



Gunnebo Interim Report January-September 2010

Per Borgvall, President & CEO
Phone conference October 28, 2010



CEO Comments to Third Quarter

- Continued positive development in both the order intake and net sales
- Growth is particularly strong in Asia and Africa
- Our competitive force in these regions will strengthen further in the future thanks to our current initiatives, among others in China
- "Get it Right" action program has helped improve the figures.
- Our earning capacity has been further strengthened during the quarter, with an improved gross margin and lower fixed costs in relation to net sales.



Third Quarter 2010

- Order intake increased to MSEK 1,551 (1,561).
 - Organic increase of 3 per cent
- Net sales increased to MSEK 1,580 (1,572).
 - Organic increase of 5 per cent
- Operating profit increased to MSEK 86 (28) and the operating margin to 5.4 per cent (1.8).
- Operating profit excluding expenses of a non-recurring nature amounted to MSEK 98 (42) and the operating margin to 6.2 per cent (2.7).



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Third Quarter 2010 (cont'd.)

- Profit after tax totalled MSEK 39 (-12).
- Earnings per share were SEK 0.50 (-0.20).
- The operating cash flow amounted to MSEK 72 (163).



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January-September 2010

- Order intake increased to MSEK 5,001 (4,954).
 - Organic increase of 6 per cent
- Organic net sales totalled MSEK 4,667 (4,959).
 - Organically unchanged
- Operating profit increased to MSEK 136 (50) and the operating margin to 2.9 per cent (1.0).
- Operating profit excluding expenses of a non-recurring nature amounted to MSEK 190 (99) and the operating margin to 4.1 per cent (2.0).



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January-September 2010 (cont'd.)

- Profit after tax totalled MSEK 32 (-43).
- Earnings per share were SEK 0.40 (-0.70).
- The operating cash flow amounted to MSEK 73 (461).



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Business Line Bank

| MSEK | July-Sept | | Jan-Sept | | Full year | |
|-----------------------|-----------|------|----------|-------|-----------|-------|
| | 2010 | 2009 | 2010 | 2009 | 2009 | 2008 |
| Order intake | 524 | 529 | 1,888 | 1,745 | 2,297 | 2,276 |
| Net sales | 561 | 558 | 1,702 | 1,712 | 2,353 | 2,208 |
| Operating profit/loss | 59 | 42 | 129 | 104 | 135 | 168 |
| Operating margin, % | 10.5 | 7.5 | 7.6 | 6.1 | 5.7 | 7.6 |



Part of Group Sales:



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- Order intake for the first three quarters increased organically by 14 per cent
- Order intake increased organically by 3 per cent during the third quarter.
- Net sales in the third quarter increased organically by 5 per cent.
- Expenses of a non-recurring nature burdened the figures for January-September by MSEK -8 (-13).

Business Line Retail

| MSEK | July-Sept | | Jan-Sept | | Full year | |
|-----------------------|-----------|------|----------|------|-----------|------|
| | 2010 | 2009 | 2010 | 2009 | 2009 | 2008 |
| Order intake | 199 | 177 | 565 | 550 | 728 | 734 |
| Net sales | 172 | 173 | 512 | 546 | 738 | 779 |
| Operating profit/loss | -1 | -3 | -19 | -12 | -20 | 6 |
| Operating margin, % | -0.6 | -1.7 | -3.7 | -2.2 | -2.7 | 0.8 |



Part of Group Sales:



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- Order intake during January-September increased organically by 8 per cent
- Order intake increased organically by 16 per cent during the third quarter.
- Net sales in the third quarter increased organically by 4 per cent.
- Expenses of a non-recurring nature burdened the figures for the first three quarters by MSEK -6 (-2).

Business Line Site Protection

| MSEK | July-Sept | | Jan-Sept | | Full year | |
|------------------------|-----------|------|----------|-------|-----------|-------|
| | 2010 | 2009 | 2010 | 2009 | 2009 | 2008 |
| Order intake | 594 | 608 | 1,841 | 1,972 | 2,625 | 2,851 |
| Net sales | 621 | 607 | 1,786 | 1,978 | 2,698 | 2,850 |
| Operating profit/loss* | 22 | -12 | 2 | -26 | -144 | 91 |
| Operating margin, %* | 3.5 | -2 | 0.1 | -1.3 | -5.3 | 3.2 |

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



- Order intake increased organically during the quarter by 2 per cent.
- Net sales increased organically by 7 per cent during the third quarter.
- Order intake was mainly driven by the markets in the UK, France and China. Furthermore, market development for Indoor Perimeter Protection, Gunnebo Troax, has been good.
- Figures for the first three quarters have been burdened by expenses of a non-recurring nature of MSEK -28 (-17).

