

GUNNEBO®

SHAPING THE FUTURE OF SECURITY



INTERIM REPORT JANUARY-JUNE 2012

CEO's comments

"The Group has had a stable order intake during the second quarter. The strong growth in the Asia-Pacific region is continuing, and in the first half of the year the order intake in India increased by over 50%. The French market continued to develop well and in Europe order intake has increased by 3% during the first half year, despite a decline of some 25% on the markets in Spain, Italy and Portugal. A good order intake during the year's first six months bodes well for strong net sales during the second half of the year.

The growth is mainly driven by business within Bank Security & Cash Handling and Secure Storage, areas where the Group has strong market positions in Europe and on the large growth markets in Asia.

During the first half of 2011 a larger delivery to a central bank was made, which gives a strong comparison period. This is the explanation to the lower operating profit.

At the end of the first half of 2012, the Group has retained its strong financial position with an equity ratio of 43%, which provides us with good room for manoeuvre to invest in growth opportunities on the global security market."

Second quarter 2012

- Order intake improved to MSEK 1,254 (1,222), in constant currency rates an increase of 3%.
- Net sales amounted to MSEK 1,270 (1,266), in constant currency rates they were largely unchanged.
- Operating profit amounted to MSEK 42 (74) and the operating margin to 3.3% (5.8%).
- Profit after tax for the period totalled MSEK 24 (40).
- Earnings per share were SEK 0.32 (0.53).

January-June 2012

- Order intake amounted to MSEK 2,849 (2,693), in constant currency rates it increased by 5%.
- Net sales improved to MSEK 2,439 (2,398), in constant currency an increase by 2%.
- Operating profit amounted to MSEK 52 (97) and the operating margin to 2.1% (4.0%).
- Profit after tax for the period totalled MSEK 21 (33).
- Earnings per share were SEK 0.28 (0.44).

In Brief						
MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Order intake	1,254	1,222	2,849	2,693	5,091	5,271
Net sales	1,270	1,266	2,439	2,398	5,137	5,263
Operating profit before depreciation (EBITDA)	64	93	95	134	405	280
Operating margin before depreciation (EBITDA), %	5.0	7.3	3.9	5.6	7.9	5.3
Operating profit before non-recurring items ¹⁾	42	82	52	105	317	324
Operating margin before non-recurring items, % ¹⁾	3.3	6.5	2.1	4.4	6.2	6.1
Operating profit (EBIT)	42	74	52	97	324	197
Operating margin (EBIT), %	3.3	5.8	2.1	4.0	6.3	3.7
Profit/loss for the period	24	40	21	33	230	178
Earnings per share, SEK ²⁾	0.32	0.53	0.28	0.44	3.00	2.35

¹⁾ Items of a non-recurring nature amounted to MSEK 0 (-8) for the period January - June

²⁾ Earnings per share before and after dilution

Business Area Summary

Order intake						
MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Business Area Bank Security & Cash Handling	573	523	1,205	1,136	2,215	2,477
Business Area Secure Storage	211	176	407	346	736	748
Business Area Global Services	211	287	722	691	1,144	1,120
Business Area Entrance Control	181	161	339	365	713	654
Business Area Developing Businesses	78	75	176	155	283	272
Total	1,254	1,222	2,849	2,693	5,091	5,271

Net sales						
MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Business Area Bank Security & Cash Handling	556	558	1,050	1,052	2,276	2,427
Business Area Secure Storage	207	179	385	335	731	750
Business Area Global Services	283	275	570	547	1,120	1,120
Business Area Entrance Control	161	185	308	331	720	691
Business Area Developing Businesses	63	69	126	133	290	275
Total	1,270	1,266	2,439	2,398	5,137	5,263

Operating profit/loss, excl non-recurring items*						
MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Business Area Bank Security & Cash Handling	33	41	46	58	167	199
Business Area Secure Storage	11	4	13	8	16	48
Business Area Global Services	25	42	47	64	138	107
Business Area Entrance Control	1	14	1	16	51	35
Business Area Developing Businesses	-12	-13	-25	-23	-35	-32
Central items	-16	-6	-30	-18	-20	-33
Total	42	82	52	105	317	324

* Items of a non-recurring nature amounted to MSEK 0 (-8) for the period January - June

Operating margin, excl non-recurring items*						
%	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Business Area Bank Security & Cash Handling	5.9	7.3	4.4	5.5	7.3	8.2
Business Area Secure Storage	5.3	2.2	3.4	2.4	2.2	6.4
Business Area Global Services	8.8	15.3	8.2	11.7	12.3	9.6
Business Area Entrance Control	0.6	7.6	0.3	4.8	7.1	5.1
Business Area Developing Businesses	-19.0	-18.8	-19.8	-17.3	-12.1	-11.6
Total	3.3	6.5	2.1	4.4	6.2	6.1

* Items of a non-recurring nature amounted to MSEK 0 (-8) for the period January - June

Business Area Bank Security & Cash Handling

MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Order intake	573	523	1,205	1,136	2,215	2,477
Net sales	556	558	1,050	1,052	2,276	2,427
Operating profit/loss	33	39	46	56	147	166
Operating margin, %	5.9	7.0	4.4	5.3	6.5	6.8
Non-recurring items	0	-2	0	-2	-20	-33

% of Group sales: 43%



Order intake for the second quarter amounted to MSEK 573 (523), in constant currency rates it increased by 10%. Net sales for the same period amounted to MSEK 556 (558), in constant currency rates they were largely unchanged. Order intake for the first half of the year increased to MSEK 1,205 (1,136), in constant currency rates it increased by 6%. Net sales amounted to MSEK 1,050 (1,052), in constant currency rates they were largely unchanged. Operating profit for the first half of the year amounted to MSEK 46 (56) and the operating margin totalled 4.4% (5.3%).

