



Gunnebo interim report
January-June 2006

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President and CEO Gunnebo AB
Telephone conference 21 July 2006

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Weak result second quarter

- The Group's operating profit before items affecting comparability amounted to MSEK 43 (63).
- The weaker result is due to a much weaker operating profit in France.
- The weaker result in France is primarily due to weaker results in Business Line Site Protection and After-sales services.
- The second quarter's result includes some larger bad debts of some MSEK 15 in England and France
- Strong improvements in the second quarter for Business Lines Bank and Secure Storage with operating margins of 7.8%.

Bridge analysis of the Group's operating profit (MSEK)

	Potential	Result first half -06
Result first half 2005	67	67
Improvements from previous production restructurings	53	31
Bad debts	0	-20
Efficiency losses in connection with the re-organisation, mainly in France	0	-37
Total	120	41

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Highlights second quarter 2006

- The process of introducing the new Gunnebo One Company integrated organisation is in all essentials proceeding as planned. However, productivity also weakened in the second quarter, especially in France, which also has affected the result.
- The order intake declined by 3% during the quarter to MSEK 1,784 (1,841). Organically, the decline was 4%. Invoiced sales rose by 3% to MSEK 1,664 (1,612). Organic growth was 2%.



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Highlights second quarter 2006

- The result after financial items and before items affecting comparability was a profit of MSEK 20 (profit 44); after these items it was a loss of MSEK 1 (profit 44).
- Net cost items affecting comparability amounted to MSEK 21 (-) and consisted largely of the costs associated with the previously announced Gunnebo One Company integration programme and capital gains on property sales in India.



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Highlights second quarter 2006

- The result after tax was a loss of MSEK 1 (profit 32).
- Earnings per share were SEK 0 (profit: 0.70). Excluding items affecting comparability earnings per share were SEK 0.35 (0.75).
- The operating cash flow was a negative of MSEK 40 (positive 49).



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Highlights January-June 2006

- The order intake increased by 1% during the first half-year to MSEK 3,392 (3,365). Organically there was a decline of 1%. Invoiced sales rose by 3% to MSEK 3,146 (3,050). Organic growth was 1%.
- The business achieved financial breakeven after financial items and before items affecting comparability (profit 36); after these items the result was a loss of MSEK 55 (loss 8).



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Highlights January-June 2006

- Net cost items affecting comparability amounted to MSEK 55 (44) and consisted largely of the costs associated with the previously announced Gunnebo One Company integration programme and capital gains on property sales in India.
- The result after tax was a loss of MSEK 39 (loss 6).
- The loss per share was SEK 0.85 (loss: 0.15). Excluding items affecting comparability earnings per share were SEK 0.05 (0.65).
- The operating cash flow was a negative of MSEK 99 (positive 10).



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Outlook for 2006 as a whole

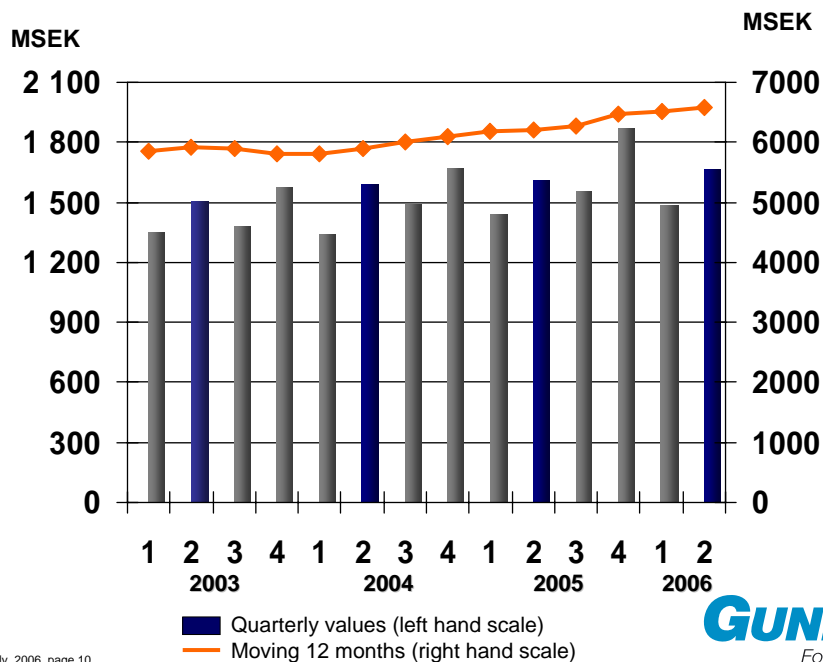
- The process of integration in connection with the re-organisation is proceeding in all essentials as planned. However, on the Group's largest market, France, the company's activities have been affected by disruptions and lower productivity in connection with the change process, and this situation is expected to persist during the second half-year. The profit for 2006 as a whole, after financial items and excluding items affecting comparability, is therefore expected to be slightly lower than last year's (MSEK 238).
- The previous forecast read as follows: "The result after financial items for 2006 is expected to be significantly higher than for 2005, both before and after items affecting comparability (MSEK 238 and MSEK 33), but it will still be below the company's established financial targets."



