

GUNNEBO

For a safer world

Interim Report January – September 2005
26 September, 2005

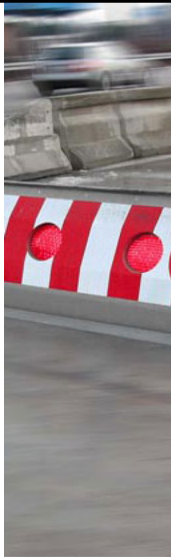


All figures refer to continuing operations

CEO's comments to the third quarter 2005



- **The order intake rose by 6% to MSEK 1,588 (1,499). Organically, the order intake declined by one percentage point.**
- **Invoiced sales rose by 5% to MSEK 1,559 (1,491). Organically, sales declined by 3%.**
- **The result after financial items was a profit of MSEK 64 (81) before items affecting comparability, and to MSEK 37 (81) including them**



CEO's comments to the third quarter 2005

- Net costs of MSEK 27 (-) affecting comparability consist for the most part of a provision for the rental cost of unoccupied factory premises
- The result after tax was a loss of MSEK 63 (profit 64)
- The loss per share amounted to SEK 1.40 (profit 0.45)
- In the third quarter a provision of MSEK 89 was taken to cover lost tax litigation which is MSEK 34 lower than previously announced



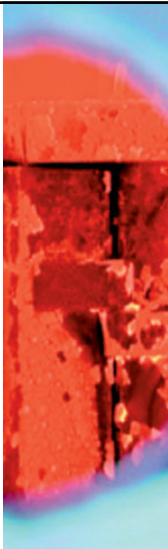
CEO's comments to January-September 2005

- The order intake rose by 7% to MSEK 4,953 (4,639). After adjustment for acquisitions and currency effects, the order intake was unchanged.
- Invoiced sales increased by 4% to MSEK 4,609 (4,418). Organically, invoiced sales declined by 3%.
- The result after financial items, excluding items affecting comparability, was a profit of MSEK 100 (196), while including them it amounted to MSEK 29 (104).



CEO's comments to January-September 2005

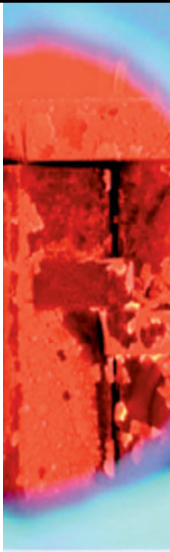
- Net costs affecting comparability amounted to MSEK 71 (cost 92). They were mainly due to the closure of a factory in India, final settlement of a major project relating to previous years, and a provision to cover the rental cost of unoccupied factory premises
- The result after tax was a loss of MSEK 69 (profit 66)
- The loss per share amounted to SEK 1.55 (profit 1.50)



Gunnebo's structuring programme for production

- Q4 2004: MSEK 112 relating to among others cost-cutting production adjustments
- Q1 2005: MSEK 44 relating to among others closure of the factory in Mumbai and final settlement of a project in Great Britain
- Q3 2005: MSEK 65, mainly due to extending previous programmes. Of those, MSEK 27 has been charged Q3

Effects of Gunnebo's structural programme



- Total reduction of 600 employees, mainly completed during 2005
- Calculated annual savings including structural proceedings related to the acquisitions of Elkosta and Lips Vago is MSEK 120 with almost full effect as of the fourth quarter 2005

Outlook for second half of 2005



- It was stated in the previous report that the profit after financial items (excluding Gunnebo Industrier and excluding items affecting comparability) for the second half of 2005 was expected to be slightly lower than for the previous year (210). This forecast remains unchanged.

