

GUNNEBO

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Year-end release 2005

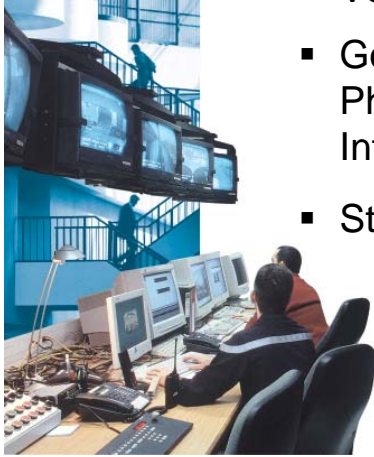
Göran Gezelius, President and CEO
February 8, 2006

Agenda

- Fourth quarter 2005
- Full year 2005
- Gunnebo – One Company
- Re-financing completed
- Financial goals
- Outlook



Fourth quarter 2005 - Summary



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- High order intake
- Very unsatisfactory result in India
- Good fourth quarter for Gunnebo Physical Security and Gunnebo Integrated Security
- Strong operative cash flow

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Fourth quarter 2005 - Summary

- Order intake roses by 22% to MSEK 1,705 (1,396). Organic growth of 9%.
- Invoiced sales increased by 12% to MSEK 1,868 (1,668). Organic growth of 2%
- Profit after net financial items but before items affecting comparability amounted to MSEK 138 (129). After such items it was MSEK 4 (17).



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Fourth quarter 2005 - Summary

- Net costs affecting comparability amounted to MSEK 134 (costs: 112), largely consisting of the remaining costs of the previously approved restructuring of production, the new organisation and new structure, and a lump-sum write-down in the value of inventories.
- The result after tax was a loss of MSEK 28 (profit: 18).
- The loss per share was SEK 0.65 (profit 0.40). Excluding items affecting comparability earnings per share amounted to SEK 1.95 (2.40).
- The operative cash flow increased to MSEK 275 (167).



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Full year 2005 - Summary

- The order intake rose by 10% to MSEK 6,658 (6,035). Organic growth was 2%.
- Invoiced sales rose by 6% to MSEK 6,477 (6,086). Organic, sales declined by 2%.
- The profit after net financial items, excluding items affecting comparability, was MSEK 238 (325), and including them it was MSEK 33 (121).
- Net costs affecting comparability amounted to MSEK 205 (costs: 204), largely consisting of the remainder of the previously approved restructuring of production, costs associated with the new organisation and new structure, and a write-down in the value of inventories.



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Full year 2005 - Summary

- The result after tax was a loss of MSEK 97 (profit: 84).
- The loss per share was SEK 2.20 (1.90). Excluding items affecting comparability earnings per share were SEK 3.75 (6.00).
- The shares in Gunnebo Industrier were distributed to Gunnebo's shareholders and the company obtained a separate listing on Stockholmsbörsen's "O" list.
- Acquisition of Eurofence in January 2005.