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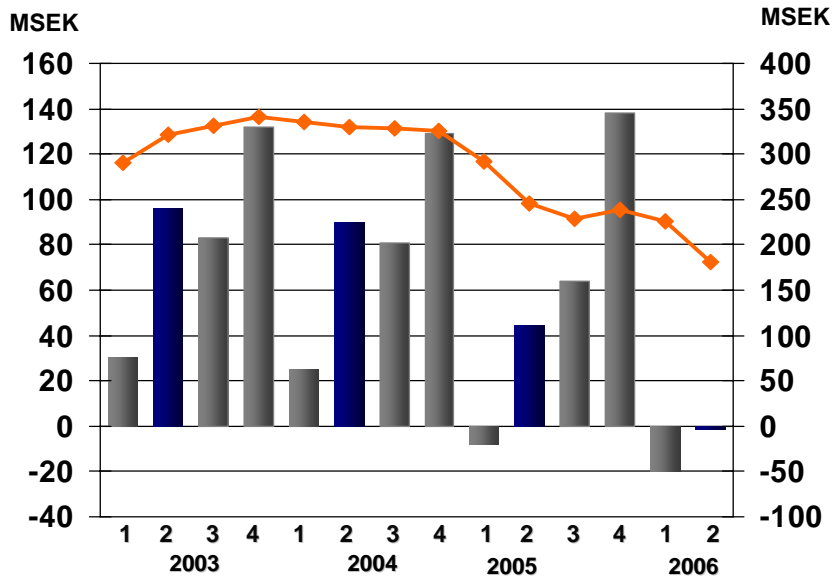
Invoiced sales

Excl. GIAB



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Profit after financial items*



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

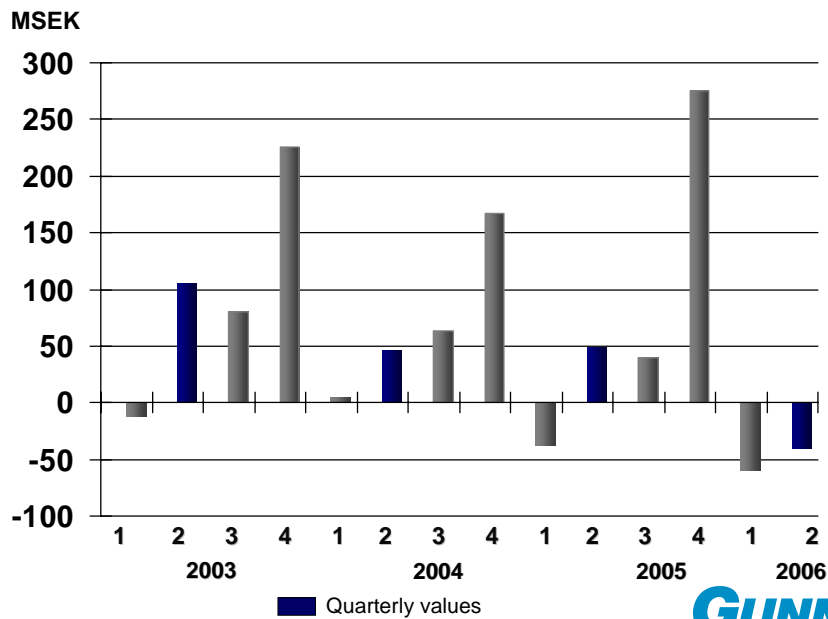
■ Quarterly values (left hand scale)
— Moving 12 months (right hand scale)