The market for bank security and cash handling

The global market for bank security and cash handling continues to develop positively. Gunnebo has strong positions on some of the world's fastest growing markets such as India, Indonesia, China and Brazil.

There is a clear market trend of security-related solutions developing from physical to electronic applications, with smart software solutions increasing in importance. Other factors driving the market for bank security and cash handling are regulations and common practice on both a national and an international level.

Development January-June 2012

The Business Area noted a strong order intake both for the quarter and for the first half of 2012. The strongest growth is still in Asia, and primarily the Indian market. The Canadian market has also continued to develop well during the entire period.

In Europe development has been good in France, the Netherlands and Belgium, while the markets in Sweden, Spain, Italy and Portugal have reported weaker development.

Since a high proportion of the Business Area's business is project based, the order intake varies from quarter to quarter.

Profit analysis

The lower operating profit can be attributed to a strong first half-year in 2011, when a major delivery to a central bank in the Africa/Middle East region was carried out.

QUARTER IN BRIEF

- Successful launch of solutions for efficient cash handling on the Brazilian market
- A Brazilian drugstore chain has signed a large order which includes electronic article surveillance and CCTV solutions
- Another order from French La Poste for safes and electronic locks
- Significant order of electronic security (SMI & CCTV) equipment for a large building project received from Jones Lang LaSalle in Belgium
- Major order for efficient cash handling solutions received from Dutch retail bank

GUNNEBO'S OFFERING

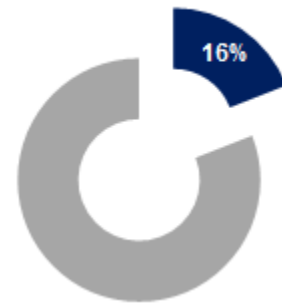
Bank Security & Cash Handling primarily targets all parties that handle cash – central banks, banks, retail and cash-in-transit (CIT) companies.

Gunnebo provides solutions that increase efficiency and security in the form of smart software solutions, services, solutions for secure depositing and storage, and electronic security.

Business Area Secure Storage

MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Order intake	211	176	407	346	736	748
Net sales	207	179	385	335	731	750
Operating profit/loss	11	4	13	8	15	38
Operating margin, %	5.3	2.2	3.4	2.4	2.1	5.1
Non-recurring items	0	0	0	0	-1	-10

% of Group sales:16%



Order intake for the second quarter increased to MSEK 211 (176), in constant currency rates the increase was 20%. Net sales for the second quarter increased to MSEK 207 (179), in constant currency rates they increased by 15%. Order intake for the first half of the year increased to MSEK 407 (346), in constant currency rates it increased by 17%. Net sales for the same period totalled MSEK 385 (335), in constant currency rates they increased by 14%. Operating profit for the first half of the year amounted to MSEK 13 (8) and the operating margin increased to 3.4% (2.4%).

The market for secure storage

The market for secure storage is driven largely by increased awareness about the importance of protecting valuables against fire and theft. On the growth markets there is also a growing middle class, which means there are more people with possessions that require secure storage. This means that the largest increase in demand at present is on the markets in Asia.

One trend is an increase in sales of safes with lower classification, while demand for safes with high-security classification is stable or declining slightly. More and more professional customers also require that the safe's electronic security applications, such as seismic detectors and electronic locks, are connected and linked to other applications in the operation's security system.

Development January-June 2012

Both the order intake and net sales have developed very well during the first half of 2012.

Geographically speaking, order intake developed strong in Asia, primarily the distributor-driven sales on the markets in Indonesia, China and south-east Asia. In Europe, development has been good in the UK and France. On other markets, development has been weak or has fallen slightly.

Profit analysis

The improved profit can be attributed to increased volumes in Asia and Europe.

QUARTER IN BRIEF

- A UK pharmaceutical logistics company has ordered a further expansion of its drug vault
- Several major orders for safes for ATMs from global manufacturers of ATMs
- Good development of distributor-based sales in Indonesia

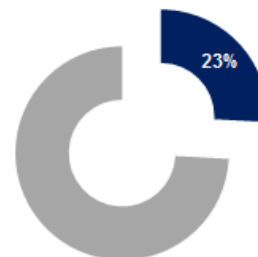
GUNNEBO'S OFFERING

Safes and cabinets, fire-resistant and burglary-resistant safes, mechanical and electronic locks, modular vaults and safes for ATMs.

Business Area Global Services

MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Order intake	211	287	722	691	1,144	1,120
Net sales	283	275	570	547	1,120	1,120
Operating profit/loss	25	42	47	64	121	91
Operating margin, %	8.8	15.3	8.2	11.7	10.8	8.1
Non-recurring items	0	0	0	0	-17	-16

% of Group sales: 23%



Order intake for the second quarter amounted to MSEK 211 (287), in constant currency rates it decreased by 26%. Net sales for the same period totalled MSEK 283 (275), in constant currency rates they increased by 3%. Order intake for the first half of the year amounted to MSEK 722 (691), in constant currency rates the increase was 4%. Net sales for the same period totalled MSEK 570 (547), in constant currency rates they increased by 4%. Operating profit for the first half of the year amounted to MSEK 47 (64) and the operating margin totalled 8.2% (11.7%).

