

**Gunnebo Interim Report January-June 2011**

Phone conference July 18, 2011

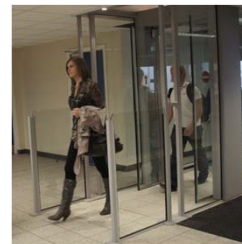
## CEO's Comments To Second Quarter

- Continued good growth on our markets in Asia, Africa and the Middle East, which compensates well for the moderate development on some markets in Europe.
- The gross margin continued improve and amounted to 30.5% (29.5%).
- Improved gross margin, increased sales and reduced re-structuring costs contributed to an improved operating profit during the second quarter to MSEK 76 (54).
- Net financial items improved to MSEK -9 (-20).
- Establishment of the operation in China is proceeding to plan, and is having positive effects on market initiatives for Entrance Control in the region, for example.



## Second Quarter 2011

- Order intake increased organically by 1% to total MSEK 1,432 (1,498).
- Net sales increased organically by 4% and amounted to MSEK 1,458 (1,513).
- Operating profit improved to MSEK 76 (54) and the operating margin to 5.2% (3.6%).
- Net financial items improved to MSEK -9 (-20).
- Profit after tax for the period totalled MSEK 40 (38).
- Earnings per share were SEK 0.55 (0.50).



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## January-June 2011

- Order intake increased organically by 3% and amounted to MSEK 3,062 (3,209).
- Net sales increased organically by 3% and amounted to MSEK 2,720 (2,858).
- Operating profit improved by MSEK 48 to MSEK 81 (33), and the operating margin was 3.0% (1.1%).
- Net financial items improved to MSEK -16 (-42).
- Profit after tax for the period totalled MSEK 33 (-7).
- Earnings per share were SEK 0.45 (-0.10).



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Business Area Bank Security & Cash Handling						
MSEK	April-June		January-June		Full year	
	2011	2010	2011	2010	2010	2009
Order intake	523	584	1,136	1,417	2,496	2,455
Net sales	558	621	1,052	1,165	2,451	2,528
Operating profit/loss	39	26	56	39	166	77
Operating margin, %	7.0	4.2	5.3	3.3	6.8	3.0
Non-recurring items	-2	-17	-2	-17	-33	-54



Part of Group sales

### The Market

- Positive development of the global market
- Different market drivers in different part of the world

### Market Development

- Majority of the business area's operations project based, there are fluctuations in order intake between quarters
- Order intake developed well in France, Italy, Germany, Asia and the Middle East
- Strong growth in India



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Business Area Entrance Control						
MSEK	April-June		January-June		Full year	
	2011	2010	2011	2010	2010	2009
Order intake	177	220	401	408	763	860
Net sales	200	199	366	364	766	847
Operating profit/loss	15	2	18	-9	-1	2
Operating margin, %	7.5	1.0	4.9	-2.5	-0.1	0.2
Non-recurring items	-	-2	-	-18	-36	-22



Part of Group sales

### The Market

- A global growth-market
- Market drivers are investments in infrastructure as airports, metro-systems and railroads alongside with the trend to increase security around and inside buildings

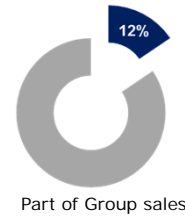
### Market Development

- Good development of order intake, especially in China, Africa, France, Eastern Europe and USA
- France recorded its first order within "Staidas"
- Improved profit due to increased sales in China, USA, Canada and South Africa as well as cost savings



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MSEK	April-June		January-June		Full year	
	2011	2010	2011	2010	2010	2009
Order intake	176	181	346	373	748	717
Net sales	179	184	335	357	735	786
Operating profit/loss	4	8	8	17	38	8
Operating margin, %	2.2	4.3	2.4	4.8	5.2	1.0
Non-recurring items	-	-2	-	-3	-10	-29



### The Market

- Continued growing need for the Group's products, primarily in markets outside of Europe
- Increased awareness about the importance of protecting valuables against fire and theft and a growing middle class important drivers

### Market Development

- Strong development in Asia, especially South East Asia and Australia
- European markets characterised by stiff competition on products with lower grades
- Collaboration with and distribution of safes for ATM manufacturer NCR in India



MSEK	April-June		January-June		Full year	
	2011	2010	2011	2010	2010	2009
Order intake	287	272	691	581	1,120	1,199
Net sales	275	285	547	570	1,120	1,204
Operating profit/loss	42	25	64	47	91	94
Operating margin, %	15.3	8.8	11.7	8.2	8.1	7.8
Non-recurring items	-	-1	-	-1	-16	-28



### The Market

- Increased interest in bringing together all maintenance contracts with a main supplier. This trend is changing the market conditions and creating new opportunities to develop the service business.
- Increased need for upgrade services, as several customers want to optimize their installed base

### Market Development

- Good volumes for renewed and newly signed service contracts
- Especially good development in Germany, the UK and Canada



MSEK	April-June		January-June		Full year	
	2011	2010	2011	2010	2010	2009
Order intake	269	241	488	430	869	861
Net sales	246	224	420	402	866	913
Operating profit/loss	-14	-6	-45	-52	-95	-227
Operating margin, %	-5.7	-2.7	-10.7	-12.9	-11.0	-24.9
Non-recurring items	-	-	-	-	-20	-124