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Operating cash flow

Before financial items, tax and structural costs, excl. GIAB



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Invoiced sales

MSEK	April-June		Jan-June		Full year
	2006	2005	2006	2005	2005
Business Line Bank	577	545	1,110	1 065	2,171
Business Line Retail	169	166	323	310	667
Business Line Site Protection	673	676	1,244	1,238	2,702
Business Line Secure Storage	245	225	469	437	937
Group total	1,664	1,612	3,146	3,050	6,477

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Operating profit

MSEK	April-June		Jan-June		Full year
	2006	2005	2006	2005	2005
Business Line Bank	45	37	65	63	179
Business Line Retail	-12	3	-18	-2	21
Business Line Site Protection	7	29	-15	21	108
Business Line Secure Storage	19	12	39	16	67
Central items	-16	-18	-30	-31	-67
Total before items affecting comparability	43	63	41	67	308
Items affecting comparability	-21	-	-55	-44	-205
Group total	22	63	-14	23	103

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Operating margin

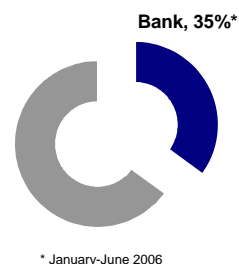
%	April-June		Jan-June		Full year
	2006	2005	2006	2005	2005
Business Line Bank	7.8	6.8	5.9	5.9	8.2
Business Line Retail	-7.1	1.8	-5.6	-0.6	3.1
Business Line Site Protection	1.0	4.3	-1.2	1.7	4.0
Business Line Secure Storage	7.8	5.3	8.3	3.7	7.2
Total before items affecting comparability	2.6	3.9	1.3	2.2	4.8
Group total after items affecting comparability	1.3	3.9	-0.4	0.8	1.6

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Business Line Bank

MSEK	April-June		Jan-June		Full year
	2006	2005	2006	2005	2005
Revenue	577	545	1 110	1 065	2 171
Operating profit	45	37	65	63	179
Operating margin, %	7.8	6.8	5.9	5.9	8.2



- Automated banking services
- Traditional banking products
- Security doors
- France and Nordic
- Agency markets and Indonesia

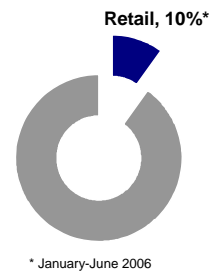


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Business Line Retail

MSEK	April-June		Jan-June		Full year
	2006	2005	2006	2005	2005
Revenue	169	166	323	310	667
Operating profit	-12	3	-18	-2	21
Operating margin, %	-7.1	1.8	-5.6	-0.6	3.1



- Integrated security systems for the European retail trade
- SafePay™ orders
- SafePay installations
- Gateway (England, Russia, Brazil and Sweden)

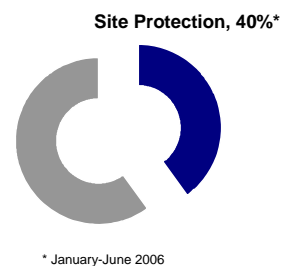


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Business Line Site Protection

MSEK	April-June		Jan-June		Full year
	2006	2005	2006	2005	2005
Revenue	673	676	1 244	1 238	2 702
Operating profit	7	29	-15	21	108
Operating margin, %	1.0	4.3	-1.2	1.7	4.0