The market for services

The service offering of the security industry varies greatly from one market to the next. One universal trend, however, is that the complexity of the offering is expected to increase, which creates higher entry barriers for new players to become established. This allows more opportunities for a limited number of established players, like Gunnebo, to grow and win market share. At the same time customers are placing increasing demands on the scope of responsibility assumed by the service provider within the framework of a service contract.

In future, customers are also expected to place higher demands on coordination between physical security products and software, i.e. the ability to link together different products and systems. This results in the development and inclusion of more sophisticated service solutions in the offering.

Development January-June 2012

Order intake during the first half of 2012 has been good in terms of new service contracts signed. Sales of service not linked to contracts have shown weaker development, particularly during the second quarter.

In geographical terms, the markets in India, Indonesia, Brazil, France and the UK have developed very well while development on other markets has fallen slightly.

Profit analysis

A major project which had a positive effect on the result was finalized during the second quarter 2011, which gives a strong comparison quarter.

QUARTER IN BRIEF

- A number of service contracts connected to SafePay have been renewed with retail chains in France
- Service contracts for electronic security systems have been renewed with a French logistics supplier
- Major contracts for service on electronic security systems have been signed with the Phoenix Mills shopping mall (Mumbai, India)

GUNNEBO'S OFFERING

Within Global Services, Gunnebo provides a complete offering that helps customers obtain the best possible return from their investment in products and solutions throughout their lifecycle.

Lifecycle Care represents a portfolio of product-related security services linked to design, implementation, maintenance and development.

Business Care represents security-related services linked to the customer's business processes such as outsourcing, consultancy services and software adaptation.

Business Area Entrance Control						
MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Order intake	181	161	339	365	713	654
Net sales	161	185	308	331	720	691
Operating profit/loss	1	14	1	16	36	-1
Operating margin, %	0.6	7.6	0.3	4.8	5.0	-0.1
Non-recurring items	0	0	0	0	-15	-36

Order intake for the second quarter increased to MSEK 181 (161), in constant currency rates the increase was 10%. Net sales for the second quarter amounted to MSEK 161 (185), in constant currency rates it decreased by -13%. Order intake for the first half of the year amounted to MSEK 339 (365), in constant currency rates it decreased by -9%. Net sales for the same period totalled MSEK 308 (331), in constant currency rates a decrease of -8%. Operating profit for the first half of the year amounted to MSEK 1 (16) and the operating margin totalled 0.3% (4.8%).

The market for entrance control

One of the most important driving forces for the entrance control market is stricter demands on having constant control over who is where in a building. One clear trend is that the requirement for authorised individuals only to be able to move around unhindered within an office building, through a metro system barrier, at an arena or through a border control at an airport, is increasing.

The rising number of people living in cities is increasing the need for efficient regulation and control of passengers in mass transit, as well as visitors at sports arenas, exhibition centres and other sites that hold public events.

Customers are also attaching increasing importance to the ability to link different systems together. With TCP/IP it is possible, for example, to link the CCTV system with alarm and entrance control systems.

Development January-June 2012

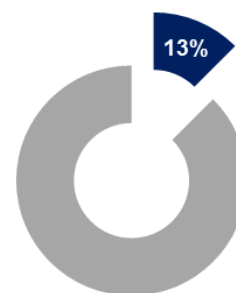
The Business Area's order intake showed weak development at the beginning of the year, but has strengthened during the second quarter. Development has been particularly good on the markets in China, the Middle East and Germany. On other markets, development has continued to be weak.

Since a high proportion of the Business Area's business is project based, the order intake varies from quarter to quarter.

Profit analysis

Profit in the second quarter has been adversely affected by a weak order intake during the first quarter.

% of Group sales:13%



QUARTER IN BRIEF

- The Chinese city of Haerbin has ordered entrance control for a new metro line
- Further orders for entrance control have been received by nuclear power facilities in China and Finland
- A major public administration authority, based in Brussels, has signed an agreement for delivery and installation of electronic security solutions for its newly built offices
- Saudi Arabian KAPSARC* has ordered solutions for access control for its head office in Riyadh

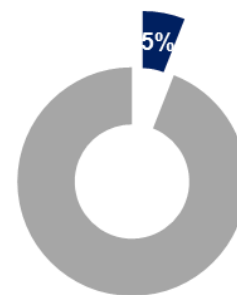
* The King Abdullah Petroleum Studies and Research Center

GUNNEBO'S OFFERING

A complete offering of effective solutions for access and entrance control, system solutions for mass transit and solutions for airports such as anti-return gates, boarding gates and immigration gates.

For sites with higher security requirements, Gunnebo offers security gates combined with explosion and bullet-resistant doors, windows and partitions.

% of Group sales: 5%



Developing Businesses

MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Order intake	78	75	176	155	283	272
Net sales	63	69	126	133	290	275
Operating profit/loss	-12	-13	-25	-23	-35	-37
Operating margin, %	-19.0	-18.8	-19.8	-17.3	-12.1	-13.5
Non-recurring items	0	0	0	0	0	-5

Order intake for the second quarter amounted to MSEK 78 (75), in constant currency rates it increased by 6%. Net sales for the same period totalled MSEK 63 (69), in constant currency rates a decrease of -10%. Order intake for the first half of the year amounted to MSEK 176 (155), in constant currency rates it increased by 14%. Net sales for the same period totalled MSEK 126 (133), in constant currency rates a decrease of -6%. Operating profit amounted to MSEK -25 (-23) and the operating margin to -19.8% (-17.3%).