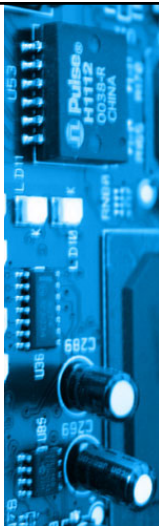


- **Increased demand for traditional bank products as vaults, vault doors and high-graded safes**
- **A number of important agreements have been signed, examples:**
 - An agreement has been reached with Rabobank of the Netherlands within bank automation
 - Bauhaus in Sweden has signed a general agreement for installation of SafePay
- **Strong market development in Great Britain, Spain and the agency markets in the Middle East, weaker in Germany**



MSEK	July-September		Jan - Sept		Full year	
	2005	2004	2005	2004	2004	2003
Invoiced sales	628	596	1,912	1,861	2,543	2,618
Operating profit						
exc. items affecting comparability	36	32	78	109	171	209
inc. items affecting comparability	18	32	52	82	54	209
Operating margin, %						
exc. items affecting comparability	5.7	5.4	4.1	5.9	6.7	8.0
inc. items affecting comparability	2.9	5.4	2.7	4.4	2.1	8.0





- **Growing competition on the market for electronic security systems for banks in France, Spain and Italy**
- **Good development for Gunnebo Entrance Control, especially within Stadia & Leisure and Metro. Orders for the immigration-gate ImmSec to five airports in England.**
- **Ritzenthaler has booked several orders for security booths for nuclear power plants, prisons and railway authorities**

Gunnebo Integrated Security

MSEK	July-September		Jan - Sept		Full year	
	2005	2004	2005	2004	2004	2003
Invoiced sales	464	488	1,429	1,477	2,014	1,945
Operating profit						
exc. items affecting comparability	29	43	65	108	176	171
inc. items affecting comparability	27	43	40	108	156	171
Operating margin, %						
exc. items affecting comparability	6.2	8.8	4.5	7.3	8.7	8.8
inc. items affecting comparability	5.8	8.8	2.8	7.3	7.7	8.8



Gunnebo Perimeter Protection:

- **Healthy market development in Northern Europe with substantial orders for among others airports, prisons, military installations, process industries and nuclear power plants**
- **Weaker development of the markets in Central Europe**
- **Continued good development for Elkosta's anti-terrorist products, among others important orders to British embassies and to the Middle East**



Gunnebo Troax:

- **Continued firm market development in the Nordic countries, Great Britain, the Netherlands and Spain**
- **Weaker development in Germany, France, Austria, Belgium and Switzerland**
- **The new modular product programme well received on markets where introduced**
- **A new, automated welding machine and an automated surface treatment unit has been commissioned at the factory in Hillerstorp**

Gunnebo Perimeter Security

MSEK	July-September		Jan - Sept		Full year	
	2005	2004	2005	2004	2004	2003
Invoiced sales	395	338	1,086	900	1,275	1,038
Operating profit						
exc. items affecting comparability	25	18	41	28	54	28
inc. items affecting comparability	25	18	41	-37	-11	28
Operating margin, %						
exc. items affecting comparability	6.3	5.3	3.8	3.1	4.2	2.7
inc. items affecting comparability	6.3	5.3	3.8	-4.1	-0.9	2.7

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Gunnebo Asia Pacific Q3



- Continued healthy market development for traditional banking products in India and Indonesia
- Weak development for business unit "Fire projects" where several major projects have been postponed
- All market segments in Indonesia have developed healthy
- Singapore has continued to do well, as have agency markets run from that office
- The business in Australia has been doing successively better