Part of Group Sales:



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Business Line Secure Storage

| MSEK | July-Sept | | Jan-Sept | | Full year | |
|-----------------------|-----------|------|----------|------|-----------|-------|
| | 2010 | 2009 | 2010 | 2009 | 2009 | 2008 |
| Order intake | 234 | 247 | 707 | 687 | 923 | 1,104 |
| Net sales | 226 | 234 | 667 | 723 | 999 | 1,066 |
| Operating profit/loss | 20 | 7 | 47 | 13 | 2 | 79 |
| Operating margin, % | 8.8 | 3.0 | 7.0 | 1.8 | 0.2 | 7.4 |



- Organic order intake for the third quarter decreased by 2 per cent.
- Net sales in the third quarter increased organically by 1 per cent.
- Improved results and stronger margins.
- Expenses of a non-recurring nature burdened profit for January-September by MSEK -7 (-8).

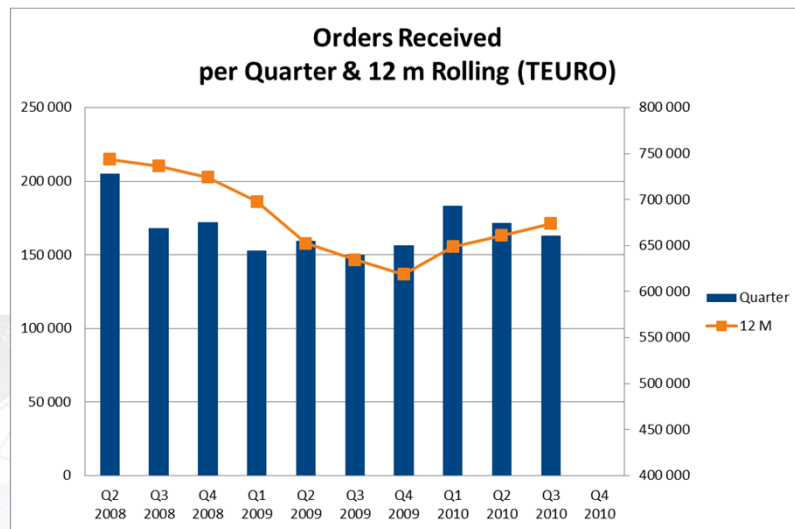
Part of Group Sales:



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Orders Received (TEUR)



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Group Liquidity and Financial Position

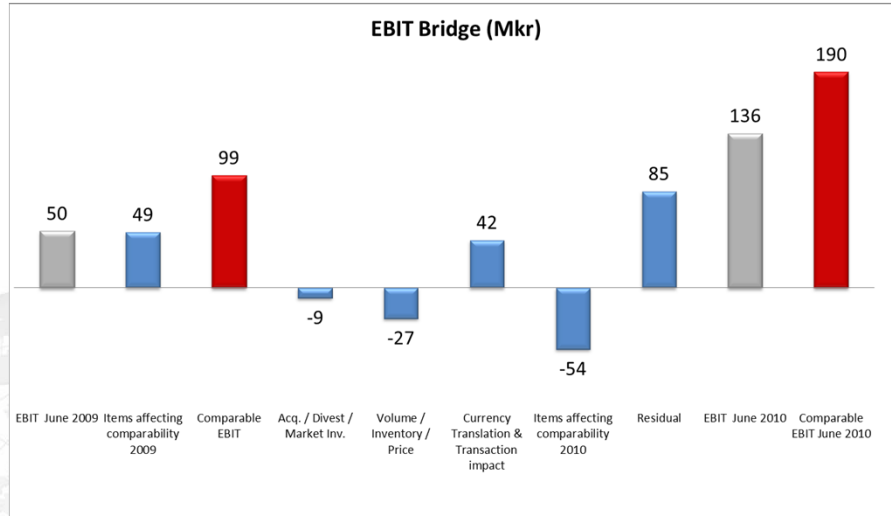
- The Group's liquid funds at the end of the period amounted to MSEK 168 (132)
- Equity totalled MSEK 1,453 (1,072), giving an equity ratio of 35 per cent (24).
- The net debt decreased to MSEK 731 (1,436), and the debt/equity ratio improved to 0.7 (1.6).



