Gothenburg July 16, 2014

GUNNEBO INTERIM REPORT JANUARY - JUNE 2014

CEO's comments for the second quarter

During the second quarter, Group sales increased organically by 6% to MSEK 1,419. Growth was primarily in Region Asia-Pacific (APAC) and Region Americas. In Region Europe, Middle East & Africa (EMEA), sales have continued to stabilise which is satisfactory taking into account developments in recent years. It is also pleasing to see that strategically important product segments for the Group, such as cash handling and entrance security, are continuing to show good growth and margin improvements.

Order intake during the quarter decreased by 10% organically on the previous year. In the Americas, a large order was received in Mexico last year with a three-year delivery agreement; no equivalent order was received this year. In APAC, the political elections in India have led the bank sector to pursue a policy of wait and see. The order book is still at a satisfactory level.

During the quarter the Group divested the French subsidiary Fichet-Bauche Telesurveillance (FBT), which provides alarm monitoring and call-out services for companies and private customers on the French market. The divestment was part of the ongoing refinement of the Group and it produced capital gains of MSEK 73.

Restructuring costs during the period burdened the results by MSEK 30 (12). The costs partly relate to the closure of the production unit in Uckfield, UK, announced in the first quarter, and partly to continued cost adaptations in Europe.

Operating profit excluding items of a non-recurring nature increased to MSEK 98 (69) and the operating margin to 6.9% (5.2%). Operating profit increased to MSEK 141 (57) and the operating margin to 9.9% (4.3%).

The improvements in profit can primarily be attributed to EMEA where work on cost adaptations has continued to have a positive effect on profit. APAC reported a strong quarter during which the good sales growth contributed to further improvements in the operating margin.

The Group's cash flow during the period was strong as a result of an improved operating profit and the divestment of FBT.

Per Borgvall, President and CEO
Gunnebo AB

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SECOND QUARTER 2014

- Order intake amounted to MSEK 1,330 (1,454), organically a decrease of 10%.
- Net sales increased to MSEK 1,419 (1,325), organically they increased by 6%.
- Operating profit increased to MSEK 141 (57) and the operating margin to 9.9% (4.3%).
- Operating profit excluding items of a non-recurring nature of MSEK 43 (-12) amounted to MSEK 98 (69) and the operating margin to 6.9% (5.2%).
- Profit after tax for the period increased to MSEK 106 (34).
- Earnings per share were SEK 1.40 (0.45).
- Free cash flow*) improved to MSEK 44 (-47).
- In June 2014, the French subsidiary Fichet-Bauche Telesurveillance was divested with a capital gain of MSEK 73, which is entered under operating profit as an item of a non-recurring nature.

JANUARY – JUNE 2014

- Order intake amounted to MSEK 2,836 (2,953), organically a decrease of 4%.
- Net sales increased to MSEK 2,669 (2,480), organically they increased by 7%.
- Operating profit increased to MSEK 159 (58) and the operating margin to 6.0% (2.3%).
- Operating profit excluding items of a non-recurring nature of MSEK 23 (-22) amounted to MSEK 136 (80) and the operating margin to 5.1% (3.2%).
- Profit after tax for the period increased to MSEK 103 (22).
- Earnings per share were SEK 1.36 (0.29).
- Free cash flow*) improved to MSEK -24 (-99).

* Free cash flow is cash flow from operating and investing activities excluding acquisitions and divestments.

In Brief

	April-June		Jan-June		Full year
MSEK	**2014**	**2013**	**2014**	**2013**	**2013**
Order intake	**1,330**	1,454	**2,836**	2,953	5,514
Net sales	**1,419**	1,325	**2,669**	2,480	5,271
Operating profit before depreciation (EBITDA)	**162**	77	**201**	101	308
Operating margin before depreciation (EBITDA), %	**11.4**	5.8	**7.5**	4.1	5.9
Operating profit excl. non-recurring items [1]	**98**	69	**136**	80	306
Operating margin excl. non-recurring items, % [1]	**6.9**	5.2	**5.1**	3.2	5.8
Operating profit (EBIT)	**141**	57	**159**	58	222
Operating margin (EBIT), %	**9.9**	4.3	**6.0**	2.3	4.2
Profit/loss for the period	**106**	34	**103**	22	102
Earnings per share, SEK [2]	**1.40**	0.45	**1.36**	0.29	1.29
Free cash flow	**44**	-47	**-24**	-99	144