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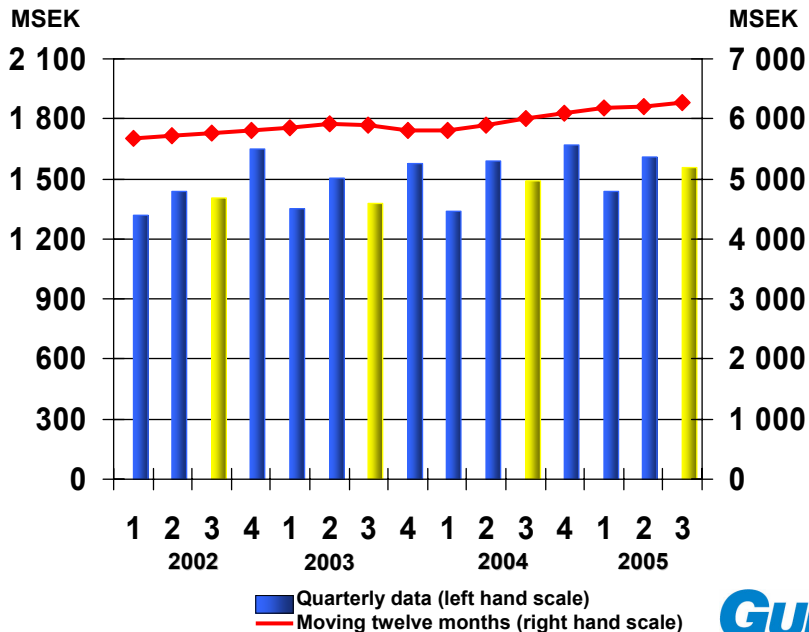
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Gunnebo Asia Pacific

MSEK	July-September		Jan - Sept		Full year	
	2005	2004	2005	2004	2004	2003
Invoiced sales	94	91	260	247	346	309
Operating profit						
exc. items affecting comparability	6	6	9	12	20	13
inc. items affecting comparability	6	6	-5	12	18	13
Operating margin, %						
exc. items affecting comparability	6.4	6.6	3.5	4.9	5.8	4.2
inc. items affecting comparability	6.4	6.6	-1.9	4.9	5.2	4.2

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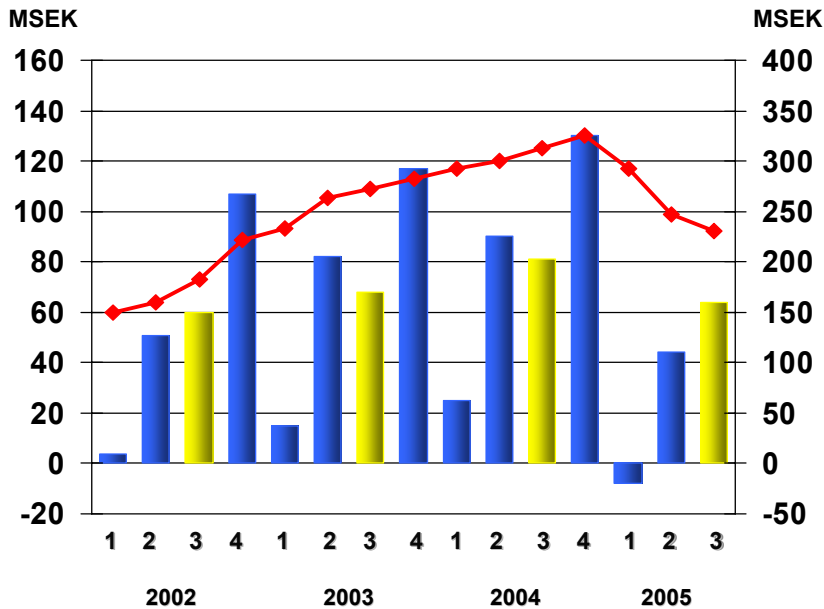
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Profit after financial items*



* Exc. Items affecting comparability, from 2004 exc. goodwill amortisation and exc. GIAB