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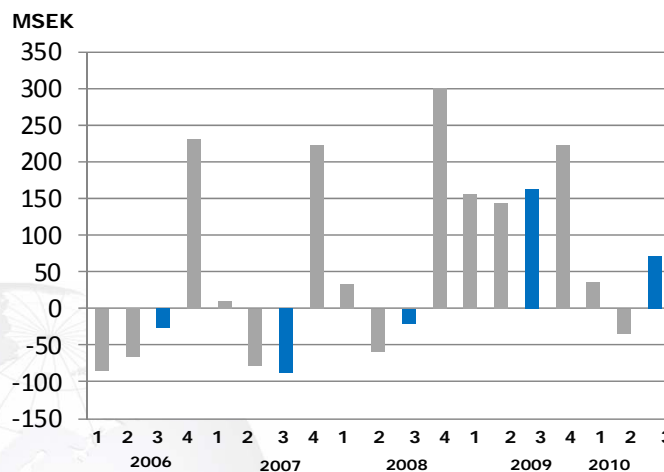
EBIT-Bridge September 2009 – September 2010



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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 Programs"

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



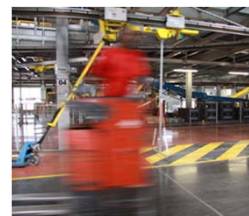
The Get It Right action program aims at strengthening the Group's profitability

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2 & 4: Improved Margins & Cost Reductions

- **Improved Margins**
 - Q3 gross margin: 29.2% (27.9%)
 - Q3 operating margin excl. items of a non-recurring nature: 6.2% (2.7%)
- **Cost Reductions**
 - Gross January-September 2010: some MSEK 97
 - Costs for acquisitions and market investments: MSEK 9



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5: Strategic 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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Acquisition of API Security's Division Security Products

- Strengthened position as supplier of secure storage products and cash handling solutions on the Australian market
- The acquired division has an annual turnover of MSEK 90 and 45 employees.
- The purchase sum was MAUD 3.8 and the acquisition costs were MAUD 0.5.
- The consolidated surplus value arising from the acquisition had not been finally established at the time this report was published, but it is expected to be just over MAUD 1.



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Welcome to Gunnebo CMD 2011

- February 10, 2011
- Location: Stockholm
- Program 8.30-14 (ca)
 - Gunnebo's financial year 2010
 - Action program "Get It Right"
 - Gunnebo in the future
- Invitation will be sent out within shortly!



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In Brief

| MSEK | July-Sept | | Jan-Sept | |
|--|-----------|-------|----------|-------|
| | 2010 | 2009 | 2010 | 2009 |
| Order intake | 1,551 | 1,561 | 5,001 | 4,954 |
| Net sales | 1,580 | 1,572 | 4,667 | 4,959 |
| Operating profit before depreciation (EBITDA) | 116 | 60 | 226 | 148 |
| Operating margin before depreciation (EBITDA), % | 7.3 | 3.8 | 4.8 | 3.0 |
| Operating profit before non-recurring items | 98 | 42 | 190 | 99 |
| Operating margin before non-recurring items, % | 6.2 | 2.7 | 4.1 | 2.0 |
| Operating profit (EBIT) | 86 | 28 | 136 | 50 |
| Operating margin (EBIT), % | 5.4 | 1.8 | 2.9 | 1.0 |
| Profit/loss after financial items | 67 | 9 | 72 | -13 |
| Profit/loss after tax | 39 | -12 | 32 | -43 |
| Earnings per share, SEK ^(1) 2) | 0.50 | -0.20 | 0.40 | -0.70 |
| Operating cash flow | 72 | 163 | 73 | 461 |

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Summary group income statement