1) Items of a non-recurring nature amounted to MSEK 43 (-12) for the period April - June and to 23 Mkr (-22) for the period January - June

2) Earnings per share before and after dilution

Summary Regions

Order intake

	April-June		Jan-June		Full year
MSEK	**2014**	**2013**	**2014**	**2013**	**2013**
Region Europe, Middle East & Africa	**908**	896	**1,978**	1,920	3,558
Region Asia-Pacific	**232**	270	**490**	522	1,043
Region Americas	**190**	288	**368**	511	913
Total	**1,330**	1,454	**2,836**	2,953	5,514

Net sales

	April-June		Jan-June		Full year
MSEK	**2014**	**2013**	**2014**	**2013**	**2013**
Region Europe, Middle East & Africa	**925**	887	**1,767**	1,648	3,474
Region Asia-Pacific	**281**	238	**502**	451	954
Region Americas	**213**	200	**400**	381	843
Total	**1,419**	1,325	**2,669**	2,480	5,271

Operating profit/loss, excl non-recurring items

	April-June		Jan-June		Full year
MSEK	**2014**	**2013**	**2014**	**2013**	**2013**
Region Europe, Middle East & Africa	**30**	13	**29**	-20	47
Region Asia-Pacific	**42**	32	**66**	61	134
Region Americas	**26**	24	**41**	39	125
Total	**98**	69	**136**	80	306

Operating margin, excl non-recurring items

	April-June		Jan-June		Full year
%	**2014**	**2013**	**2014**	**2013**	**2013**
Region Europe, Middle East & Africa	**3.2**	1.5	**1.6**	-1.2	1.4
Region Asia-Pacific	**14.9**	13.4	**13.1**	13.5	14.0
Region Americas	**12.2**	12.0	**10.3**	10.2	14.8
Total	**6.9**	5.2	**5.1**	3.2	5.8

Non-recurring items

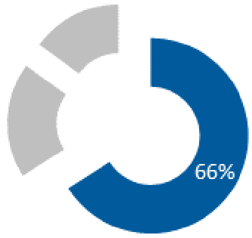
	April-June		Jan-June		Full year
MSEK	**2014**	**2013**	**2014**	**2013**	**2013**
Region Europe, Middle East & Africa	**51**	-8	**32**	-18	-74
Region Asia-Pacific	**-5**	-4	**-6**	-4	-8
Region Americas	**-3**	0	**-3**	0	-2
Total	**43**	-12	**23**	-22	-84

Operating profit/loss

	April-June		Jan-June		Full year
MSEK	**2014**	**2013**	**2014**	**2013**	**2013**
Region Europe, Middle East & Africa	**81**	5	**61**	-38	-27
Region Asia-Pacific	**37**	28	**60**	57	126
Region Americas	**23**	24	**38**	39	123
Total	**141**	57	**159**	58	222

Region Europe, Middle East & Africa	April-June		Jan-June		Full year
MSEK	**2014**	**2013**	**2014**	**2013**	**2013**
Order intake	**908**	896	**1,978**	1,920	3,558
Organic growth, %	*-3*		*-1*		
Net sales	**925**	887	**1,767**	1,648	3,474
Organic growth, %	*0*		*3*		
Operating profit/loss excl. non-recurring items	**30**	13	**29**	-20	47
Operating margin excl. non-recurring items, %	**3.2**	1.5	**1.6**	-1.2	1.4
Non-recurring items	**51**	-8	**32**	-18	-74
Operating profit/loss	**81**	5	**61**	-38	-27

Percentage of Group Sales: 66%



Region EMEA

Europe, Middle East & Africa (EMEA) is the Group's largest region. It is divided into eight sub-regions: Nordic, Central Europe, Southern Europe, UK/Ireland, France, Eastern Europe, Middle East and Africa.

Gunnebo's offering in EMEA comprises cash handling, safes and vaults, entrance security and electronic security, along with security-related service, and is available on most markets. The largest customer segments are bank, retail, CIT companies, mass transit, public and commercial buildings, as well as industrial and high-risk sites.

April - June 2014

Order intake in EMEA decreased by 3% organically compared to the second quarter of 2013. During the first quarter of the year, the order intake was slightly positive which indicates a stabilising trend for the first six months as a whole.

