



Gunnebo Interim Report January-June 2010

Per Borgvall, President & CEO
Phone conference July 16, 2010



CEO Comments To Second Quarter 2010

- A stable quarter:
 - Operating profit excluding expenses of a non-recurring nature of MSEK 89.
 - Good financial strength.
 - Equity ratio remains at 34%.
- The markets in Northern Europe, Asia, Africa, the Middle East and Canada are showing continued stable sales in Bank, Retail and Secure Storage.
- Markets in Southern Europe and in Business Line Site Protection, however, have shown weaker development.



CEO Comments To Second Quarter 2010

- Get It Right activities in the quarter:
 - Strategic review finalized
 - Establishment of an operation in China

"We are following the plan set out for Group development. I am proud of our quarterly results, but certainly not satisfied".

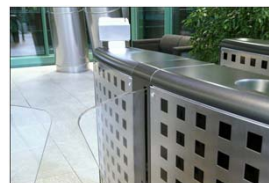


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Second Quarter 2010

- Order intake amounted to MSEK 1,626 (1,719).
 - Organically unchanged
- Net sales totalled MSEK 1,637 (1,706).
 - Organically +1%
- The operating profit amounted to MSEK 89 (34) excluding expenses of a non-recurring nature of MSEK -22 (-17).
- The operating profit amounted to MSEK 67 (17).



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Second Quarter 2010 (cont'd.)

- Profit after tax amounted to MSEK 38 (-6).
- Earnings per share were SEK 0.50 (-0.10).
- The operating cash flow amounted to MSEK -35 (143).



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January-June 2010

- Order intake amounted to MSEK 3,450 (3,393).
 - Organically +7 %
- Net sales totalled MSEK 3,087 (3,387).
 - Organically -4 %
- The operating profit amounted to MSEK 50 (22).
- The operating profit amounted to MSEK 92 (57) excluding expenses of a non-recurring nature of MSEK -42 (-35).



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January-June 2010 (cont'd.)

- Profit after tax amounted to MSEK -7 (-31).
- Earnings per share were SEK -0.10 (-0.50).
- The operating cash flow amounted to MSEK 1 (298).



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Business Line Bank

MSEK	April-June		January-June		Full year	
	2010	2009	2010	2009	2009	2008
Order intake	535	604	1,364	1,216	2,297	2,276
Net sales	603	585	1,141	1,154	2,353	2,208
Operating profit/loss	35	33	70	62	135	168
Operating margin, %	5.8	5.6	6.1	5.4	5.7	7.6



- Organic order intake improved by 18% first six months.
- Organic order intake for the second quarter decreased by 6%.
- Net sales increased organically by 8% during the second quarter.

Part of Group Sales:



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Business Line Retail

MSEK	April-June		January-June		Full year	
	2010	2009	2010	2009	2009	2008
Order intake	183	184	366	373	728	734
Net sales	180	194	340	373	738	779
Operating profit/loss	-4	-7	-18	-9	-20	6
Operating margin, %	-2.2	-3.6	-5.3	-2.4	-2.7	0.8



- Organic order intake increased by 6% during the second quarter.
- Organic net sales for the second quarter decreased by 2%.

Part of Group Sales:



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Business Line Site Protection

MSEK	April-June		January-June		Full year	
	2010	2009	2010	2009	2009	2008
Order intake	678	717	1,247	1,364	2,625	2,851
Net sales	632	694	1,165	1,371	2,698	2,850
Operating profit/loss*	21	3	-20	-14	-144	91
Operating margin, %*	3.3	0.4	-1.7	-1.0	-5.3	3.2

*Includes write-down of goodwill of MSEK 106 in the 4th quarter 2009



- Organic order intake largely unchanged for the quarter.
- Organic net sales decreased by 4% during the second quarter.
- The second quarter's improved result can partly be explained by an improved market for Indoor Perimeter Protection (Gunnebo Troax).
- Figures for the half-year have been burdened by expenses of a non-recurring nature of MSEK -25 (-13), primarily associated with the closure of production and continued restructuring measures in the Southern European sales companies.