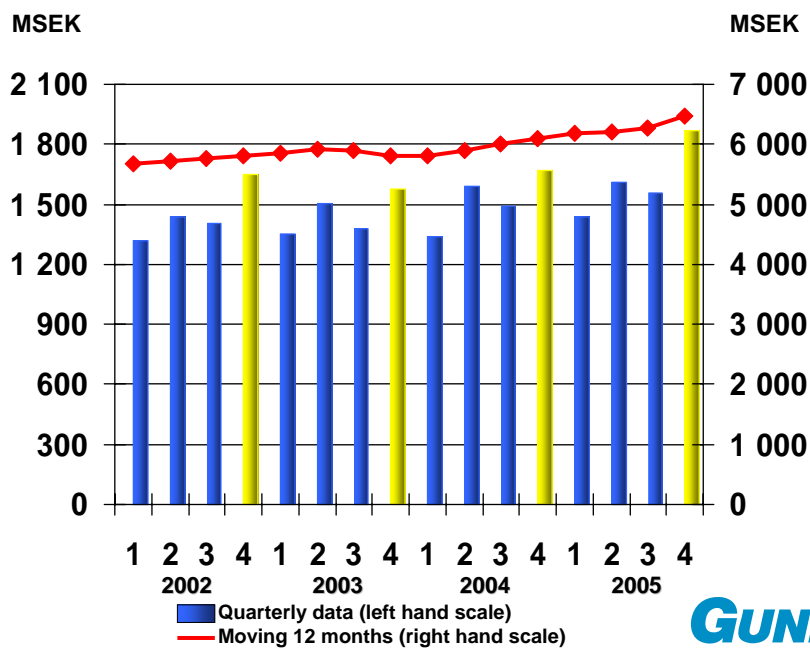


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Invoiced sales

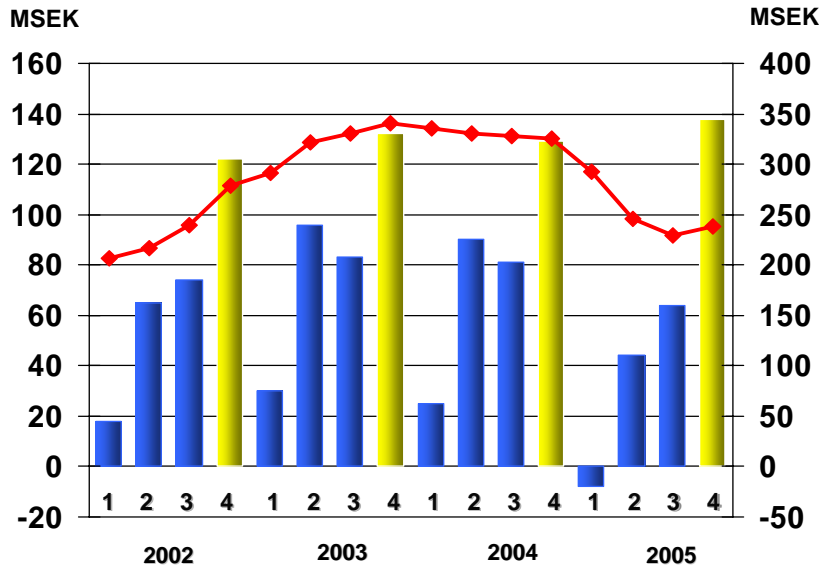
Exc. GIAB



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Profit after financial items*



* Exc. items affecting comparability, GIAB and depreciation of goodwill

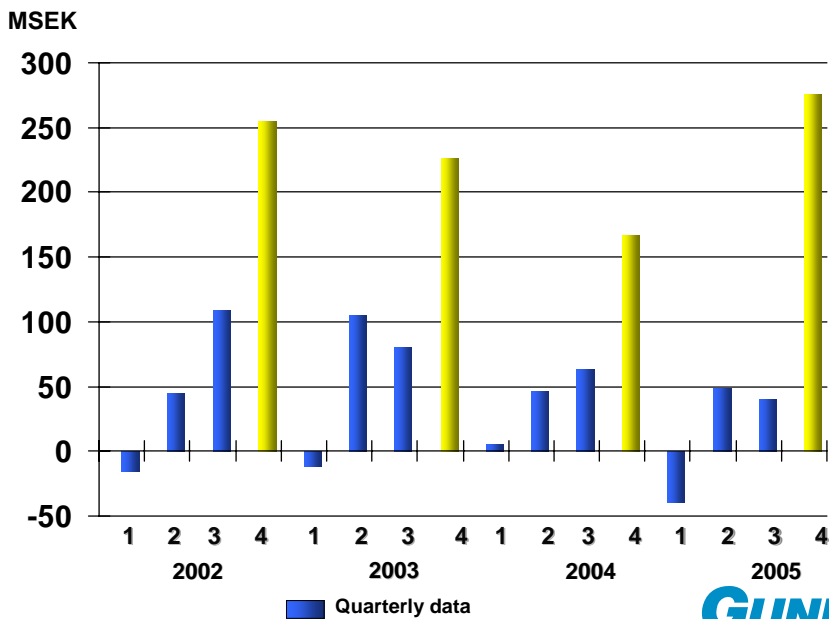
■ Quarterly data (left hand scale)
— Moving 12 months (right hand scale)

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Operative cash flow

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



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Consolidated income statement

Continuing operations

MSEK	Oct - Dec		Full year	
	2005	2004	2005	2004
Invoiced sales	1 868	1 668	6 477	6 086
Cost of goods sold	-1 242	-1 099	-4 380	-4 044
<i>Gross operating profit</i>	626	569	2 097	2 042
Other operating costs*	-602	-535	-1 994	-1 878
<i>Operating profit</i>	24	34	103	164
Net financial items	-20	-17	-70	-43
<i>Profit after financial items</i>	4	17	33	121
Taxes	-32	1	-130	-37
<i>Net profit</i>	-28	18	-97	84
* Items affecting comparability	-134	-112	-205	-204

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Gunnebo Physical Security

MSEK	Oct - Dec		Full year		
	2005	2004	2005	2004	2003
Invoiced sales	770	682	2 862	2 543	2 618
Operating profit exc. items affecting comparability	92	62	170	171	209
Operating margin, %	11,9	9,1	6,3	6,7	8,0