Part of Group sales

### Perimeter Protection

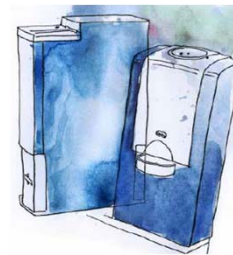
- Both order intake and net sales developed well

### SafePay

- Good development of order intake
- Order signed with Swedish Lidl to install the system in some 20 stores

### Gateway

- A continued increased interest for EAS-solutions after a weak end of 2010



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## Liquidity and Financial Position

- The Group's liquid funds at the end of the period amounted to MSEK 182 (146)
- Equity totalled MSEK 1,582 (1,452), giving an equity ratio of 39 per cent (34)
- Net debt decreased to MSEK 728 (1,044) and debt/equity ratio improved to 0,5 (0,7)



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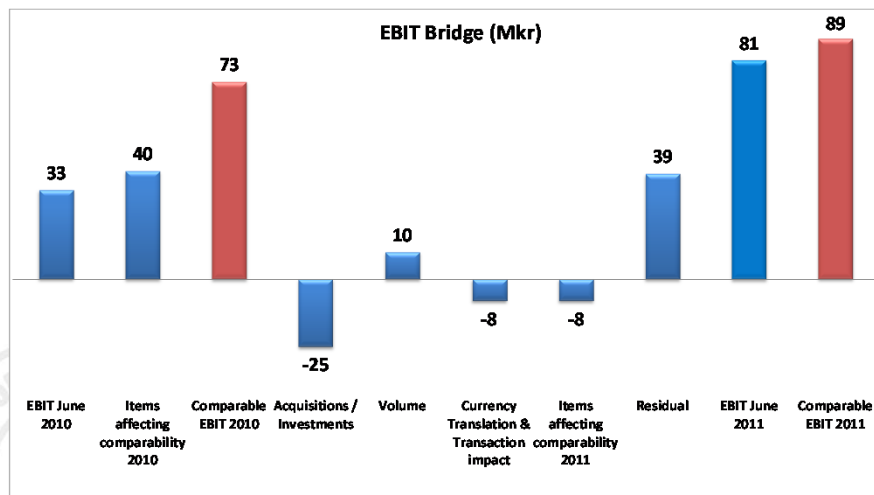
**Summary group income statement**

MSEK	April-June		January-June		Full year	
	2011	2010	2011	2010	2010	2009
Net sales	1,458	1,513	2,720	2,858	5,938	6,278
Cost of goods sold	-1,014	-1,067	-1,946	-2,078	-4,311	-4,624
<b>Gross profit</b>	<b>444</b>	<b>446</b>	<b>774</b>	<b>780</b>	<b>1,627</b>	<b>1,654</b>
Write-down of goodwill	-	-	-	-	-	-106
Other operating costs, net	-368	-392	-693	-747	-1,477	-1,655
<b>Operating profit/loss</b>	<b>76</b>	<b>54</b>	<b>81</b>	<b>33</b>	<b>150</b>	<b>-107</b>
Net financial items	-9	-20	-16	-42	-78	-74
<b>Profit/loss after financial items</b>	<b>67</b>	<b>34</b>	<b>65</b>	<b>-9</b>	<b>72</b>	<b>-181</b>
Taxes	-27	-8	-32	-12	-41	-36
<b>Profit/loss for the period from continuing operations</b>	<b>40</b>	<b>26</b>	<b>33</b>	<b>-21</b>	<b>31</b>	<b>-217</b>
Profit/loss for the period from discontinued operations	-	12	-	14	147	12
<b>Profit/loss for the period</b>	<b>40</b>	<b>38</b>	<b>33</b>	<b>-7</b>	<b>178</b>	<b>-205</b>
<i>Whereof attributable to:</i>						
Parent company shareholders	40	38	33	-7	178	-205
Holdings without controlling influence	-	-	-	-	-	-
	40	38	33	-7	178	-205
<b>Earnings per share before dilution, SEK*</b>						
	0.55	0.50	0.45	-0.10	2.35	-3.40
<i>Whereof continuing operations</i>						
	0.55	0.35	0.45	-0.30	0.40	-3.60
<i>Whereof discontinued operations</i>						
	-	0.15	-	0.20	1.95	0.20
<b>Earnings per share after dilution, SEK*</b>						
	0.55	0.50	0.45	-0.10	2.35	-3.40
<i>Whereof continuing operations</i>						
	0.55	0.35	0.45	-0.30	0.40	-3.60
<i>Whereof discontinued operations</i>						
	-	0.15	-	0.20	1.95	0.20

\*The figures for 2009 are adjusted for the bonus issue element of the Rights issue

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**EBIT-Bridge June 2010 – June 2011**



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### Summary group balance sheet

MSEK	30 June		31 December	
	2011	2010	2010	2009
Goodwill	959	1,029	952	1,091
Other intangible assets	95	101	96	108
Tangible assets	367	502	367	547
Financial assets	368	308	335	306
Inventories	692	704	543	644
Current receivables	1,366	1,510	1,253	1,468
Liquid funds	182	146	189	172
<b>Total assets</b>	<b>4,029</b>	<b>4,300</b>	<b>3,735</b>	<b>4,336</b>
Equity	1,582	1,452	1,606	1,413
Long-term liabilities	790	1,146	639	584
Current liabilities	1,657	1,702	1,490	2,339
<b>Total equity and liabilities</b>	<b>4,029</b>	<b>4,300</b>	<b>3,735</b>	<b>4,336</b>

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