



## Gunnebo interim report January - March 2008

Göran Gezelius  
President and CEO, Gunnebo AB  
25 April 2008

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### Gunnebo In Brief

- Gunnebo is the result of more than 40 acquisitions made during 1995 and 2005
- Today, the Gunnebo Group has a turnover of 760 MEUR, 6,700 employees and subsidiaries in 25 countries
- Since 2006, all acquisitions have been integrated into one homogenous, customer focused Group with one clear strategic direction – and a common brand



## We Work For A Safer World

- We continue to work "For a safer world" by:
  - Offering efficient physical and electronic protection for sites at high risk for terrorist and criminal attacks



Roadblocker



AutoSec Entrance control solution



High security SpeedGate



Boom barrier

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## We Work For A Safer World

- We continue to work "For a safer world" by:
  - Offering safe and efficient cash handling at banks, retail stores and other institutions which handle cash



Vault door

Coin-roll dispenser



SafePay™ note recycler



Nightsafe RSB 30



Note recycler

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## We Have Three Prioritized Customer Segments:

- Bank
- Retail
- Site Protection
  - Airports
  - Harbours
  - Embassies and Ministries
  - Major Data Centres
  - Chemical Corporations
  - Logistic Centres
  - Military Bases
  - Power Plants
  - Prisons
  - Cash Administrating Centres
- Other customers in need of Secure Storage solutions



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## CEO Comments To First Quarter 2008

*The first quarter is in large in accordance to our expectations and plans which means rather weak considering fewer days for invoicing due to holidays, in comparison to first quarter last year.*

*All markets outside of Western Europe showed growth or strong growth, with the exception of the order intake in the Middle East/Africa, where we had an unusually large order for a central bank last year.*

*The operating result fell slightly compared to last year, due to lower invoicing and negative currency effects.*

Göran Gezelius  
President and CEO

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## CEO Comments January-March 2008

- Order intake decreased organically by 10 per cent and amounted to MSEK 1,688 (1,884).
- Excluding a major bank order signed during the first quarter 2007, the organic decrease of order intake was 2 per cent.
- Net sales decreased organically by 1 per cent to MSEK 1,571 (1,603).
- The operating profit/loss amounted to MSEK 16 (27).



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## CEO Comments January-March 2008

- Profit/loss after tax for the period amounted to MSEK -22 (2).
- Earnings per share were SEK -0.50 (0.05).
- The operating cash flow improved to MSEK 45 (34) excluding restructuring costs.



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## Market Development First Quarter 2008

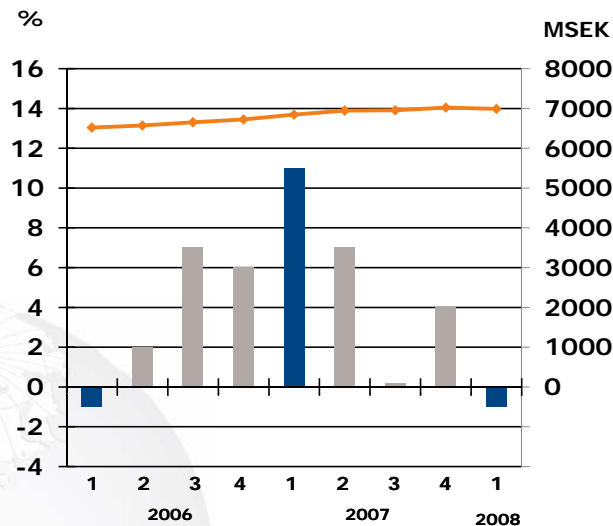
- In comparison with same period last year

- France and UK: Lower order intake, invoiced sales and earnings
- Spain: Lower order intake, unchanged invoiced sales and lower earnings
- Nordic region: Unchanged order intake and sales, lower earnings
- Germany: Higher order intake, unchanged invoiced sales and higher earnings
- Asia (excl. major bank order 2007): Higher order intake, higher invoicing and considerably higher earnings

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## Invoiced Sales and Organic Growth



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■ Organic growth, quarterly values (left-hand scale)  
 ◆ Invoiced sales, moving 12-months (right-hand scale)