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Gunnebo Physical Security

- The market for automated banking services developed well
- SafePay™ has, during the end of the year, reached break-even volume: An annual rate of 1,000 units.
- SafePay has been particularly successful in Sweden, Norway and Germany with orders from ICA Maxi in Norway, Framework Agreements with COOP, Statoil in Sweden, Norway and Denmark, and Bauhaus in Sweden
- Gateway, the article surveillance company, has made very good progress
- Demand for traditional banking products in Europe such as vaults, vault doors and high-graded safes has stabilised

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Gunnebo Physical Security

- The closure of the factory in Sarreguemines, France, was completed, and production was relocated to Bazancourt, France, and Granollers, Spain. A small factory in Barrie, Canada, was closed at the end of the year.
- Market conditions in Germany, Holland and France were weak, whereas that in Great Britain continued to develop well. Several of the agency markets in the Middle East noted strong conditions, and markets in Africa and Russia have continued to do well.
- All in all, the division – after a weak start to the year – gradually improved its result, and earned an improved operating margin for the fourth quarter

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Gunnebo Integrated Security

MSEK	Oct - Dec		Full year		
	2005	2004	2005	2004	2003
Invoiced sales	568	537	1 997	2 014	1 945
Operating profit exc. items affecting comparability	60	68	125	176	171
Operating margin, %	10,6	12,7	6,3	8,7	8,8

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Gunnebo Integrated Security

- The division's order intake for the fourth quarter was very high
- Favourable market developments for electronic security systems in Spain
- Stiffer competition in the bank sector, mainly in France, Italy, and Portugal, a slight decline in volume
- Lower volumes in the bank sector were largely offset by orders from logistics centres, chemical industry, prisons, airports, hotels, casinos, and customers in the public sector
- Ritzenthaler's security booths have been doing well, as well as the rental of mobile banks

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Gunnebo Integrated Security

- Gunnebo Entrance Control noted a very high order intake during the year, especially in the Metro and Stadia & Leisure segments
- The ImmSec immigration security booth has been well received on the market. Several units have been installed for testing, and orders have been booked for five airports in England.
- The division's result improved towards the end of the year, but was still lower than in the previous year, mainly owing to the effect of profitability problems at companies in security booths and bullet-resistant glass walls



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Gunnebo Perimeter Security

MSEK	Oct - Dec		Full year		
	2005	2004	2005	2004	2003
Invoiced sales	451	375	1 537	1 275	1 038
Operating profit exc. items affecting comparability	39	26	80	54	28
Operating margin, %	8,6	6,9	5,2	4,2	2,7



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Gunnebo Perimeter Security

Gunnebo Perimeter Protection

- The division earned a better operating result than in 2004, mainly thanks to the acquisition of Eurofence, which had good earnings performance during the year
- Sales in Northern Europe have continued on a healthy level with significant orders for high-graded outdoor perimeter protection systems - weaker performance on Continental markets, especially Germany
- International sales of anti-terrorist products have continued to do well, with orders booked from the Middle East, Hungary and India
- The closure of Elkosta's factory in Salzgitter (Germany) was completed, and production relocated to the division's factory in Salzkotten, also in Germany. Negotiations began towards the end of the year on the discontinuation of production at the factory in Ödeborg, Sweden.

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Gunnebo Perimeter Security

Gunnebo Troax

- New product programme launched and well received by the market
- Extensive investments in new and complementary production equipment at the factory in Hillerstorp
- Good progress on all markets except Switzerland, Austria and Belgium
- Developments in the Nordic region are due mainly to the strength of the building industry, whilst in Great Britain and Spain the good performance was driven by the strength of the economy in general
- The result improved slightly, despite start-up costs in connection with the completed investment programme, which involved production disturbances and additional costs

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Gunnebo Asia Pacific

MSEK	Oct - Dec		Full year		
	2005	2004	2005	2004	2003
Invoiced sales	109	99	369	346	309
Operating profit exc. items affecting comparability	-13	8	-4	20	13
Operating margin, %	-11,9	8,1	-1,1	5,8	4,2

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Gunnebo Asia Pacific 2005: India

- The division incurred a loss for the year as a whole, as a result of a highly unsatisfactory result in India.
 - Heavy losses during the fourth quarter owing to incorrect recognition of income and stock valuation errors, partly attributable to previous periods.
 - Weak sales performance towards the end of the year for fire projects
 - New management in place
- Stable conditions for traditional security products for the banking sector in India. Large order from Deutsche Bank booked during the year.
- Closure of factory in Mumbai (India) completed, licence for resettlements have delayed sale of the property.