Part of Group Sales:



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Business Line Secure Storage

MSEK	April-June		January-June		Full year	
	2010	2009	2010	2009	2009	2008
Order intake	230	214	473	440	923	1,104
Net sales	222	233	441	489	999	1,066
Operating profit/loss	16	0	27	6	2	79
Operating margin, %	7.2	0.0	6.1	1.2	0.2	7.4



- Order intake increased organically by 14% during the second quarter.
- Net sales increased organically by 1% during the second quarter.
- Improved result is mainly explained by increased demand on the main markets in Northern Europe, Asia, Africa, Middle East along with reduced costs within the framework of the Get It Right programme.

Part of Group Sales:



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Group Liquidity and Financial Position

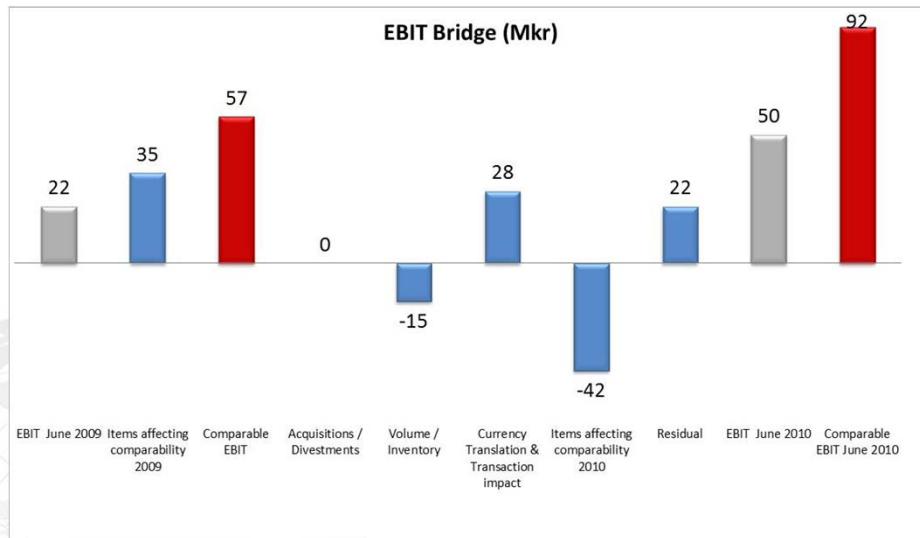
- The Group's liquid funds at the end of the period amounted to MSEK 146 (175)
- Equity totalled MSEK 1,452 (1,071), giving an equity ratio of 34 per cent (21).
- The net debt decreased to MSEK 1,044 (1,844), and the debt/equity ratio improved to 0.7 (1.7).



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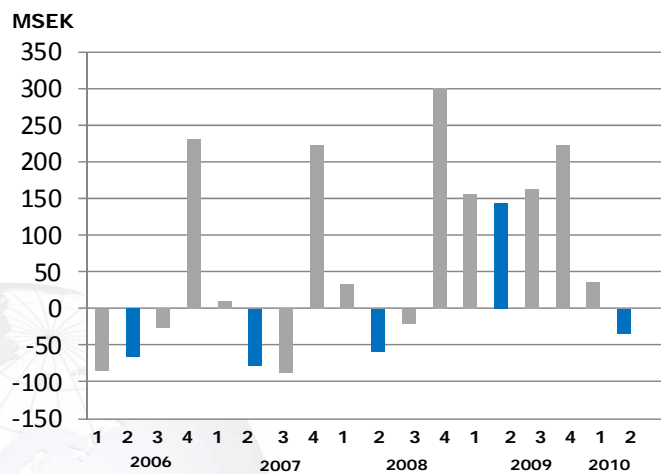
EBIT-Bridge June 2009 – June 2010



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Operating Cash Flow Before financial items and tax



■ Quarterly values

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Get It Right: The Six "Top Five Key Programmes"

1. Cash flow
2. Improved margins
3. Management
4. Cost reductions
5. Strategic review
6. Re-financing



The Get It Right action programme aims at strengthening the Group's profitability

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2: Improved Margins

- Q2 gross margin: 30,1% (28,3%)
- Q2 operating margin excl. items of a non-recurring nature: 5,5% (2,0%)



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3: Management

- New organisation as of July 1 2010 focusing on Bank Security & Cash Handling, Services, Secure Storage and Entrance Control.
- Composes of the Business Areas Bank Security & Cash Handling, Services, Secure Storage and Entrance Control. The Group's Sales Companies are organised in the three regions North Europe, South Europe and Rest of the World.
- All production, purchasing and logistics have been collected in the Group-common function Operations.
- Implementation finalized December 31, 2010.
- Modified reporting of operating segments starting from the first quarter of 2011.