Organic net sales in the region were unchanged during the quarter. Strategically important product segments such as entrance security and cash handling showed increased sales on several markets in Europe. SafePay, the Group's solution for closed cash handling, continued to show satisfactory growth during the quarter. In France sales decreased due to lower demand in the bank sector.

During the second quarter the French subsidiary Fichet-Bauche Telesurveillance (FBT) was divested, which boosted the operating profit by MSEK 73. Continued adjustments to the cost structure in Europe were also carried out during the second quarter, and expenses of a non-recurring nature burdened the operating profit by MSEK -22 (-8). The adjustments related to sales companies and production units alike.

Cost savings and efficiencies contributed to an operating profit of MSEK 30 (13) excluding items of a non-recurring nature. Cost-cutting effects were noted in the Nordic region, Southern Europe and France, for example. The operating margin for the second quarter excluding items of a non-recurring nature amounted to 3.2% (1.5%).

QUARTER IN BRIEF

- Divestment of the French subsidiary Fichet-Bauche Telesurveillance (FBT)
- Coop and Gunnebo extend cooperation aiming at increased security with continued roll-out of solutions for closed cash handling in Coop's Nordic stores
- British pharmaceutical company UDG Ltd places an order for a larger vault for its facilities in the UK
- A branch office opens up in Oman to improve customer service

FACTS EMEA

- SVP: Morten Andreasen
- Sales companies: 21

Nordic: Denmark, Finland, Norway, Sweden
Central Europe: Austria, Belgium, Germany, Luxembourg, Netherlands, Switzerland
Southern Europe: Italy, Portugal, Spain
France
Eastern Europe: Czech Republic, Hungary, Poland,
UK/Ireland
Middle East: UAE
Africa: South Africa

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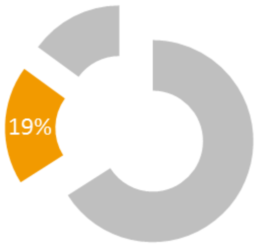
Region Asia-Pacific					
	April-June		Jan-June		Full year
MSEK	**2014**	**2013**	**2014**	**2013**	**2013**
Order intake	**232**	270	**490**	522	1,043
Organic growth, %	*-8*		*2*		
Net sales	**281**	238	**502**	451	954
Organic growth, %	*24*		*20*		
Operating profit/loss excl. non-recurring items	**42**	32	**66**	61	134
Operating margin excl. non-recurring items, %	**14.9**	13.4	**13.1**	13.5	14.0
Non-recurring items	**-5**	-4	**-6**	-4	-8
Operating profit/loss	**37**	28	**60**	57	126

Percentage of Group Sales:19%



Region Asia-Pacific

Asia-Pacific is the Group's fastest growing region. It is divided into four sub-regions: India, China, Australia/New Zealand and South-East Asia. Furthermore, Gunnebo has a wide network of channel partners on many of the region's markets.

Gunnebo's offering in Asia-Pacific mainly comprises the sale of safes and vaults for the bank sector and entrance security for public and commercial properties and for industrial and high-risk sites and mass transit. There is also a growing business in security-related service and cash handling in the region.

April – June 2014

A lower order intake was noted in Region Asia-Pacific, organically it decreased by 8%. In India a decrease was reported in conjunction with the political elections held there, which partly offset a good order intake in South-East Asia.

Net sales increased organically by 24%. The continued expansion of the ATM network in India, larger deliveries of entrance security and vaults in Australia, and the delivery to the Guanfu Museum in Shanghai, which was announced in the first quarter, contributed to a strong quarter.

Operating profit excluding items of a non-recurring nature amounted to MSEK 42 (32), which equates to an operating margin of 14.9% (13.4%). Items of a non-recurring nature totalled MSEK -5 (-4).

QUARTER IN BRIEF

- Busan International Finance Center in South Korea signs order for Entrance Security
- Vault@268 Orchard Road in Singapore signs the first order for a vault and the automated safe deposit locker system, SafeStore Auto
- Gunnebo China receives order for entrance security from a Chinese nuclear power plant
- In Malaysia, a further order for automated safe deposit locker system, SafeStore Auto, is received

FACTS ASIA-PACIFIC

- SVP: Per Borgvall
- Sales companies: 8

Australia/New Zealand
India
China
South-East Asia: Malaysia, Indonesia, Singapore, South Korea