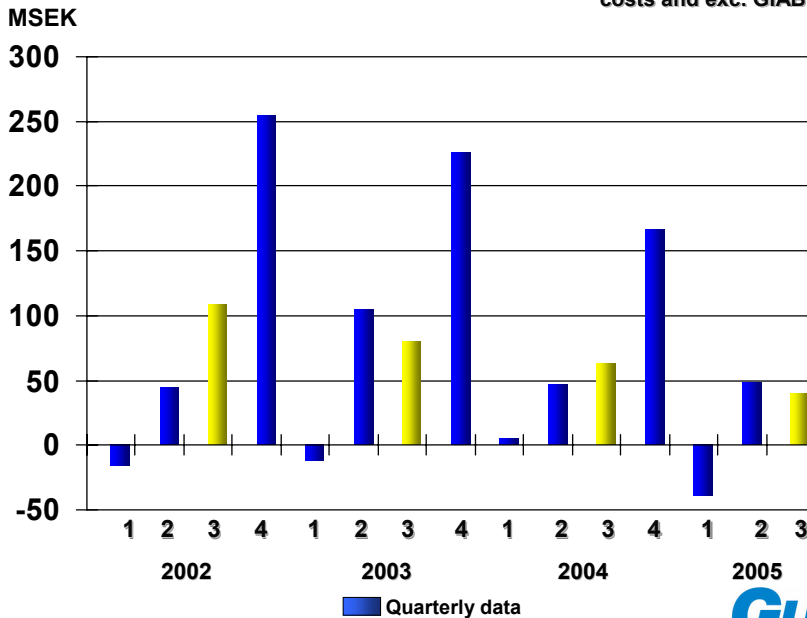
■ Quarterly data (left hand scale)
— Moving twelve months (right hand scale)

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Operative cash flow

Before financial items, tax, structuring costs and exc. GIAB

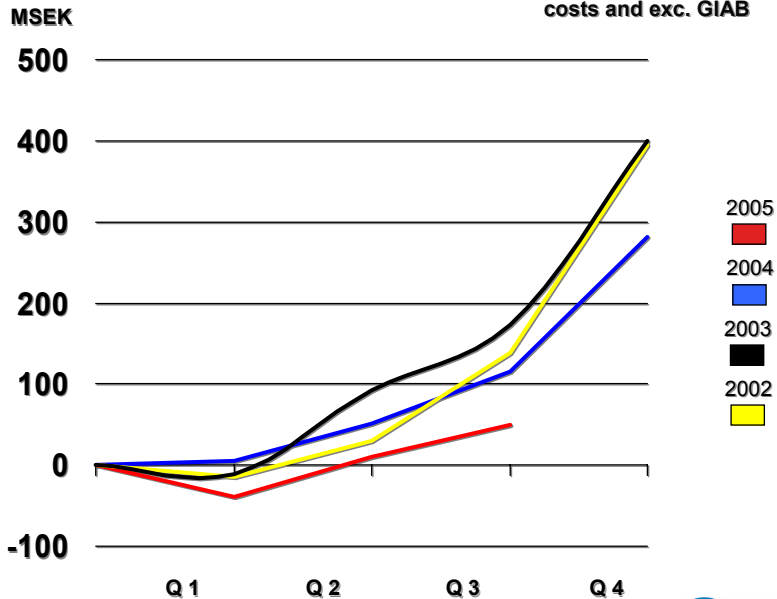


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Operative cash flow

Before financial items, tax, structuring costs and exc. GIAB



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Consolidated income statement Exc. GIAB

MSEK	July - Sept		Jan - Sept		Full year	
	2005	2004	2005	2004	2004	2003
Invoiced sales	1,559	1,491	4,609	4,418	6,086	5,817
Cost of goods sold	-1,053	-988	-3,138	-2,945	-4,044	-3,870
Gross operating profit	506	503	1,471	1,473	2,042	1,947
Other operating costs*	-450	-413	-1,392	-1,343	-1,878	-1,627
Operating profit	56	90	79	130	164	320
Net financial items	-19	-9	-50	-26	-43	-38
Profit after financial items	37	81	29	104	121	282
Taxes	-100	-17	-98	-38	-37	-59
Net profit	-63	64	-69	66	84	223
* Items affecting comparability	-27	-	-71	-92	-204	-