SafePay

Order intake during the first half of 2012 developed well, particularly on the markets in Denmark and Sweden. During the second quarter, for example, two important general agreements were signed with retailers ICA and Axfood in Sweden.

Operating profit continued to be adversely affected by market initiatives and work on quality improvements in the first half of 2012. The Group is, however, beginning to see positive effects from these initiatives.

SAFEPAY

MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Order intake	57	49	134	101	174	162
Net sales	40	41	81	78	180	160
Operating profit/loss	-11	-16	-23	-25	-36	-39
Operating margin, %	-27.5	-39.0	-28.4	-32.1	-20.0	-24.4

Gateway

The prevailing economic uncertainty on several large markets in Europe has resulted in a lower rate of investment in the retail sector during the first half of 2012. This is also the reason for Gateway's lower order intake and net sales.

GATEWAY

MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Order intake	21	26	42	54	109	110
Net sales	23	28	45	55	110	115
Operating profit/loss	-1	3	-2	2	1	2
Operating margin, %	-4.3	10.7	-4.4	3.6	0.9	1.7

APRIL-JUNE 2012

Order intake and net sales

The Group's order intake rose by 3% in constant currency rates during the second quarter of 2012, totalling MSEK 1,254 (1,222). The improvement in order intake was primarily attributable to Asia, while development in southern Europe was weaker.

Net sales were on a par with last year and amounted to MSEK 1,270 (1,266). Currency effects had a marginal impact on net sales.

On several growth markets sales increased strongly. The best development was noted in Asia, where India reported a sales growth rate of 23%. Growth was also strong in the UK, the Netherlands and Germany. The success in Asia and on certain markets in Europe was offset by the development in southern Europe, where sales fell as a result of a continued weak economy. Development on the French market was stable and net sales increased by just over 1%.

Financial results

Operating profit amounted to MSEK 42 (74) and the operating margin to 3.3% (5.8%). Currency effects had a negative impact on profit of MSEK -4 compared to last year.

The decrease in profit can primarily be attributed to a major order from a central bank which was mainly delivered in 2011, as well as initiatives to establish the Group's Business Areas.

Falling net sales in Europe have resulted in lower sales and production volumes, which has had a negative impact on profit. In addition, costs were incurred for adapting capacity to the prevailing economic climate.

JANUARY-JUNE 2012

Order intake and net sales

The Group's order intake amounted to MSEK 2,849 (2,693). Adjusted for altered exchange rates, order intake increased by 5%.

The most notable improvement was in the Asia-Pacific region where order intake rose by 27%. The order intake on several markets in Europe also exceeded last year's levels, the largest improvements being noted in France, Belgium and the Netherlands. Above all Bank Security & Cash Handling, Secure Storage and SafePay reported an increase in order intake. In Spain, Italy and Portugal, however, demand was weak due to continued economic austerity measures.

Net sales totalled MSEK 2,439 (2,398). In constant currency rates net sales increased by 2%.

Demand in the Asia-Pacific region was strong and net sales increased by 22%. The most positive development was noted in India where the increase in sales amounted to 40%. In northern and central Europe demand was stable and most markets noted higher net sales than last year. In Spain, Italy and Portugal demand showed weak development and net sales fell by 17%.

Financial results

Operating profit amounted to MSEK 52 (97) and the operating margin to 2.1% (4.0%). Currency effects had a negative impact on profit of MSEK -6.

In comparison to last year, profit has been adversely affected by a large order for a central bank which boosted the figures in 2011.

Expenses of a non-recurring nature burdened the profit by MSEK -12.

Net financial items improved to MSEK -8 (-14), mainly due to increased interest income from financial receivables and lower banking costs. Group profit after financial items amounted to MSEK 44 (83). Net profit for the period totalled MSEK 21 (33), and earnings per share attributable to the parent company's shareholders were SEK 0.28 (0.44) per share.

Capital expenditure and depreciation

Investments made in intangible assets and property, plant and equipment during the period totalled MSEK 46 (43). Investments relating to continuing operations totalled MSEK 46 (40). Depreciation in the Group and in continuing operations amounted to MSEK 42 (44) and MSEK 42 (37) respectively.

Cash flow

Group cash flow is usually weak during the first half of the year, and cash flow from operating activities amounted to MSEK -129 (-157).

Payments related to restructuring measures burdened cash flow for the period by MSEK 35 (17) and an increase in working capital tied up had a negative impact of MSEK -157.

Cash flow from operating activities before changes in working capital amounted to MSEK 28 (40). The operating cash flow after deductions for capital expenditure but before net financial items affecting cash flow and paid tax amounted to MSEK -147 (-145).

Liquidity and financial position

The Group's liquid funds at the end of the period amounted to MSEK 193 (182). Equity amounted to MSEK 1,701 (1,582), producing an equity ratio of 43% (39%).

The improvement in equity can primarily be attributed to profit for the latest twelve-month period, which contributed MSEK 218. Dividend payments to shareholders burdened equity by MSEK 76. Other comprehensive income comprising translation differences, hedges of net investments abroad, cash flow hedges and income tax related to these components reduced equity by MSEK 20 during the period.

