



## Gunnebo Interim Report January-June 2009

Phone conference  
July 17, 2009

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### CEO Comments To Second Quarter 2009

- Continued strong operating cash flow during the quarter of MSEK 143 (-59). For January-June the operating cash flow increased to MSEK 298 (-25).
- Continuous satisfactory development within Business Line Bank.
- Organisational changes implemented during the period.
- Net debt reduced by MSEK 123, totalling MSEK 1,844 (1,967).
- Further cost reductions are planned.



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## April-June 2009

- Order intake amounted to MSEK 1,719 (1,917).
- Net sales totalled MSEK 1,706 (1,721).
- The operating profit amounted to MSEK 17 (75).
- Expenses of a non-recurring nature burdened operating profit by MSEK -17 (-6).
- Profit/loss after tax amounted to MSEK -6 (46).
- Earnings per share were SEK -0.15 (1.00).
- The operating cash flow amounted to MSEK 143 (-59).



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## January-June 2009

- Order intake amounted to MSEK 3,393 (3,605).
- Net sales totalled MSEK 3,387 (3,292).
- The operating profit amounted to MSEK 22 (91).
- Expenses of a non-recurring nature burdened operating profit by MSEK -35 (-6).
- Profit/loss after tax amounted to MSEK -31 (24).
- Earnings per share were SEK -0.70 (0.50).
- The operating cash flow amounted to MSEK 298 (-25).



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## Business Line Bank

MSEK	April-June		January-June		Full year	
	2009	2008	2009	2008	2008	2007
Order intake	604	609	1,216	1,179	2,276	2,327
Net sales	585	551	1,154	1,059	2,208	2,326
Operating profit/loss	33	45	62	73	168	221
Operating margin, %	5.6	8.2	5.4	6.9	7.6	9.5



- Continuous satisfactory order intake
- Major orders to customers in France
- Good market development in France, the Netherlands, EU-East, Italy, Portugal, Belgium and Canada
- Expenses of a non-recurring nature Jan-June: MSEK -8 (-3)



Share of  
Group sales



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## Business Line Retail

MSEK	April-June		January-June		Full year	
	2009	2008	2009	2008	2008	2007
Order intake	184	202	373	378	734	803
Net sales	194	196	373	377	779	739
Operating profit/loss	-7	-1	-9	-5	6	-5
Operating margin, %	-3.6	-0.5	-2.4	-1.3	0.8	-0.7



- Market development
- Sale of safes and electronic article surveillance
- Renewed SafePay™ agreement with COOP in Sweden, Norway and Denmark
- Expenses of a non-recurring nature Jan-June: MSEK -1 (0)



Share of  
Group sales



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## Business Line Site Protection

MSEK	April-June		January-June		Full year	
	2009	2008	2009	2008	2008	2007
Order intake	717	783	1,364	1,468	2,851	2,755
Net sales	694	714	1,371	1,359	2,850	2,920
Operating profit/loss	3	31	-14	19	91	97
Operating margin, %	0.4	4.3	-1.0	1.4	3.2	3.3



- Business within Service, Electronic Security and Entrance Control
- Major order on security system to power plant in Indonesia
- Indoor (Gunnebo Troax) and Outdoor Perimeter Protection
- Expenses of a non-recurring nature Jan-June: MSEK -13 (-3)



Share of  
Group sales



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## Business Line Secure Storage

MSEK	April-June		January-June		Full year	
	2009	2008	2009	2008	2008	2007
Order intake	214	323	440	580	1,104	1,053
Net sales	233	260	489	497	1,066	1,040
Operating profit/loss	0	17	6	36	79	99
Operating margin, %	0.0	6.5	1.2	7.2	7.4	9.5



- Decreased demand, adjustment of stock levels and unfavourable product mix
- Deliveries to the European Commission's delegations
- Continued employee reductions in production
- Expenses of a non-recurring nature Jan-June: MSEK -3 (0)



Share of  
Group sales



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## Capacity adjustments

- Number of employees June 2008: 6,603
  - Direct labour: -321
  - Indirect labour -189
- Number of employees June 2009 6,093
  - Whereof reductions since year-end: 326

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## Cost-reducing Measures

- As a result of the lower demand, Gunnebo intends to take further measures to reduce the Group's costs. The planned measures comprises of:
  - Continued capacity alignments
  - Continued reduction of purchasing costs
  - A programme to reduce the fixed costs
- The measures are expected to have a gradual effect in 2010 and to reduce costs by approximately MSEK 250 a year.