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Consolidated balance sheet

Exc. GIAB

MSEK	30 September		31 Dec
	2005	2004	2004
Intangible fixed assets	1,209	1,062	1,119
Tangible fixed assets	749	676	676
Financial fixed assets	210	123	164
Inventory	972	898	847
Operating receivables	1,606	1,587	1,690
Liquid funds	150	144	172
Total assets	4,896	4,490	4,668
Equity	1,232	1,387	1,383
Interest-bearing provisions and liabilities	1,909	1,465	1,521
Other provisions and liabilities	1,755	1,638	1,764
Total equity and liabilities	4,896	4,490	4,668

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Invoiced sales

MSEK	July - Sept		Jan - Sept		Full year
	2005	2004	2005	2004	2004
Gunnebo Physical Security	628	596	1,912	1,861	2,543
Gunnebo Integrated Security	464	488	1,429	1,477	2,014
Gunnebo Perimeter Security	395	338	1,086	900	1,275
Gunnebo Asia Pacific	94	91	260	247	346
Central items	-22	-22	-78	-67	-92
Continuing operations	1,559	1,491	4,609	4,418	6,086
Discontinued operations	-	293	325	922	1,240
Group total	1,559	1,784	4,934	5,340	7,326

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Operating profit

MSEK	July - Sept		Jan - Sept		Full year
	2005	2004	2005	2004	2004
Gunnebo Physical Security	36	32	78	109	171
Gunnebo Integrated Security	29	43	65	108	176
Gunnebo Perimeter Security	25	18	41	28	54
Gunnebo Asia Pacific	6	6	9	12	20
Items affecting comparability	-27	-	-71	-92	-204
Central items	-13	-9	-43	-35	-53
Continuing operations	56	90	79	130	164
Discontinued operations	-	28	19	69	101
Group total	56	118	98	199	265

Operating margin

MSEK	July - Sept		Jan - Sept		Full year
	2005	2004	2005	2004	2004
Gunnebo Physical Security	5.7	5.4	4.1	5.9	6.7
Gunnebo Integrated Security	6.2	8.8	4.5	7.3	8.7
Gunnebo Perimeter Security	6.3	5.3	3.8	3.1	4.2
Gunnebo Asia Pacific	6.4	6.6	3.5	4.9	5.8
Continuing operations	3.6	6.0	1.7	2.9	2.7
Discontinued operations	-	9.6	5.8	7.5	8.1
Group total	3.6	6.6	2.0	3.7	3.6

Operating cash flow Exc. GIAB

MSEK	July - Sept		Jan - Sept		Full year	
	2005	2004	2005	2004	2004	2003
Cash flow from current operations	-24	49	-50	62	204	354
Re-entry of paid tax and net financial items affecting cash	54	12	110	76	115	103
Net investments	-40	-19	-107	-67	-110	-145
Operating cash flow	-10	42	-47	71	209	312
Re-entry of structuring costs affecting cash flow	50	21	97	44	73	87
Operating cash flow excluding structuring costs	40	63	50	115	282	399

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Key ratios exc. items affecting comparability Exc. GIAB

%	January - September		Full year	
	2005	2004	2004	2003
Return on capital employed *	10.4	13.5	14.1	13.0
Return on equity *	14.2	18.1	19.4	16.3
Operating margin before depreciation of goodwill (EBITDA)	5.4	7.0	7.9	8.5
Operating profit (EBIT)	3.3	5.0	6.0	5.5
Profit margin (EBT)	2.3	4.4	5.3	4.8

* For the past 12-month period

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Key ratios inc. items affecting comparability

Exc. GIAB

%	January - September		Full year	
	2005	2004	2004	2003
Return on capital employed before depreciation of goodwill*	4.2	10.1	6.6	13.0
Return on capital employed*	-3.9	11.5	6.1	16.3
Gross margin	31.9	33.3	33.6	33.5
Operating margin before depreciation (EBITDA)	3.9	4.9	4.6	8.5
Operating profit (EBIT)	1.7	2.9	2.7	5.5
Profit margin (EBT)	0.6	2.3	2.0	4.8
Equity ratio	2.1	2.2	2.3	2.2

* For the past 12-month period

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Data per share, including GIAB

