



Gunnebo Interim Report January-September 2009

Phone conference
October 23, 2009

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CEO Comments To Third Quarter 2009

- Continued strong operating cash flow during the quarter of MSEK 163 (-21). The operating cash flow for the period January-September improved to MSEK 461 (-46).
- Market development for Business Line Bank remains stable.
- Improved market outlook for Business Line Secure Storage.
- Extended programme for cost savings with the aim of reducing the cost level by MSEK 500 up until 2012
- Planned new share issue of MSEK 500 with preferential rights for Gunnebo's shareholders



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July-September 2009

- Order intake amounted to MSEK 1,561 (1,593).
- Net sales totalled MSEK 1,572 (1,626).
- The operating profit amounted to MSEK 28 (50).
- Expenses of a non-recurring nature burdened operating profit by MSEK -14 (-21).
- Profit/loss after tax amounted to MSEK -12 (10).
- Earnings per share were SEK -0.25 (0.25).
- The operating cash flow amounted to MSEK 163 (-21).



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January-September 2009

- Order intake amounted to MSEK 4,954 (5,198).
- Net sales totalled MSEK 4,959 (4,918).
- The operating profit amounted to MSEK 50 (141).
- Expenses of a non-recurring nature burdened operating profit by MSEK -49 (-27).
- Profit/loss after tax amounted to MSEK -43 (34).
- Earnings per share were SEK -0.95 (0.75).
- The operating cash flow amounted to MSEK 461 (-46).



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Business Line Bank

MSEK	July-Sept		Jan-Sept		Full year	
	2009	2008	2009	2008	2008	2007
Order intake	529	497	1,745	1,676	2,276	2,327
Net sales	558	501	1,712	1,560	2,208	2,326
Operating profit/loss	42	28	104	101	168	221
Operating margin, %	7.5	5.6	6.1	6.5	7.6	9.5



- Positive development of the operating profit
- France, Nordic, the Netherlands and Region Indian Ocean Rim
- Electronic Security and Service
- Expenses of a non-recurring nature Jan-Sept: MSEK -13 (-8)



Share of Group sales



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Business Line Retail

MSEK	July-Sept		Jan-Sept		Full year	
	2009	2008	2009	2008	2008	2007
Order intake	177	203	550	581	734	803
Net sales	173	187	546	564	779	739
Operating profit/loss	-3	4	-12	-1	6	-5
Operating margin, %	-1.7	2.1	-2.2	-0.2	0.8	-0.7



- Market development
- Sale of safes and electronic article surveillance
- Renewed SafePay™ agreement with Statoil in Sweden, Norway and Denmark
- Expenses of a non-recurring nature Jan-Sept: MSEK -2 (-1)



Share of Group sales



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Business Line Site Protection

MSEK	July-Sept		Jan-Sept		Full year	
	2009	2008	2009	2008	2008	2007
Order intake	608	656	1,972	2,124	2,851	2,755
Net sales	607	691	1,978	2,050	2,850	2,920
Operating profit/loss	-12	20	-26	39	91	97
Operating margin, %	-2.0	2.9	-1.3	1.9	3.2	3.3



- Entrance control order for metro systems in Beijing, China
- Service and Electronic Security
- Indoor Perimeter Protection (Gunnebo Troax)
- Expenses of a non-recurring nature Jan-Sept: MSEK -17 (-4)



Share of
Group sales



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Business Line Secure Storage

MSEK	July-Sept		Jan-Sept		Full year	
	2009	2008	2009	2008	2008	2007
Order intake	247	237	687	817	1,104	1,053
Net sales	234	247	723	744	1,066	1,040
Operating profit/loss	7	19	13	55	79	99
Operating margin, %	3.0	7.7	1.8	7.4	7.4	9.5



- Increased demand on main markets in Europe and Region Indian Ocean Rim
- SecureLine, OEM (ATM safes), Fire resistant safes, vault and vault doors
- Orders to the Swedish Police, British and Australian pharmaceutical companies and the Belgian Railway
- Expenses of a non-recurring nature Jan-Sept: MSEK -8 (-3)



Share of
Group sales



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Group Liquidity and Financial Position