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## In brief

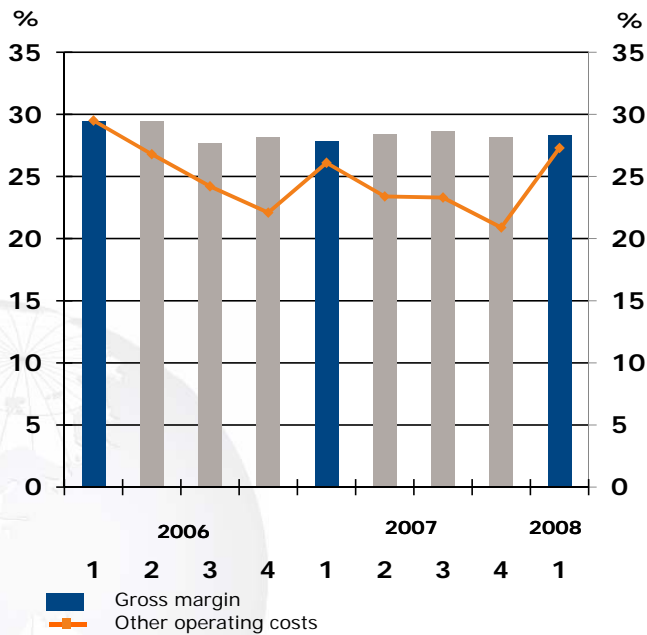
MSEK	Jan-Mach		Organic growth
	2008	2007	
Order intake	1,688	1,884	-10%
Net sales	1,571	1,603	-1%
Operating profit/loss	16	27	
Operating margin, %	1.0	1.7	
Profit/loss after financial items	-11	3	
Profit/loss after tax	-22	2	
Earnings per share*, SEK	-0.50	0.05	
Operating cash flow**	45	34	

\* Earnings per share before and after dilution  
 \*\* Excluding restructuring costs

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## Gross Margin And Other Operating Costs Excluding items affecting comparability



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## Development Of Raw Material Prices October 2007 - March 2008 (Purchase in EUR)

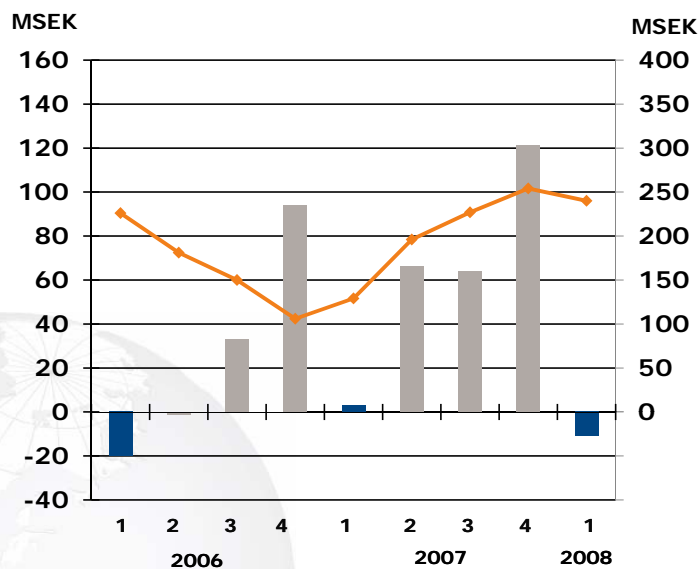
- Wire carbon steel: 20-35%
- Sheet metal: 10-20%
- Price increases also of concrete and coat
- Gunnebo increases product prices and quotations accordingly



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## Profit/Loss After Financial Items\*



\* Exc. Items affecting comparability and goodwill depreciation

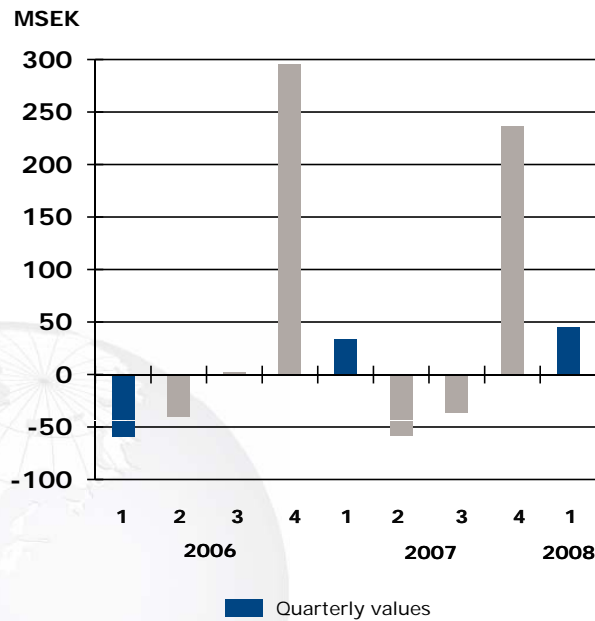
■ Quarterly values (left-hand scale)  
— Moving twelve months (right-hand scale)

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## Operating Cash Flow

Before financial items, tax and restructuring costs



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## Business Line Bank: Samples From The Product Portfolio