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## Organisational Changes

- Business as usual in the new consolidated structure, built on existing platform
  - Stronger business focus
  - "Operations" is new and needed
  - Customer Centres are gathered in three regions: Region North Europe, Region South Europe and Region ROW (Rest of the World)
  - Less complexity
- Any one-off cost will be offset against simplicity, clarity and efficiency

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## Manning of Group Management

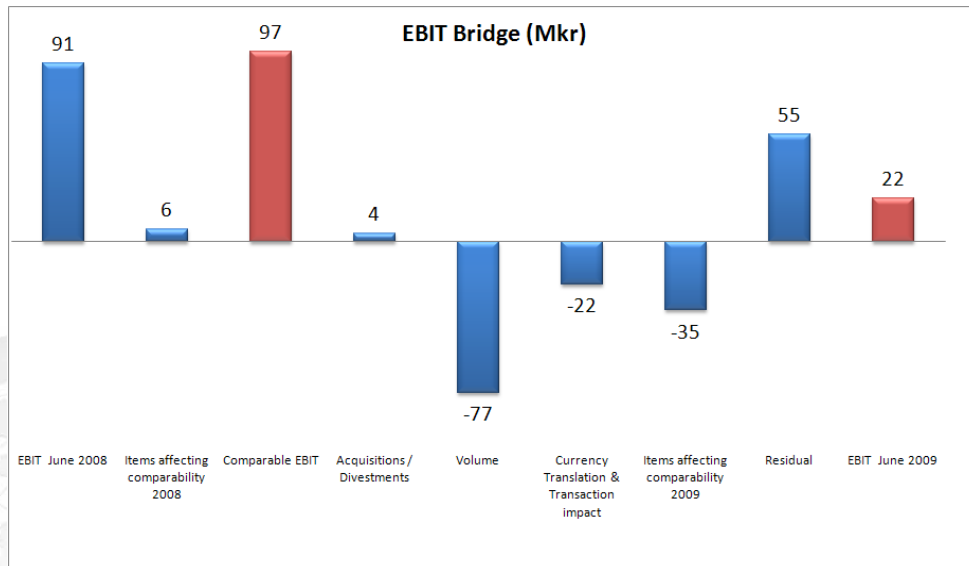
- President and CEO: Per Borgvall
- CFO and CIO: Hans af Sillén
- SVP HR and Communications: Agneta Hultgren
- SVP Region North Europe: Per Borgvall (acting, ongoing recruitment)
- SVP Region South Europe: Christian Guillou
- SVP Region ROW (Rest of the World): Per Borgvall (acting)
- SVP Operations: Tomas Wängberg (to take up position September 1, 2009)



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## EBIT-Bridge June 2008 – June 2009

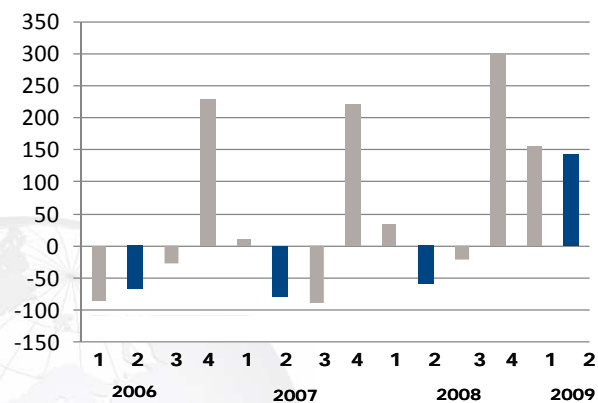


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## Operating Cash Flow Before financial items and tax

**MSEK**



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

Quarterly values

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## Gunnebo's credit facility

- Senior credit facility matures during the fourth quarter 2010.
- Activities to replace existing facility with a new, long-term credit facility will be initiated during the second half of 2009.
- With regard to the prevailing terms in the loan agreements the credit facilities available amounted to over MSEK 500 at the end of quarter.
- Existing credit facilities are assessed as sufficient for current operations until a new credit facility is in place.