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3: Management

- Strengthened Group Executive Team as of July 1, 2010
 - **Per Borgvall** President & CEO, Region Rest of the World
 - **Christian Guillou** SVP Bank Security & Cash Handling and Region South Europe
 - **Tomas Wångberg** SVP Secure Storage and Operations
 - **Thomas Heim** SVP Region North Europe
 - **Hans af Sillén** CFO & CIO
 - **Agneta Hultgren** SVP HR and Communications

Appointments

- **Robert Hermans** SVP Entrance Control
Robert Hermans (42, MSc Economics and MBA) has previously been Country Manager Gunnebo South Africa, CEO of Gunnebo Lifting and manager of Cargo Control Systems (South Africa). He has also occupied other senior positions in marketing and sales at Gunnebo Industries.



4: Cost Reductions

- Gross January-June 2010: Appr. MSEK 60
 - Production: MSEK 25
 - Sales Companies: MSEK 35



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5: Stratetgic Review

- Focus on Customers and Business
- Build on
 - Bank Security & Cash Handling
 - Services
 - Secure Storage
 - Entrance Control
- Global approach
 - Services are an integrated part of our business, a value added and a growth opportunity
- Improved R&D

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In Brief

MSEK	April-June		January-June	
	2010	2009	2010	2009
Order intake	1,626	1,719	3,450	3,393
Net sales	1,637	1,706	3,087	3,387
Operating profit before depreciation (EBITDA)	97	51	110	88
Operating margin before depreciation (EBITDA), %	5.9	3.0	3.6	2.6
Operating profit (EBIT)	67	17	50	22
Operating margin (EBIT), %	4.1	1.0	1.6	0.6
Profit/loss after financial items	46	-1	5	-22
Profit/loss after tax	38	-6	-7	-31
Earnings per share, SEK ^{1) 2)}	0.50	-0.10	-0.10	-0.50
Operating cash flow	-35	143	1	298

¹⁾ Earnings per share before and after dilution

²⁾ The figures for 2009 and 2008 are adjusted for the bonus issue element of the Rights Issue

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Summary group income statement

MSEK	April-June		January-June		Full year	
	2010	2009	2010	2009	2009	2008
Net sales	1,637	1,706	3,087	3,387	6,788	6,903
Cost of goods sold	-1,144	-1,223	-2,221	-2,445	-4,958	-4,957
Gross profit	493	483	866	942	1,830	1,946
Write-down of goodwill	-	-	-	-	-106	-
Other operating costs, net	-426	-466	-816	-920	-1,812	-1,665
Operating profit/loss	67	17	50	22	-88	281
Net financial items	-21	-18	-45	-44	-79	-101
Profit/loss after financial items	46	-1	5	-22	-167	180
Taxes	-8	-5	-12	-9	-38	-65
Profit/loss for the period	38	-6	-7	-31	-205	115
<i>Whereof attributable to:</i>						
Parent company shareholders	38	-6	-7	-31	-205	115
Minority interests	-	-	-	-	-	-
	38	-6	-7	-31	-205	115
Earnings per share before dilution, SEK*	0.50	-0.10	-0.10	-0.50	-3.40	1.95
Earnings per share after dilution, SEK*	0.50	-0.10	-0.10	-0.50	-3.40	1.95

*The figures for 2009 and 2008 are adjusted for the bonus issue element of the Rights issue

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Summary group balance sheet

MSEK	30 June		31 December	
	2010	2009	2009	2008
Goodwill	1,029	1,240	1,091	1,240
Other intangible assets	101	114	108	120
Tangible assets	502	608	547	625
Financial assets	308	335	306	346
Inventories	704	856	644	913
Current receivables	1,510	1,670	1,468	1,849
Liquid funds	146	175	172	169
Total assets	4,300	4,998	4,336	5,262
Equity	1,452	1,071	1,413	1,073
Long-term liabilities	1,146	2,020	584	2,142
Current liabilities	1,702	1,907	2,339	2,047
Total equity and liabilities	4,300	4,998	4,336	5,262