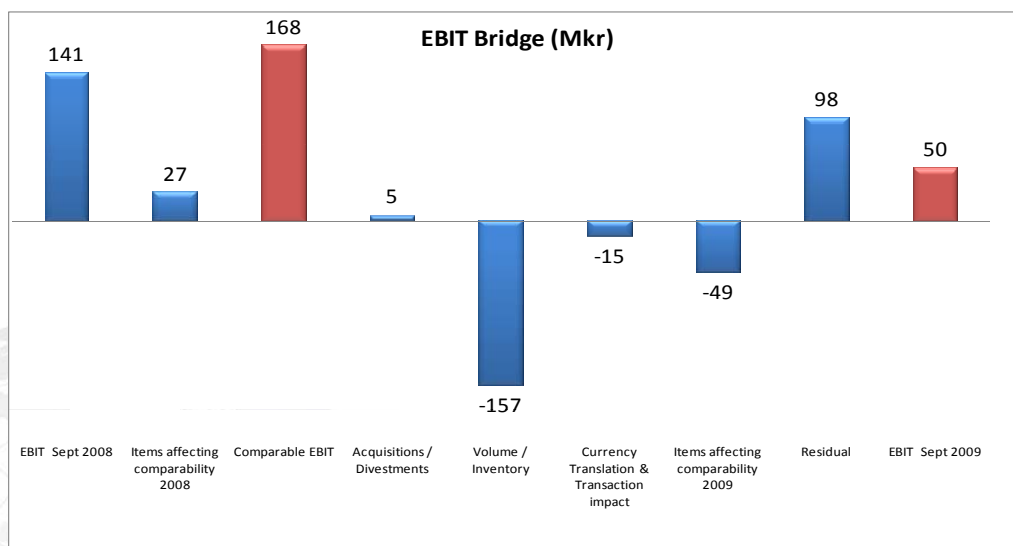
- The Group's liquid funds at the end of the period amounted to MSEK 132 (107) and equity totalled MSEK 1,072 (1,059).
- Net debt decreased to MSEK 1,673 (2,061)
- Equity ratio amounted to 24% (21) and the debt/equity ratio to 1.6 (2.0).



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EBIT-Bridge September 2008 – September 2009

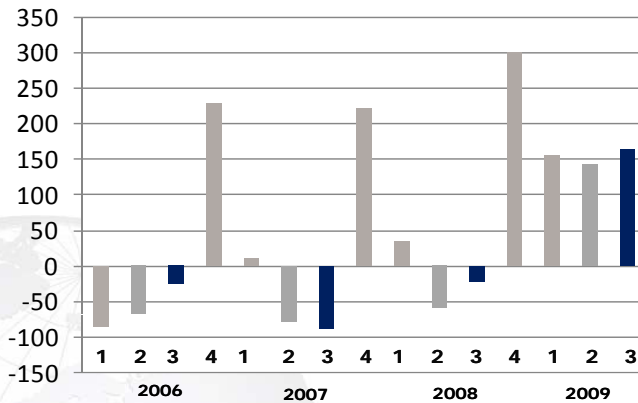


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Operating Cash Flow Before financial items and tax

MSEK



- Reduced overdues and stock
- Actions to strengthen cash flow during 2009 ongoing

Quarterly values

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Events After the Closing Day

- Decision on extended cost savings programme
- Commitment on re-financing
- Guaranteed new share issue



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A look in the mirror: Gunnebo's Development

- Phase 1
 - 1995 – 2005
 - > 40 Acquisitions
 - Growth & Entrepreneurial

- Phase 2
 - 2006 – 2008
 - Consolidation
 - Stagnation & Internal Focus

- Phase 3
 - 2009 –
 - Business Focus
 - **Get it Right!**



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Get it Right: The six "Top Five Key Programmes"

1. Cash Flow
2. Improved Margins
3. Management Structure
4. Cost reductions
5. Strategic Review
6. Re-Financing



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Make It Happen!

- Step 1 – Inject energy and simplify

- Improved cash flow
- Management structure
- Cost reductions
- Savings on purchasing

Q1 →

- Step 2 – Get it Right!

- Strategic review
- Cost reductions
- Re-financing

Q3 →

- Step 3 – Execution

2010 →

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Extended cost savings programme

- Gunnebo has decided to extend its programme for cost savings with the aim of gradually reducing costs by MSEK 500 during the period 2010-2012.
 - The costs of implementing the programme are estimated at MSEK 400, of which MSEK 200 will burden the 2009 figures, including the MSEK 49 already recognised at the end of the third quarter.
 - The majority of the remaining MSEK 200 will burden the 2010 results.

"The planned cost savings mainly comprise a programme to reduce the cost level and streamlining of the industrial platform."

Gunnebo's President and CEO Per Borgvall

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Agreement on new credit facility of at least MEUR 170

- 3-year syndicated loan facility of at least MEUR 170
- The purpose of the new loan facility is to cover general financing needs and it replaces a MEUR 200 syndicated loan facility which Gunnebo signed in 2005. The new loan facility also replaces a MSEK 200 bilateral loan facility, also signed in 2005.
- The agreement is subject to a formal loan agreement being signed and the realization of a guaranteed rights issue.