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## Group Liquidity and Financial Position

- The Group's liquid funds at the end of the period amounted to MSEK 175 (123) and equity totalled MSEK 1,071 (1,057).
- Net debt decreased to MSEK 1,844 (1,967), mainly due to exchange rate fluctuations.\*
- Equity ratio amounted to 21% (20) and the debt/equity ratio to 1.7 (1.8).\*



\* Comparative figures relates to year-end 2008

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## Financial Targets

- Due to the irregular business landscape which is hard to interpret, no forecast will be given.
- 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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## Gunnebo Capital Market Day 2009

- October 29<sup>th</sup> in Stockholm
- Invitation, agenda etc. to be distributed end September.



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## In Brief

MSEK	April-June		January-June	
	2009	2008	2009	2008
Order intake	1,719	1,917	3,393	3,605
Net sales	1,706	1,721	3,387	3,292
Operating profit before depreciation (EBITDA)	51	109	88	156
Operating margin before depreciation (EBITDA), %	3.0	6.3	2.6	4.7
Operating profit (EBIT)	17	75	22	91
Operating margin (EBIT), %	1.0	4.4	0.6	2.8
Profit/loss after financial items	-1	50	-22	39
Profit/loss after tax	-6	46	-31	24
Earnings per share, SEK*	-0.15	1.00	-0.70	0.50
Operating cash flow	143	-59	298	-25

\* Earnings per share before and after dilution

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### Summary group income statement

MSEK	April-June		January-June		Full year	
	2009	2008	2009	2008	2008	2007
Net sales	1,706	1,721	3,387	3,292	6,903	7,025
Cost of goods sold	-1,223	-1,232	-2,445	-2,358	-4,957	-5,040
<b>Gross profit</b>	<b>483</b>	<b>489</b>	<b>942</b>	<b>934</b>	<b>1,946</b>	<b>1,985</b>
Other operating costs, net	-466	-414	-920	-843	-1,665	-1,636
<b>Operating profit/loss</b>	<b>17</b>	<b>75</b>	<b>22</b>	<b>91</b>	<b>281</b>	<b>349</b>
Net financial items	-18	-25	-44	-52	-101	-95
<b>Profit/loss after financial items</b>	<b>-1</b>	<b>50</b>	<b>-22</b>	<b>39</b>	<b>180</b>	<b>254</b>
Taxes	-5	-4	-9	-15	-65	-126
<b>Profit/loss for the period</b>	<b>-6</b>	<b>46</b>	<b>-31</b>	<b>24</b>	<b>115</b>	<b>128</b>
<i>Whereof attributable to:</i>						
Parent company shareholders	-6	46	-31	24	115	128
Minority interests	-	-	-	-	-	-
	<b>-6</b>	<b>46</b>	<b>-31</b>	<b>24</b>	<b>115</b>	<b>128</b>
Earnings per share before dilution, SEK	-0.15	1.00	-0.70	0.50	2.50	2.80
Earnings per share after dilution, SEK	-0.15	1.00	-0.70	0.50	2.50	2.80

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### Summary group balance sheet

MSEK	30 June		31 December	
	2009	2008	2008	2007
Goodwill	1,240	1,091	1,240	1,103
Other intangible assets	114	121	120	129
Tangible assets	608	570	625	584
Financial assets	335	194	346	168
Inventories	856	950	913	789
Current receivables	1,670	1,771	1,849	1,846
Liquid funds	175	123	169	218
<b>Total assets</b>	<b>4,998</b>	<b>4,820</b>	<b>5,262</b>	<b>4,837</b>
Equity	1,071	1,057	1,073	1,142
Long-term liabilities	2,020	1,690	2,142	1,604
Current liabilities	1,907	2,073	2,047	2,091
<b>Total equity and liabilities</b>	<b>4,998</b>	<b>4,820</b>	<b>5,262</b>	<b>4,837</b>

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## Key ratios

	January-June		Full year	
	2009	2008	2008	2007
Return on capital employed, %	6.8	10.9	9.2	11.9
Return on equity, %	5.6	10.1	10.4	11.7
Gross margin, %	27.8	28.4	28.2	28.3
Operating profit before depreciation (EBITDA), MSEK	88	156	411	488
Operating margin before depreciation (EBITDA), %	2.6	4.7	6.0	6.9
Operating profit (EBIT), MSEK	22	91	281	349
Operating margin (EBIT), %	0.6	2.8	4.1	5.0
Profit margin (EBT), %	-0.6	1.2	2.6	3.6
Capital turnover rate, times	2.2	2.3	2.2	2.3
Equity ratio, %	21	22	20	24
Interest coverage ratio, times	0.5	1.8	2.9	3.7
Debt/equity ratio, times	1.7	1.8	1.8	1.5