*Automated safe deposit lockers, SafeStore Auto*



*Traditional safe deposit lockers*



*Vaults and vault doors*



*Secure storage*



*Access control*



*Electronic security*



*Night safes*



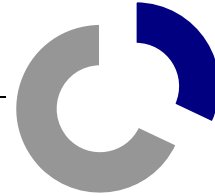
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## Business Line Bank

Share of Group sales: 32%

MSEK	January-March			Full year	
	2008	%*	2007	2007	2006
Order intake	570	-20%	721	2,327	2,237
Net sales	508	-6%	546	2,326	2,282
Operating profit/loss	28		37	221	175
Operating margin, %	5.5		6.8	9.5	7.7



\* Organic growth

- Electronic security systems in the Nordic region
- Order intake in France, Spain, Netherlands and Great Britain
- Order intake in Nordic, Belgium, Germany, Eastern Europe and Canada



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## Business Line Retail: Samples From The Product Portfolio



**SafePay™: System for closed and recycling cash handling**



**Electronic Article Surveillance**



**Access control**



**Solutions for warehouse and logistics**



**Secure storage**

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## Business Line Retail

Share of Group sales: 12%



MSEK	January-March			Full year	
	2008	%*	2007	2007	2006
Order intake	176	-16%	212	803	745
Net sales	181	+13%	161	739	714
Operating profit/loss	-4		-5	-5	-20
Operating margin, %	-2.2		-3.1	-0.7	-2.8

\* Organic growth

- The market for safes
- SafePay™
- The market for electronic article surveillance
- Order intake in Nordic, Germany and France



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## Business Line Site Protection: Samples From The Product Portfolio



*ImmSec and BoardSec for efficient identification and boarding of aeroplanes*



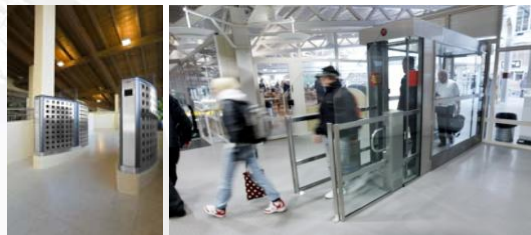
*Machine protection*



*High-security tested products for anti-terrorist protection: Hydraulic bollards, road blockers, high-security barrier and truck stopper*



*Gates and fences*



*Solutions for entrance control*



*Electronic security*

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## Business Line Site Protection

Share of Group sales: 41%

MSEK	January-March		Full year		
	2008	%*	2007	2006	
Order intake	685	+1%	684	2,755	2,834
Net sales	645	+2%	641	2,920	2,736
Operating profit/loss	-12		-12	97	31
Operating margin, %	-1.9		-1.9	3.3	1.1



\* Organic growth

- Gunnebo indoor perimeter protection
- Order intake in Spain and Italy
- Order intake in France, Nordic, Germany and Great Britain
- Two additional products in the anti-terrorist portfolio approved by international test institutes



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## Business Line Secure Storage: Samples From The Product Portfolio



*High-graded burglary resistant safes*



*Fire-resistant document storage*



*High-graded fire resistant safes*



*SecureLine range of safes*

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## Business Line Secure Storage

Share of Group sales: 15%

MSEK	January-March			Full year	
	2008	% *	2007	2007	2006
Order intake	257	-3%	267	1,053	946
Net sales	237	-6%	255	1,040	995
Operating profit/loss	19		24	99	88
Operating margin, %	8.0		9.4	9.5	8.8



\* Organic growth

- OEM-customers and SecureLine
- Demand for fire resistant safes
- Order intake in Germany, Spain and Switzerland



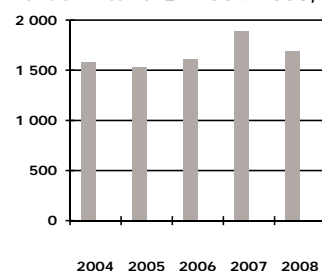
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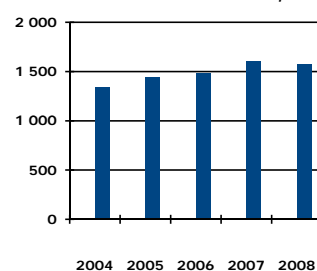
## Summary Of The First Quarter 2008

- The first quarter's result generally in line with Gunnebo's expectations and plans
- Strong quarter 1 2007 – quarter 1 2008 more "normal":
  - Fewer workdays Q1 2008 compared to Q1 2007
  - First quarter's profit has historically been 0-8 per cent of full year profit
- We see that the number of outstanding quotations today are larger than the same time last year. Therefore we have a positive view on order intake during the second quarter.

Order intake Q1 2004-2008, MSEK



Net sales Q1 2004-2008, MSEK



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## Financial Targets

- Gunnebo shall earn a return on capital employed of at least 15% and an operating margin of at least 7%.
- The equity ratio shall not fall below 30%.
- The Group shall achieve organic growth of at least 5% each year.