| MSEK | July-Sept | | Jan-Sept | | Full year | |
|--|------------|------------|--------------|--------------|--------------|--------------|
| | 2010 | 2009 | 2010 | 2009 | 2009 | 2008 |
| Net sales | 1,580 | 1,572 | 4,667 | 4,959 | 6,788 | 6,903 |
| Cost of goods sold | -1,118 | -1,133 | -3,339 | -3,578 | -4,958 | -4,957 |
| Gross profit | 462 | 439 | 1,328 | 1,381 | 1,830 | 1,946 |
| Write-down of goodwill | - | - | - | - | -106 | - |
| Other operating costs, net | -376 | -411 | -1,192 | -1,331 | -1,812 | -1,665 |
| Operating profit/loss | 86 | 28 | 136 | 50 | -88 | 281 |
| Net financial items | -19 | -19 | -64 | -63 | -79 | -101 |
| Profit/loss after financial items | 67 | 9 | 72 | -13 | -167 | 180 |
| Taxes | -28 | -21 | -40 | -30 | -38 | -65 |
| Profit/loss for the period | 39 | -12 | 32 | -43 | -205 | 115 |
| <i>Whereof attributable to:</i> | | | | | | |
| Parent company shareholders | 39 | -12 | 32 | -43 | -205 | 115 |
| Minority interests | - | - | - | - | - | - |
| | 39 | -12 | 32 | -43 | -205 | 115 |
| Earnings per share before dilution, SEK* | 0.50 | -0.20 | 0.40 | -0.70 | -3.40 | 1.95 |
| Earnings per share after dilution, SEK* | 0.50 | -0.20 | 0.40 | -0.70 | -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 September | | 31 December | |
|-------------------------------------|--------------|--------------|--------------|--------------|
| | 2010 | 2009 | 2009 | 2008 |
| Goodwill | 994 | 1,179 | 1,091 | 1,240 |
| Other intangible assets | 98 | 107 | 108 | 120 |
| Tangible assets | 477 | 569 | 547 | 625 |
| Financial assets | 268 | 271 | 306 | 346 |
| Inventories | 699 | 768 | 644 | 913 |
| Current receivables | 1,393 | 1,457 | 1,468 | 1,849 |
| Liquid funds | 168 | 132 | 172 | 169 |
| Total assets | 4,097 | 4,483 | 4,336 | 5,262 |
| Equity | 1,453 | 1,072 | 1,413 | 1,073 |
| Long-term liabilities | 1,065 | 1,818 | 584 | 2,142 |
| Current liabilities | 1,579 | 1,593 | 2,339 | 2,047 |
| Total equity and liabilities | 4,097 | 4,483 | 4,336 | 5,262 |

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Key ratios, excluding non-recurring items

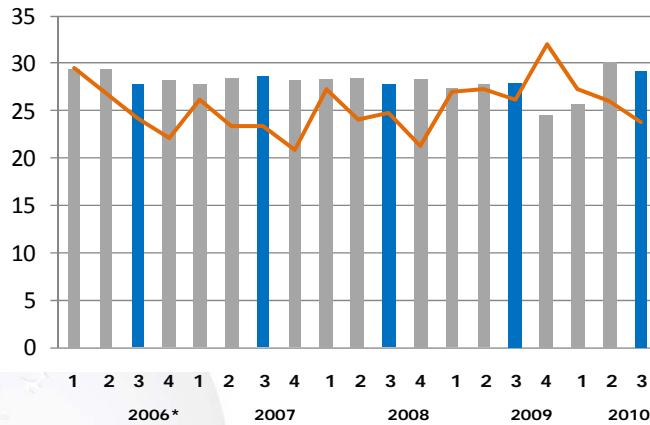
| | Jan-Sept | | Full year | |
|--|----------|------|-----------|------|
| | 2010 | 2009 | 2009 | 2008 |
| Return on capital employed, %* | 12.0 | 8.5 | 7.5 | 10.7 |
| Operating margin before depreciation (EBITDA), % | 6.0 | 4.0 | 5.1 | 6.6 |
| Operating margin (EBIT), % | 4.1 | 2.0 | 3.2 | 4.7 |

*During the last 12-month period

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Gross Margin and Operating Costs

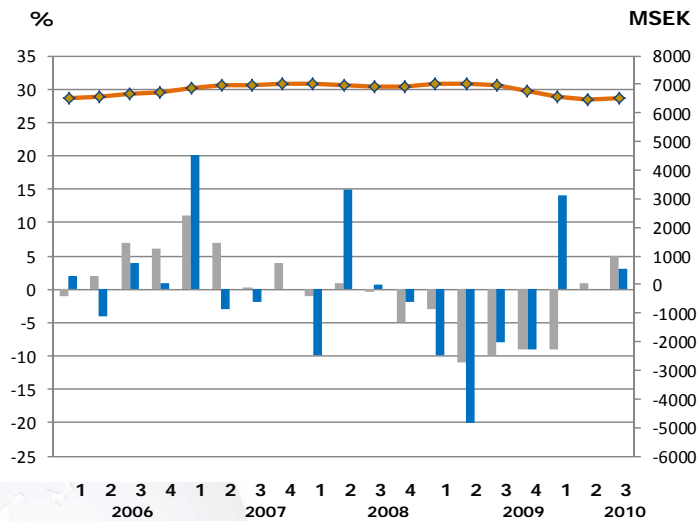


* 2006 is excluding items affecting comparability
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■ Gross margin
— Operating costs in relation to Net Sales

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Organic Growth, Net Sales and Order Intake



■ Organic growth net sales, quarterly data (left-hand axis)
■ Organic growth order intake, quarterly data (left-hand axis)
— Net sales, moving 12-months (right-hand axis)

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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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