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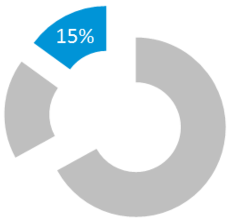
Region Americas	April-June		Jan-June		Full year
MSEK	**2014**	**2013**	**2014**	**2013**	**2013**
Order intake	**190**	288	**368**	511	913
Organic growth, %	*-31*		*-25*		
Net sales	**213**	200	**400**	381	843
Organic growth, %	*9*		*8*		
Operating profit/loss excl. non-recurring items	**26**	24	**41**	39	125
Operating margin excl. non-recurring items, %	**12.2**	12.0	**10.3**	10.2	14.8
Non-recurring items	**-3**	0	**-3**	0	-2
Operating profit/loss	**23**	24	**38**	39	123

Percentage of Group Sales: 15%



Region Americas

Region Americas is divided into two sub-regions: North America and Latin America.

Gunnebo's offering in Region Americas comprises security-related service, safes and vaults for the bank and retail sectors, entrance security, and electronic security solutions for banks and public and commercial properties.

April - June 2014

In Region Americas, order intake decreased organically by 31% compared to the second quarter of 2013. Last year a large order was received in Mexico from BBVA Bancomer with a three-year delivery agreement; no equivalent order was received this year. The tightening of the federal budget in the US and the slowdown in the retail sector in Brazil, which has been reported previously, also had an adverse effect on the second quarter.

Net sales increased organically by 9% during the second quarter. Growth in product-related and other services to the bank sector increased in both North and Latin America. In the US a stronger focus on large key customers has increased sales, and this has compensated for lower activity among governmental customers.

Operating profit excluding items of a non-recurring nature amounted to MSEK 26 (24), which resulted in an operating margin of 12.2% (12.0%).

QUARTER IN BRIEF

- Order for 21 entrance control gates received from an exclusive commercial building on Manhattan, New York
- A public authority in Chicago places an order for 12 entrance control gates to be installed in one of the city's most important buildings
- One of Canada's largest banks with more than 1,100 branches extends service agreement with Gunnebo for another 3-year period

FACTS AMERICAS

- SVP: Tomas Wängberg
- Sales companies: 4

North America: Canada, US
Latin America: Brazil, Mexico

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APRIL – JUNE 2014

Order intake and net sales

The Group's order intake during the second quarter of 2014 amounted to MSEK 1,330 (1,454). Organically the order intake fell by 10%.

Net sales increased by MSEK 94 to MSEK 1,419 (1,325). Organically, sales increased by 6%.

Financial results

Operating profit amounted to MSEK 141 (57). Operating profit adjusted for items of a non-recurring nature amounted to MSEK 98 (69), which equates to an operating margin of 6.9% (5.2%). Currency effects had a negative impact on profit of MSEK -1.

JANUARY – JUNE 2014

Order intake and net sales

During January-June 2014, the Group's order intake totalled MSEK 2,836 (2,953). Organically order intake decreased by 4%.

Net sales increased by MSEK 189 to MSEK 2,669 (2,480). Organically, sales increased by 7%.

Financial results

Operating profit increased to MSEK 159 (58) and the operating margin to 6.0% (2.3%). Currency effects had a negative impact on profit of MSEK -9.

The divestment of Fichet-Bauche Telesurveillance in June 2014 resulted in a capital gain of MSEK 73, which is entered under operating profit. Restructuring costs burdened the result by MSEK 50 (22). These costs could mainly be attributed to staff cuts in the Group's European sales companies and production units. All in all, items of a non-recurring nature improved operating profit by MSEK 23 (-22). Adjusted for such items operating profit amounted to MSEK 136 (80), which equates to an operating margin of 5.1% (3.2%).

Net financial items totalled MSEK -19 (-16). Group profit after financial items amounted to MSEK 140 (42). Net profit for the period totalled MSEK 103 (22), and earnings per share attributable to the parent company's shareholders were SEK 1.36 (0.29) per share.

Capital expenditure and depreciation

Investments made in intangible assets and property, plant and equipment during the period totalled MSEK 28 (43). Depreciation amounted to MSEK 42 (41).

Cash flow

Cash flow from operating activities improved compared to the same period last year and amounted to MSEK -5 (-64), primarily as a result of higher operating profit. Changes in working capital contributed MSEK 17 to the increase. Payments related to restructuring measures burdened the cash flow by MSEK 27 (27).