"It is satisfactory that we have reached an agreement on a new credit facility, which means that we now can fully focus on the development of Gunnebo's business".

Gunnebo's President and CEO Per Borgvall

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Guaranteed rights issue of SEK 500 million

- Rights issue of approximately SEK 500 million with preferential rights for Gunnebo's shareholders
- Gunnebo's four largest shareholders, representing 56 percent of the votes and capital, fully guarantee the rights issue
- The rights issue strengthens Gunnebo's financial position and competitiveness
- The terms of the rights issue, including subscription price, will be announced at the latest on 20 November 2009
- The rights issue is subject to approval by the shareholders at an Extraordinary General Meeting to be held in Gothenburg on 24 November 2009 at 16.00 CET
- The subscription period will be 2–16 December 2009

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Focus for the future

I am committed to driving sustainable and long term profitability in our business.

I want to move away from our hockey-stick mentality into long term plans.

Join me!



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In Brief

MSEK	July-Sept		Jan-Sept	
	2009	2008	2009	2008
Order intake	1,561	1,593	4,954	5,198
Net sales	1,572	1,626	4,959	4,918
Operating profit before depreciation (EBITDA)	60	84	148	240
Operating margin before depreciation (EBITDA), %	3.8	5.2	3.0	4.9
Operating profit (EBIT)	28	50	50	141
Operating margin (EBIT), %	1.8	3.1	1.0	2.9
Profit/loss after financial items	9	27	-13	66
Profit/loss after tax	-12	10	-43	34
Earnings per share, SEK*	-0.25	0.25	-0.95	0.75
Operating cash flow	163	-21	461	-46

* Earnings per share before and after dilution

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Summary group income statement

MSEK	July-Sept		Jan-Sept		Full year	
	2009	2008	2009	2008	2008	2007
Net sales	1,572	1,626	4,959	4,918	6,903	7,025
Cost of goods sold	-1,133	-1,175	-3,578	-3,533	-4,957	-5,040
Gross profit	439	451	1,381	1,385	1,946	1,985
Other operating costs, net	-411	-401	-1,331	-1,244	-1,665	-1,636
Operating profit/loss	28	50	50	141	281	349
Net financial items	-19	-23	-63	-75	-101	-95
Profit/loss after financial items	9	27	-13	66	180	254
Taxes	-21	-17	-30	-32	-65	-126
Profit/loss for the period	-12	10	-43	34	115	128
<i>Whereof attributable to:</i>						
Parent company shareholders	-12	10	-43	34	115	128
Minority interests	-	-	-	-	-	-
	-12	10	-43	34	115	128
Earnings per share before dilution, SEK	-0.25	0.25	-0.95	0.75	2.50	2.80
Earnings per share after dilution, SEK	-0.25	0.25	-0.95	0.75	2.50	2.80

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Summary group balance sheet

MSEK	30 September		31 December	
	2009	2008	2008	2007
Goodwill	1,179	1,127	1,240	1,103
Other intangible assets	107	120	120	129
Tangible assets	569	590	625	584
Financial assets	271	225	346	168
Inventories	768	985	913	789
Current receivables	1,457	1,788	1,849	1,846
Liquid funds	132	107	169	218
Total assets	4,483	4,942	5,262	4,837
Equity	1,072	1,059	1,073	1,142
Long-term liabilities	1,818	2,084	2,142	1,604
Current liabilities	1,593	1,799	2,047	2,091
Total equity and liabilities	4,483	4,942	5,262	4,837

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Key ratios

	Jan-Sept		Full year	
	2009	2008	2008	2007
Return on capital employed, %	6.3	9.5	9.2	11.9
Return on equity, %	3.5	7.2	10.4	11.7
Gross margin, %	27.8	28.2	28.2	28.3
Operating profit before depreciation (EBITDA), MSEK	148	240	411	488
Operating margin before depreciation (EBITDA), %	3.0	4.9	6.0	6.9
Operating profit (EBIT), MSEK	50	141	281	349
Operating margin (EBIT), %	1.0	2.9	4.1	5.0
Profit margin (EBT), %	-0.3	1.3	2.6	3.6
Capital turnover rate, times	2.2	2.2	2.2	2.3
Equity ratio, %	24	21	20	24
Interest coverage ratio, times	0.8	1.9	2.9	3.7
Debt/equity ratio, times	1.6	2.0	1.8	1.5

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Financial Targets

- Gunnebo's financial targets remains:
 - 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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