SEK	January-September		Full year
	2005	2004	2004
Earnings per share	-1:30	2:40	3:20
Earnings per share exc. items affecting comparability	2:05	4:50	7:35
Earnings per share after dilution	-1:30	2:35	3:20
Earnings per share after dilution exc. items affecting comparability	2:05	4:45	7:30
Equity per share	28:10	40:50	40:15
Equity per share after dilution	29:85	42:05	41:75
Cash flow per share	-1:70	2:75	7:05
No. of shares at end of period, thousand	43,855	43,780	43,780
Average no. of shares, thousand	43,813	43,780	43,780

Data per share, Continuing operations

SEK	January-September		Full year
	2005	2004	2004
Earnings per share	-1:55	1:50	1:90
Earnings per share exc. items affecting comparability	1:80	3:60	6:00
Earnings per share after dilution	-1:55	1:50	1:90
Earnings per share after dilution exc. items affecting comparability	1:80	3:60	6:00

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Gunnebo's shareholders September 30, 2005

Vätterledens Invest AB, with associates	23.4%	
Stena Adactum, with associates	12.4%	
IF	9.7%	
Odin fonder	4.4%	
Andra AP-fonden	4.2%	No. of shareholders: 10,528
Orkla	3.9%	No. of shares: 43,854,548
JP Morgan Chase Bank	3.1%	
Ing Ferri S.A.	1.4%	Foreign ownership: 21%
Bjarne Holmqvist	1.2%	Swedish ownership: 79%
Svenskt näringsliv	1.0%	
State Street Bank	0.9%	
Aktia Sparbank	0.8%	
Other	33.6%	
Total	100%	

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Gunnebo's Nominating Committee



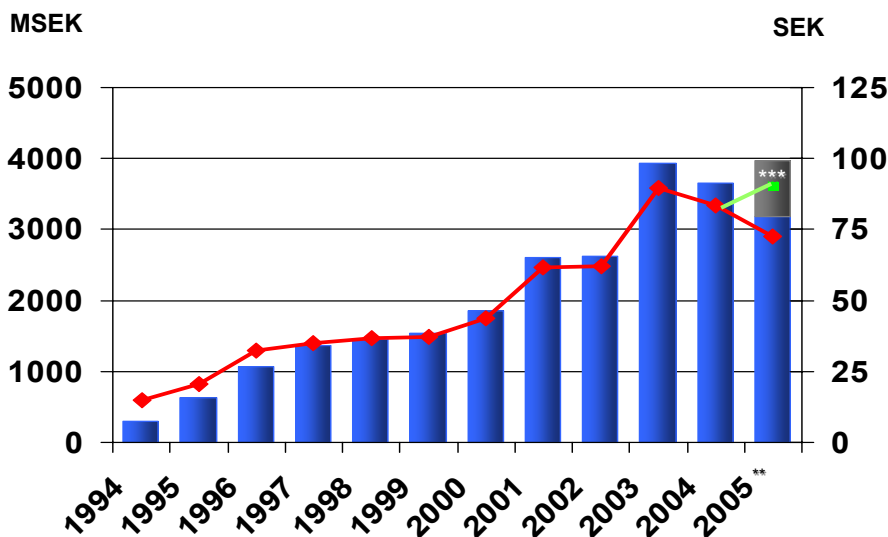
- Nils-Olov Jönsson, Vätterledens Invest AB
- Dan Sten Olsson, Stena Adactum AB
- Nils Petter Hollekim, Odin Forvaltning AS
- Roger Holtback, Chairman of the Board and convener

Shareholders who wish to nominate candidates for election to the board of Gunnebo AB should contact Gunnebo's Nominating Committee at: valberedningen@gunnebo.se or write to Valberedningen, Gunnebo AB, Box 5181, 402 26 Göteborg, Sweden.

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Market cap and the share's development



* As of December 31

** As of October 25, 2005

*** Including Gunnebo Industrier

■ Market cap MSEK* (left hand scale)
— Share price, SEK* (right hand scale)

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