Net debt decreased to MSEK 650 (728), mainly due to the sale of Perimeter Protection in September 2011. The debt/equity ratio improved to 0.4 (0.5). Net debt excluding pension commitments amounted to MSEK 454 (525).

The Group's main borrowing facility on June 30, 2012 amounted to MSEK 1,277 and ensures financing is available on unchanged terms until the end of June 2014. With regard to the prevailing terms in the loan agreements, available credit facilities amounted to approximately MSEK 1,000. The Group's total credit framework amounted to MSEK 1,554.

Parent company

The Group's parent company, Gunnebo AB, is a holding company which has the main task of owning and managing shares in other Group companies, as well as providing Group-wide services. In the first quarter all shares in the Group's Swedish finance company Gunnebo Treasury AB were acquired. The purchase sum totalled MSEK 900.

Net sales for the first half of the year amounted to MSEK 48 (27), of which MSEK 2 (0) related to sales to external customers. During the period a dividend of MSEK 1,671 was received from Gunnebo Treasury SA. The dividend resulted in the shares in the Swiss subsidiary being written down by MSEK 1,226 and in the phasing-out of hedging instruments in the form of loans and forward contracts in Swiss francs. The aim of the hedging instruments was to hedge the investment in Gunnebo Treasury SA, and the phasing-out of the instruments gave rise to an exchange loss of MSEK 594. Altogether these transactions had a negative impact on net financial items of MSEK 149 and the loss after financial items totalled MSEK -161 (-36). Net loss for the period amounted to MSEK -5 (-36) and was positively affected by a deferred tax income of MSEK 156 (0) attributable to deferred tax assets regarding unutilised loss carry-forwards.

Employees

The number of employees at the end of the period was 5,597 (5,499 at the beginning of the year). The number of employees outside of Sweden at the end of the period was 5,405 (5,298 at the beginning of the year).

Share data

Earnings per share after dilution were SEK 0.28 (0.44) and for continuing operations SEK 0.28 (0.68). The number of shareholders totalled 10,100 (10,700).

Dividend

During the second quarter a dividend of SEK 1.00 per share (0.50), MSEK 76 in total, was paid to shareholders in Gunnebo AB.

Transactions with related parties

There have been no transactions with related parties during the period that affect Gunnebo's position and result to any significant extent, except for the dividend paid to shareholders outlined above.

Events after the closing day

No significant events occurred after the closing day.

Accounting principles

Gunnebo complies with the International Financial Reporting Standards adopted by the EU, and the official interpretations of these standards (IFRIC). The Interim Report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting, and the Interim Report for the parent company has been prepared in accordance with the Annual Accounts Act and the recommendation of the Swedish Financial Reporting Board, RFR 2 Accounting for Legal Entities. The same accounting principles and methods of calculation have been used as in the latest annual report.

Reporting of discontinued operations

The divestments of Perimeter Protection in September 2011 and of Gunnebo Troax in December 2010 have been recognised in this report in accordance with IFRS 5, Non-current assets held for sale and discontinued operations. In the Group income statement the profit for the period for the discontinued operations is reported separately under "Profit for the period from discontinued operations". This means that income and costs for Perimeter Protection and Gunnebo Troax have been excluded from other profit/loss items for all reported periods. In the Group cash flow statement, which is reported in summary, the discontinued operations have not been separated in the corresponding way. Information about cash flows for this operation is instead reported in Note 2. The balance sheet only includes the assets and liabilities that remain in the Group after the divestments.

This report has not been reviewed by the company's auditors.

Significant risks and uncertainties

The Group's and parent company's significant risks and uncertainties include operational risks in the form of raw material risks, product risks, insurance risks and legal risks. In addition there are for example financial risks such as financing risks, liquidity risks, interest rate risks and currency risks, as well as credit and counterparty risks. The Group's risk management is described in more detail on pages 88-91 of Gunnebo's 2011 Annual Report, and in Note 3. Gunnebo considers this risk description to still be correct.

Financial goals

- The Group shall earn a long-term 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%.

Göteborg, July 20, 2012

Per Borgvall
President

The Group

Summary group income statement						
MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Net sales	1,270	1,266	2,439	2,398	5,137	5,263
Cost of goods sold	-889	-856	-1,714	-1,671	-3,572	-3,723
Gross profit	381	410	725	727	1,565	1,540
Other operating costs, net	-339	-336	-673	-630	-1,241	-1,343
Operating profit/loss	42	74	52	97	324	197
Net financial items	-4	-8	-8	-14	-26	-75
Profit/loss after financial items	38	66	44	83	298	122
Taxes	-14	-27	-23	-32	-52	-41
Profit/loss for the period from continuing operations	24	39	21	51	246	81
Profit/loss for the period from discontinued operations	-	1	-	-18	-16	97
Profit/loss for the period	24	40	21	33	230	178
<i>Whereof attributable to:</i>						
Parent company shareholders	24	40	21	33	228	178
Holdings without controlling influence	0	-	0	-	2	-
	24	40	21	33	230	178
Earnings per share before dilution, SEK	0.32	0.53	0.28	0.44	3.00	2.35
<i>Whereof continuing operations</i>	0.32	0.52	0.28	0.68	3.20	1.07
<i>Whereof discontinued operations</i>	-	0.01	-	-0.24	-0.20	1.28
Earnings per share after dilution, SEK	0.32	0.53	0.28	0.44	3.00	2.35
<i>Whereof continuing operations</i>	0.32	0.52	0.28	0.68	3.20	1.07
<i>Whereof discontinued operations</i>	-	0.01	-	-0.24	-0.20	1.28

