%. The acquisition including the new issue is expected to be EPS neutral for this year and 2001. There is an estimated margin improvement potential of 2-3% within 3-4 years.

The two groups have complementary strengths and there is little geographical overlap. There are considerable organic growth opportunities available through cross selling within the new Group. In emerging markets there is an increasing demand for better locks and higher security. ASSA ABLOY has a strong presence through its sales companies in Eastern Europe and South East Asia, while the Yale Intruder Security division has a strong presence in Mainland China, South Africa and South America. In electromechanical products ASSA ABLOY will benefit from shared R&D activities and the accelerated introduction of more innovative products.

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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 reported sales of SEK 10, 277 million and has about 13,000 employees.*