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Gunnebo Asia Pacific: Other markets

- Healthy performance in Indonesia in physical security products and electronic security systems.
- Business in Australia has done better than in the past, with a strong close to the year. Even so, a small loss was incurred for the year as a whole.
- The business in Singapore has progressed well, and agency markets served from Singapore have also been doing well.

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Gunnebo – One Company

- Our mission:
 - To bring 40 acquired companies into one – Gunnebo One Company
 - To make this Company the most professional security provider to Banks, Retailers and Sites in need of high security protection
 - To make a *big* change in a *short* time
 - To increase organic growth



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Gunnebo – One Company

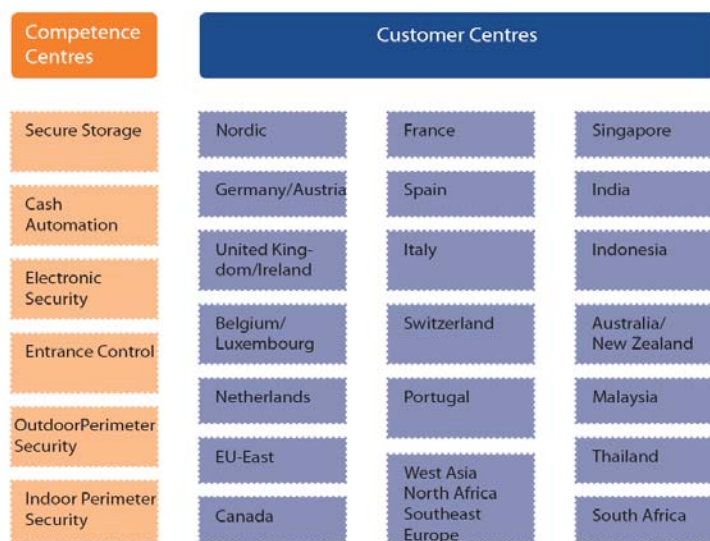
- Common vision, values and attitudes
- Common customer focus, same way to market and common name/brand
- Share or replicate support systems (logistics, supply chain, ERP)
- Engage in recurring system solution business
- "Replicate and repeat" are the key words to increase profitability



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GUNNEBO AB



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Gunnebo – One Company

- Net lump-sum of MSEK 185 (of which MSEK 37 2005)
- Annual savings of MSEK 90 with full effect during 2007
- Personnel reductions by 150 persons – negotiations with the unions planned to be completed during Q1 2006
- 90 companies becomes 50 during 2006

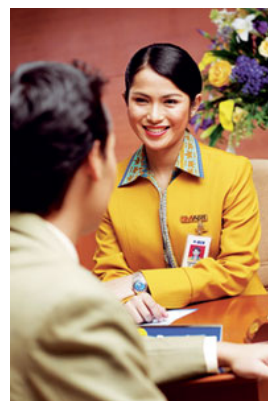


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Gunnebo – One Company

- A complete new organisation has been manned during autumn/winter 2005, which works effectively from January 1, 2006
- So far, the integration project Gunnebo – One Company follows estimated time- and budgetframes



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Consolidated balance sheet

Continuing operations

MSEK	2005	2004
Intangible fixed assets	1 224	1 119
Tangible fixed assets	744	676
Financial fixed assets	219	164
Inventory	838	847
Operating receivables	1 639	1 690
Liquid funds	169	172
<i>Total assets</i>	<i>4 833</i>	<i>4 668</i>
Equity	1 208	1 383
Interest-bearing provisions and liabilities	1 950	1 521
Other provisions and liabilities	1 675	1 764
<i>Total equity and liabilities</i>	<i>4 833</i>	<i>4 668</i>

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Re-financing completed

- New five-year MEUR 200 syndi-
cated loan (MSEK 1 850)
- MSEK 300 subordinated loan



➔ Undrawn credit facilities: MSEK 1 000

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Financial targets

	<u>Target</u>	<u>Actual</u> <u>2005</u>
▪ Return on capital employed	15%	10,4%
▪ Operating margin	7%	4,8%
▪ Min. equity ratio	30%	25%
▪ Organic growth	5%	-2%

 To be achieved in 2007

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Dividend proposal

- It is proposed that a dividend of SEK 1.60 be paid (2.25 – not comparable because of distribution of Gunnebo Industrier)



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Outlook for 2006

- The profit after financial items for 2006 – both before and after items affecting comparability – is expected to be significantly higher than that for 2005 (MSEK 238 and MSEK 33 respectively), but still below the company's established financial targets.



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