Changes in comprehensive income in brief

MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Profit/loss for the period	24	40	21	33	230	178
Other comprehensive income for the period						
Translation differences in foreign operations	-14	166	-20	60	2	30
Hedging of net investments*	9	-161	1	-78	-33	-25
Cancellation of accumulated currency differences and hedges from discontinued operations*	-	-	0 **	-	-3	6
Cash-flow hedges*	0	-4	-1	-2	0	3
Total other comprehensive income, net of taxes	-5	1	-20	-20	-34	14
Total comprehensive income for the period	19	41	1	13	196	192
<i>Whereof attributable to:</i>						
Parent company shareholders	20	41	2	13	194	192
Holdings without controlling influence	-1	-	-1	-	2	-
	19	41	1	13	196	192

*Net of taxes

**Whereof MSEK -438 relates to cancellation of accumulated currency differences and MSEK 438 as hedges related to Gunnebo Treasury SA. The company is under liquidation and equity capital has been repaid to the parent company, Gunnebo AB.

Summary group balance sheet

MSEK	30 June		31 December	
	2012	2011	2011	2010
Goodwill	1,075	959	1,104	952
Other intangible assets	102	95	111	96
Property, plant and equipment	318	367	316	367
Financial assets	126	99	139	94
Deferred tax assets	256	269	253	241
Inventories	630	692	564	543
Current receivables	1,250	1,366	1,239	1,253
Liquid funds	193	182	239	189
Total assets	3,950	4,029	3,965	3,735
Equity	1,701	1,582	1,776	1,606
Long-term liabilities	867	790	800	639
Current liabilities	1,382	1,657	1,389	1,490
Total equity and liabilities	3,950	4,029	3,965	3,735

Changes in equity in brief

MSEK	Jan-June		Full year	
	2012	2011	2011	2010
Opening balance	1,776	1,606	1,606	1,413
Total comprehensive income for the period	1	13	196	192
Share-based remuneration	-	-	0	0
New share issue	-	1	1	1
Transaction with holdings without controlling influence	-	-	11	-
Dividend	-76	-38	-38	-
Closing balance	1,701	1,582	1,776	1,606

Summary group cash flow statement

MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Cash flow from operating activities before changes in working capital	22	60	28	40	234	177
Cash flow from changes in working capital	-127	-127	-157	-197	-169	-32
Cash flow from operating activities	-105	-67	-129	-157	65	145
Net investments	-25	-21	-45	-43	-88	-78
Investment in securities	-	-	-	-	-5	-
Acquisition of operations	-	-	-	-	-100	-25
Divestment of operations	-	-	-	-	172	297
Cash flow from investing activities	-25	-21	-45	-43	-21	194
Change in interest-bearing receivables and liabilities	200	121	209	239	58	-318
New share issue	-	1	-	1	1	1
Dividend	-76	-38	-76	-38	-38	-
Cash flow from financing activities	124	84	133	202	21	-317
Cash flow for the period	-6	-4	-41	2	65	22
Liquid funds at the beginning of the period	202	183	239	189	189	172
Translation difference in liquid funds	-3	3	-5	-9	-15	-5
Liquid funds at the end of the period	193	182	193	182	239	189

Summary group operating cash flow statement

MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Cash flow from operating activities	-105	-67	-129	-157	65	145
Reversal of paid tax and net financial items affecting cash flow	15	29	27	55	94	147
Net investments	-25	-21	-45	-43	-88	-78
Operating cash flow	-115	-59	-147	-145	71	214

Reconciliation to profit/loss after financial items

MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Operating profit/loss Bank Security & Cash Handling	33	39	46	56	147	166
Operating profit/loss Secure Storage	11	4	13	8	15	38
Operating profit/loss Global Services	25	42	47	64	121	91
Operating profit/loss Entrance Control	1	14	1	16	36	-1
Operating profit/loss Developing Businesses	-12	-13	-25	-23	-35	-37
Central items	-16	-12	-30	-24	40	-60
Operating profit/loss	42	74	52	97	324	197
Net financial items	-4	-8	-8	-14	-26	-75
Profit/loss after financial items	38	66	44	83	298	122

Sales per market

	April-June		Jan-June		Full Year	
	2012	2011	2012	2011	2011	2010
France	25%	24%	24%	24%	23%	23%
India	6%	6%	7%	5%	5%	5%
UK	6%	5%	6%	5%	6%	6%
Germany	5%	4%	5%	5%	5%	4%
Spain	5%	6%	5%	6%	6%	7%
Hungary	5%	5%	5%	4%	5%	4%
Canada	4%	4%	4%	4%	4%	4%
Indonesia	4%	3%	4%	3%	3%	3%
Italy	3%	4%	3%	4%	4%	4%
Sweden	3%	4%	3%	4%	4%	4%
Others	34%	35%	34%	36%	35%	36%
Total	100%	100%	100%	100%	100%	100%

Parent Company

Summary parent company income statement*

MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Net sales	36	14	48	27	142	87
Administrative expenses	-33	-32	-65	-58	-123	-117
Operating profit/loss	3	-18	-17	-31	19	-30
Net financial items	-2	0	-144	-5	78	-37
Profit/loss after financial items	1	-18	-161	-36	97	-67
Taxes	-	-	156	-	-	-
Profit/loss for the period	1	-18	-5	-36	97	-67

* The parent company reports group contributions and related taxes in the income statement from the fourth quarter 2011. The income statement for previous periods has been restated in accordance with the new principle.