- First quarter (cold and long winter)
- Outdoor installations in France, Spain, Germany and Nordic
- Entrance Control
- Troax



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Business Line Secure Storage

MSEK	April-June		Jan-June		Full year	
	2006	2005	2006	2005	2005	
Revenue	245	225	469	437	937	
Operating profit	19	12	39	16	67	
Operating margin, %	7.8	5.3	8.3	3.7	7.2	

Secure Storage, 15%*



* January-June 2006

- Structural changes in production
- Utilization of capacity
- OEM-customers (ATM)
- SoHo-products (especially UK)



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Consolidated income statement

MSEK	April-June		Jan-June		Full year	
	2006	2005	2006	2005	2005	2004
Revenue	1,664	1,612	3,146	3,050	6,477	6,086
Cost of sales	1,175	-1,110	-2,222	-2,125	-4,459	-4,116
Gross operating profit	489	502	924	925	2 018	1 970
Other operating costs*	-467	-439	-938	-902	-1 915	-1 806
Operating profit	22	63	-14	23	103	164
Net financial items	-23	-19	-41	-31	-70	-43
Profit after financial items	-1	44	-55	-8	33	121
Taxes	-	-12	16	2	-130	-37
Net profit for the period	-1	32	-39	-6	-97	84
* Whereof items affecting comparability	-21	-	-55	-44	-205	-204

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Consolidated balance sheet

MSEK	30 June		31 December	
	2006	2005	2005	2004
Goodwill	1,074	1,096	1,098	1,089
Other intangible fixed assets	116	119	126	121
Tangible fixed assets	692	749	744	1 021
Financial fixed assets	188	220	219	169
Inventory	944	1 005	838	1 195
Operating receivables	1,711	1,660	1,639	1,851
Liquid funds	134	134	169	203
Total asset	4,859	4,983	4,833	5,649
Equity	1,106	1,294	1,208	1,759
Interest-bearing provisions and liabilities	2,126	1,838	1,950	1,931
Other provisions and liabilities	1,627	1,851	1,675	1,959
Total equity and liabilities	4,859	4,983	4,833	5,649

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Key ratios

Excluding items affecting comparability

	Jan-June		Full year	
	2006	2005	2005	2004
Return on capital employed, %*	9.8	11.0	10.4	14.1
Return on equity, %*	12.7	17.4	12.8	19.4
Operating margin before depreciation, % (EBITDA)	3.3	4.3	6.8	7.9
Operating margin, % (EBIT)	1.3	2.2	4.8	6.0
Profit margin, % (EBT)	0.0	1.2	3.7	5.3

* During the last 12-month period

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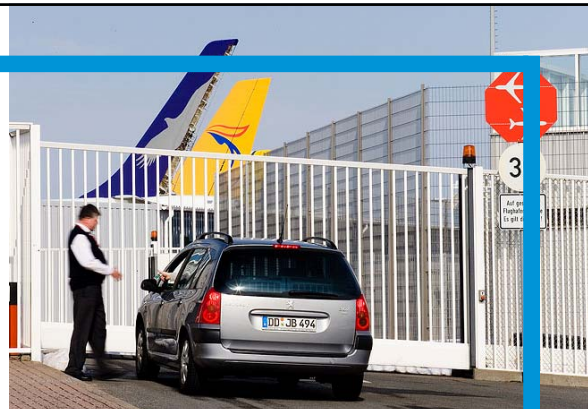
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Numbers don't tell everything...

- The integration programme in connection with the re-organisation is in all essentials proceeding according to plans, with the exception of France
- There are some progress made also in France, but slower
- All employees have in large found their new positions and tasks. More stable than in Q1, but we need part of Q3 before everything is in place.
- Disregarding the number deviations, the implementation of Gunnebo one Company runs surprisingly well. Management and coworkers work hard not just on integration matters, but on for instance quality and logistic improvements as well.
- Thus: We work hard not only with the integration programme, but also with a lot of basics. It has to be done, it will cost, but we believe it will pay off.

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