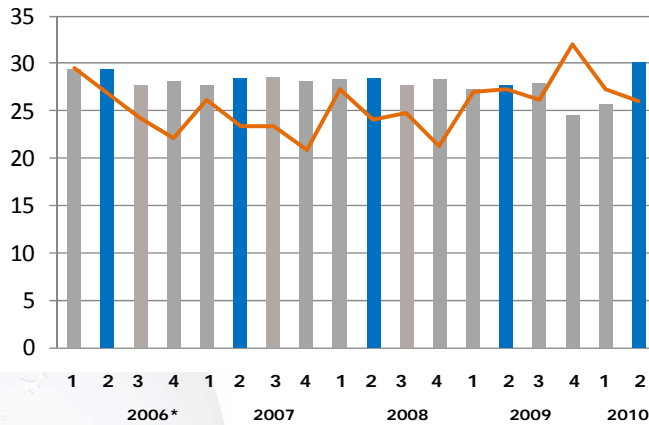
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Key ratios, excluding non-recurring items

	January-June		Full year	
	2010	2009	2009	2008
Return on capital employed, %*	9.6	9.2	7.5	10.7
Operating margin before depreciation (EBITDA), %	4.9	3.6	5.1	6.6
Operating margin (EBIT), %	3.0	1.7	3.2	4.7

*During the last 12-month period

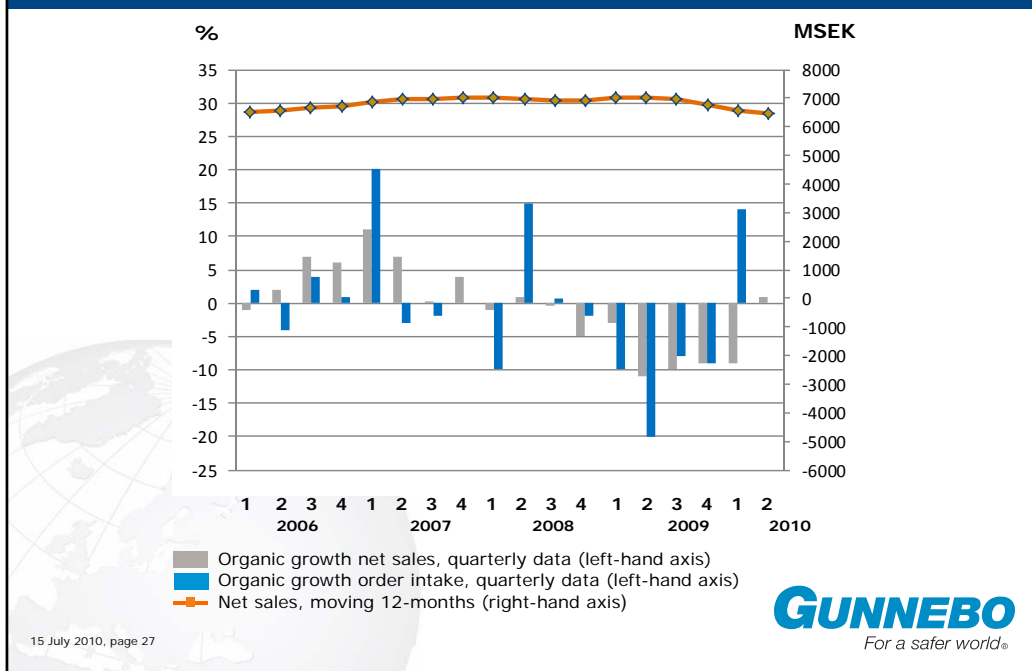
Gross Margin and Operating Costs



* 2006 is excluding items affecting comparability
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■ Gross margin
— Operating costs in relation to Net Sales

Organic Growth, Net Sales and Order Intake



Financial Targets

- Gunnebo's financial targets remains:
 - The Group shall earn a return on capital employed of at least 15 per cent and an operating margin of at least 7 per cent.
 - The equity ratio shall not fall below 30 per cent.
 - The Group shall achieve organic growth of at least 5 per cent each year.



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