Changes in comprehensive income in brief

MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Profit/loss for the period	1	-18	-5	-36	97	-67
Other comprehensive income, net after tax	-	-	-	-	-	-
Total comprehensive income for the period	1	-18	-5	-36	97	-67

Summary parent company balance sheet				
MSEK	30 June		31 December	
	2012	2011	2011	2010
Other intangible assets	11	14	12	16
Property, plant and equipment	3	3	4	1
Financial assets	1,687	1,869	1,870	1,867
Current receivables	117	559	689	685
Liquid funds	0	0	0	0
Total assets	1,818	2,445	2,575	2,569
Equity	1,505	1,453	1,586	1,526
Current liabilities	313	992	989	1,043
Total equity and liabilities	1,818	2,445	2,575	2,569

Changes in equity in brief				
MSEK	Jan-June		Full year	
	2012	2011	2011	2010
Opening balance	1,586	1,526	1,526	1,592
Total comprehensive income for the period	-5	-36	97	-67
New share issue	-	1	1	1
Dividend	-76	-38	-38	-
Closing balance	1,505	1,453	1,586	1,526

Key ratios for the Group

Key ratios	Jan-June		Full year	
	2012	2011	2011	2010
Gross margin, %	29.7	30.3	30.5	29.3
Operating margin before depreciation (EBITDA) excl non-recurring items, %	3.9	5.9	7.7	7.7
Operating margin before depreciation (EBITDA), %	3.9	5.6	7.9	5.3
Operating margin (EBIT) excl non-recurring items, %	2.1	4.4	6.2	6.1
Operating margin (EBIT), %	2.1	4.0	6.3	3.7
Profit margin (EBT), %	1.8	3.5	5.8	2.3
Return on capital employed, % ^{1) 2)}	11.8	14.2	13.5	12.3
Return on equity, % ^{1) 2)}	12.9	14.2	14.1	12.2
Capital turnover rate, times ²⁾	2.1	2.5	2.3	2.5
Equity ratio, % ²⁾	43	39	45	43
Interest coverage ratio, times ²⁾	4.9	9.8	18.0	5.0
Debt/equity ratio, times ²⁾	0.4	0.5	0.3	0.3

¹⁾ During the last 12-month period
²⁾ The figures relates to continuing and discontinued operations

Data per share, continuing operations	Jan-June		Full year	
	2012	2011	2011	2010
Earnings per share before dilution, SEK	0.28	0.68	3.20	1.07
Earnings per share after dilution, SEK	0.28	0.68	3.20	1.07
No. of shares at end of period, thousands	75,856	75,856	75,856	75,856
Average no. of shares, thousands	75,856	75,856	75,856	75,856

Data per share, continuing and discontinued operations	Jan-June		Full year	
	2012	2011	2011	2010
Earnings per share before dilution, SEK	0.28	0.44	3.00	2.35
Earnings per share after dilution, SEK	0.28	0.44	3.00	2.35
Equity per share, SEK	22.27	20.85	23.24	21.17
Cash flow per share, SEK	-1.70	-2.07	0.86	1.91
No. of shares at end of period, thousands	75,856	75,856	75,856	75,856
Average no. of shares, thousands	75,856	75,856	75,856	75,856

Quarterly data, MSEK

Income statement	2010				2011				2012	
	1	2	3	4	1	2	3	4	1	2
Net sales	1,213	1,331	1,278	1,441	1,132	1,266	1,247	1,492	1,169	1,270
Costs of goods sold	-885	-924	-885	-1,029	-815	-856	-875	-1,026	-825	-889
Gross profit	328	407	393	412	317	410	372	466	344	381
Other operating costs, net	-322	-359	-315	-347	-294	-336	-311	-300	-334	-339
Operating profit/loss	6	48	78	65	23	74	61	166	10	42
Net financial items	-21	-20	-16	-18	-6	-8	-5	-7	-4	-4
Profit/loss after financial items	-15	28	62	47	17	66	56	159	6	38
Taxes	-4	-8	-27	-2	-5	-27	-17	-3	-9	-14
Profit/loss for the period from continuing operations	-19	20	35	45	12	39	39	156	-3	24
Profit/loss for the period from discontinued operations	-26	18	4	101	-19	1	5	-3	-	-
Profit/loss for the period	-45	38	39	146	-7	40	44	153	-3	24
Key ratios										
Gross margin, %	27.0	30.6	30.8	28.6	28.0	32.4	29.8	31.2	29.4	30.0
Operating margin, %	0.5	3.6	6.1	4.5	2.0	5.8	4.9	11.1	0.8	3.3
Operating profit (EBIT) excl non-recurring items, MSEK	24	70	88	142	23	82	74	138	10	42
Operating profit (EBIT) excl non-recurring items, %	2.0	5.3	6.9	9.9	2.0	6.5	5.9	9.2	0.8	3.3
Earnings per share, SEK ¹⁾	-0.59	0.50	0.51	1.93	-0.09	0.53	0.58	1.98	-0.04	0.32