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## Outlook 2008 And 2009

- Bearing in mind completed restructuring and integration programmes and the business opportunities offered by Gunnebo's customer-based organisation, the improved result pace is expected to continue also in 2008 and 2009.



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## Operating profit/loss and operating margin

	January-March				Full year			
	2008		2007		2007		2006	
	MSEK	%	MSEK	%	MSEK	%	MSEK	%
Business Line Bank	28	5.5	37	6.8	221	9.5	175	7.7
Business Line Retail	-4	-2.2	-5	-3.1	-5	-0.7	-20	-2.8
Business Line Site Protection	-12	-1.9	-12	-1.9	97	3.3	31	1.1
Business Line Secure Storage	19	8.0	24	9.4	99	9.5	88	8.8
Central items	-15	-	-17	-	-63	-	-58	-
<b>Total before items affecting comparability</b>	<b>16</b>	<b>1.0</b>	<b>27</b>	<b>1.7</b>	<b>349</b>	<b>5.0</b>	<b>216</b>	<b>3.2</b>
Items affecting comparability	-	-	-	-	-	-	-243	-
<b>Group total</b>	<b>16</b>	<b>1.0</b>	<b>27</b>	<b>1.7</b>	<b>349</b>	<b>5.0</b>	<b>-27</b>	<b>-0.4</b>

## Order intake

MSEK	Jan-March			Full year	
	2008	%*	2007	2007	2006
Business Line Bank	570	-20	721	2,327	2,237
Business Line Retail	176	-16	212	803	745
Business Line Site Protection	685	+1	684	2,755	2,834
Business Line Secure Storage	257	-3	267	1,053	946
<b>Group total</b>	<b>1,688</b>	<b>-10</b>	<b>1,884</b>	<b>6,938</b>	<b>6,762</b>

## Net sales

MSEK	Jan-March			Full year	
	2008	%*	2007	2007	2006
Business Line Bank	508	-6	546	2,326	2,282
Business Line Retail	181	+13	161	739	714
Business Line Site Protection	645	+2	641	2,920	2,736
Business Line Secure Storage	237	-6	255	1,040	995
<b>Group total</b>	<b>1,571</b>	<b>-1</b>	<b>1,603</b>	<b>7,025</b>	<b>6,727</b>

\* Organic growth

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## Consolidated income statement

MSEK	Jan-March		Full year	
	2008	2007	2007	2006
Net sales	1,571	1,603	7,025	6,727
Cost of goods sold	-1,126	-1,158	-5,040	-4,802
<b>Gross profit</b>	<b>445</b>	<b>445</b>	<b>1,985</b>	<b>1,925</b>
Other operating costs, net*	-429	-418	-1,636	-1,952
<b>Operating profit/loss</b>	<b>16</b>	<b>27</b>	<b>349</b>	<b>-27</b>
Net financial items	-27	-24	-95	-89
<b>Profit/loss after financial items</b>	<b>-11</b>	<b>3</b>	<b>254</b>	<b>-116</b>
Taxes	-11	-1	-126	-12
<b>Profit/loss for the period</b>	<b>-22</b>	<b>2</b>	<b>128</b>	<b>-128</b>
* Whereof items affecting comparability	-	-	-	-243

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## Consolidated balance sheet

MSEK	31 March		31 December	
	2008	2007	2007	2006
Goodwill	1,084	1,085	1,103	1,056
Other intangible assets	126	118	129	119
Tangible assets	570	626	584	628
Financial assets	186	238	168	207
Inventories	869	812	789	718
Current receivables	1,648	1,607	1,846	1,766
Liquid funds	169	165	218	193
<b>Total asset</b>	<b>4,652</b>	<b>4,651</b>	<b>4,837</b>	<b>4,687</b>
Equity	1,086	1,080	1,142	1,044
Long-term liabilities	1,572	1,784	1,604	1,831
Current liabilities	1,994	1,787	2,091	1,812
<b>Total equity and liabilities</b>	<b>4,652</b>	<b>4,651</b>	<b>4,837</b>	<b>4,687</b>

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## Key ratios

Excluding items affecting comparability

	Jan-March		Full year	
	2008	2007	2007	2006
Return on capital employed, %*	11.4	8.0	11.9	7.1
Return on equity, %*	9.5	8.7	11.7	7.3
Operating margin before depreciation, % (EBITDA)	3.0	3.7	6.9	5.4
Operating margin, % (EBIT)	1.0	1.7	5.0	3.2
Profit margin, % (EBT)	-0.7	0.2	3.6	1.9

\* During the last 12-month period

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