

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

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The Shareholders' Meeting decides to introduce a global Incentive program

Today, the general meeting of ASSA ABLOY shareholders has resolved to introduce a global incentive program for employees within the ASSA ABLOY Group, in accordance with the proposal of the Board as earlier released. The new incentive program will be open to approximately 22,000 employees in approximately 15 countries.

Pursuant to the program, Group employees will be offered the opportunity to acquire shares at market price in a company especially established for the intended purpose, which company will subscribe for convertible bonds issued by ASSA ABLOY. At maturity, it is intended that the company will be dissolved and any proceeds, depending on the value increase, will be distributed to the employees participating in the incentive program.

The convertible bonds will be issued in four equal series totalling a maximum nominal value of EUR 100 million with a maturity of five years. The convertible bonds will be issued as one unit at nominal value, which is also the estimated market value. The conversion rate will vary between 100 and 160 percent of the price for the ASSA ABLOY share during a certain measure period prior to the subscription for the convertible bonds. The dilution will depend on the ASSA ABLOY share price and the applicable exchange rate at subscription, but is expected, based on the applicable rates, as of the day prior to the shareholders' meeting, to amount to 1,6 per cent of the share capital and 1,1 percent of the total number of votes, on a fully diluted basis. The special purpose company intends to finance its subscription for the convertible bonds by debt financing corresponding to 90 percent of the nominal value of the convertibles and the remainder with capital contributions from the employees' subscription for shares. In some countries, the participation in the incentive program will take place indirectly by way of stock appreciation rights or similar means.

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The ASSA ABLOY Group is the world's leading manufacturer and supplier of locking solutions, dedicated to satisfying end-user needs for security, safety and convenience. Current sales for the Group are in excess of SEK 20 billion (approximately USD 2 billion) and the number of employees is more than 25,000.