¹⁾ Before and after dilution

Notes

Note 1 Income statement discontinued operations						
MSEK	April-June 2012			April-June 2011		
	Perimeter Protection	Troax	Total	Perimeter Protection	Troax	Total
Net sales	-	-	-	192	-	192
Cost of goods sold	-	-	-	-158	-	-158
Gross profit	-	-	-	34	-	34
Other operating costs, net	-	-	-	-32	-	-32
Operating profit/loss	-	-	-	2	-	2
Net financial items	-	-	-	-1	-	-1
Profit/loss after financial items	-	-	-	1	-	1
Taxes	-	-	-	-	-	-
Profit/loss for the period	-	-	-	1	-	1
Profit on divestment	-	-	-	-	-	-
Taxes on profit on divestment	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-
Profit/loss from exchange rate differences and hedges	-	-	-	-	-	-
Profit/loss for the period	-	-	-	1	-	1

MSEK	Jan-June 2012			Jan-June 2011		
	Perimeter Protection	Troax	Total	Perimeter Protection	Troax	Total
Net sales	-	-	-	322	-	322
Cost of goods sold	-	-	-	-275	-	-275
Gross profit	-	-	-	47	-	47
Other operating costs, net	-	-	-	-63	-	-63
Operating profit/loss	-	-	-	-16	-	-16
Net financial items	-	-	-	-2	-	-2
Profit/loss after financial items	-	-	-	-18	-	-18
Taxes	-	-	-	-	-	0
Profit/loss for the period	-	-	-	-18	-	-18
Profit on divestment	-	-	-	-	-	-
Taxes on profit on divestment	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-
Profit/loss from exchange rate differences and hedges	-	-	-	-	-	-
Profit/loss for the period	-	-	-	-18	-	-18

MSEK	Full year 2011			Full year 2010		
	Perimeter Protection	Troax	Total	Perimeter Protection	Troax	Total
Net sales	443	-	443	675	446	1,121
Cost of goods sold	-375	-	-375	-588	-281	-869
Gross profit	68	-	68	87	165	252
Other operating costs, net	-82	-	-82	-134	-123	-257
Operating profit/loss	-14	-	-14	-47	42	-5
Net financial items	-4	-	-4	-3	-7	-10
Profit/loss after financial items	-18	-	-18	-50	35	-15
Taxes	-	-	-	-	-2	-2
Profit/loss for the period	-18	-	-18	-50	33	-17
Profit on divestment	8	-	8	-	131	131
Taxes on profit on divestment	-	-	-	-	0	0
Transaction costs	-9	-	-9	-	-11	-11
Profit/loss from exchange rate differences and hedges	3	-	3	-	-6	-6
Profit/loss for the period	-16	-	-16	-50	147	97

Note 2 Cash flow statement, discontinued operations

MSEK	April-June		Jan-June		Full year	
	2012	2011	2012	2011	2011	2010
Cash flow from operating activities	-	-27	-	-46	-78	30
Cash flow from investing activities*	-	-1	-	-3	-5	-17
Cash flow from financing activities	-	29	-	51	84	-13
Cash flow for the period	-	1	-	2	1	0

*The figures are disclosed excluding cash flow from divestment of operations.

Definitions

Capital employed:

Total assets less non interest-bearing provisions and liabilities.

Capital turnover rate:

Net sales in relation to average capital employed.

Cash flow per share:

Cash flow from operating activities divided by the average number of shares in issue after dilution.

Debt/equity ratio:

Net debt in relation to equity.

Earnings per share:

Profit/loss after tax attributable to the shareholders of the parent company divided by the average number of shares.

Equity per share

Equity attributable to the shareholders of the parent company divided by the number of shares at the end of the period.

Equity ratio:

Equity as a percentage of the balance sheet total.

Gross margin:

Gross profit as a percentage of net sales.

Interest coverage ratio:

Profit/loss after financial items plus interest costs, divided by interest costs.

Net debt:

Interest-bearing provisions and liabilities less liquid funds and interest-bearing receivables.

Operating cash flow:

Cash flow from operating activities, after capital expenditure but before net financial items affecting cash flow and tax paid.

Operating margin:

Operating profit/loss as a percentage of net sales.

Profit margin:

Profit/loss after financial items as a percentage of net sales.

Return on capital employed:

Operating profit/loss plus financial income as a percentage of average capital employed.

Return on equity:

Profit/loss for the year as a percentage of average equity.

Financial Calendar

Gunnebo CMD 2012	September 20, 2012
Interim report January-September 2012	October 25, 2012
Year-end release	January 30, 2013
Annual General Meeting 2013	April 9, 2013
Interim Report January-March 2013	April 25, 2013

This interim report is a translation of the original in Swedish language. In the event of any textual inconsistencies between the English and the Swedish, the latter shall prevail.

Gunnebo AB (publ)

Box 5181
SE-402 26 GÖTEBORG
Tel: +46-10-2095 000
Fax: +46-10-2095 010
Org.no. 556438-2629

e-mail: info@gunnebo.com
Web: www.gunnebogroup.com

The Gunnebo Security Group provides efficient and innovative security solutions to customers around the globe. It employs 5 500 people in 31 countries across Europe, Asia, Africa, Australia and North America, and has a turnover in excess of €540m. Gunnebo focuses its global offering on Bank Security & Cash Handling, Secure Storage, Entrance Control and Services.

We make your world safer