Free cash flow, i.e. operating cash flow after deductions for net financial items affecting cash flow and paid tax, amounted to MSEK -24 (-99). The divestment of Fichet-Bauche Telesurveillance brought in MSEK 77 net and produced a positive cash flow from investing activities.

Liquidity and financial position

The Group's liquid funds at the end of the period amounted to MSEK 292 (392 at beginning of year). Equity was MSEK 1,540 (1,463 at beginning of year) and the equity ratio was 34% (34% at beginning of year).

The increase in equity can primarily be attributed to net profit for the period, which amounted to MSEK 103. Translation differences in foreign operations, reported in other comprehensive income, had a positive effect on equity of MSEK 51. Dividend payments to shareholders burdened equity by MSEK 76.

Net debt increased to MSEK 1,145 (1,088 at beginning of year), primarily due to the shareholder dividend and an increase in working capital tied up. The divestment of Fichet-Bauche Telesurveillance had a positive effect on net debt. The debt/equity ratio totalled 0.7 (0.7 at beginning of year). Net debt excluding pension commitments amounted to MSEK 772 (728 at beginning of year).

The Group's long-term agreed credit framework on June 30, 2014 amounted to MSEK 1,512 and ensures financing is available on market terms until the end of February 2019.

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. Net sales for the period January-June amounted to MSEK 93 (42), of which MSEK 0 (0) related to external customers. Net profit/loss for the period amounted to MSEK 21 (-17).

Employees

The number of employees at the end of the period was 5,629 (5,612 at beginning of year). The number of employees outside of Sweden at the end of the period was 5,455 (5,432 at beginning of year).

Share data

Earnings per share after dilution were SEK 1.36 (0.29). The number of shareholders totalled 12,400 (10,700).

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.

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.

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 2013 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%.

This interim report is a translation of the original report in Swedish which has not been reviewed by the company's auditors.

Certification

The Board of Directors of Gunnebo AB hereby certifies that this interim report provides a true and fair overview of the business, financial position and results of the parent company and the Group, and describes significant risks and uncertainty factors with which the company and the companies in the Group are faced.

Gothenburg, July 16, 2014

Martin Svalstedt
Chairman

Tore Bertilsson Board member	Göran Bille Board member	Charlotte Brogren Board member	Bo Dankis Board member	Mikael Jönsson Board member
	Irene Thorin Board member	Per Borgvall President	Crister Carlsson Board member	

Group

Summary Group income statement

	April-June		Jan-June		Full year
MSEK	**2014**	**2013**	**2014**	**2013**	**2013**
Net sales	**1,419**	1,325	**2,669**	2,480	5,271
Cost of goods sold	**-1,007**	-918	**-1,901**	-1,745	-3,689
Gross profit	**412**	407	**768**	735	1,582
Other operating costs, net	**-271**	-350	**-609**	-677	-1,360
Operating profit/loss	**141**	57	**159**	58	222
Net financial items	**-11**	-7	**-19**	-16	-75
Profit/loss after financial items	**130**	50	**140**	42	147
Taxes	**-24**	-16	**-37**	-20	-45
Profit/loss for the period	**106**	34	**103**	22	102
Whereof attributable to:					
Parent company shareholders	**106**	34	**103**	22	98
Non-controlling interests	**0**	0	**0**	0	4
	106	34	**103**	22	102
Earnings per share before dilution, SEK	**1.40**	0.45	**1.36**	0.29	1.29
Earnings per share after dilution, SEK	**1.40**	0.45	**1.36**	0.29	1.29

Statement of comprehensive income in brief

MSEK	April-June 2014	April-June 2013	Jan-June 2014	Jan-June 2013	Full year 2013
Profit/loss for the period	**106**	34	**103**	22	102
Other comprehensive income for the period					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains and losses*	**-**	-	**-**	-	-16
Total items that will not be reclassified to profit or loss subsequently	**-**	-	**-**	-	-16
Items that may be reclassified subsequently to profit or loss					
Translation differences in foreign operations	**38**	-16	**51**	-24	-81
Hedging of net investments*	**2**	3	**2**	-2	-3
Cash-flow hedges*	**-4**	2	**-5**	3	2
Total items that may be reclassified to profit or loss subsequently	**36**	-11	**48**	-23	-82
Total other comprehensive income	**36**	-11	**48**	-23	-98
Total comprehensive income for the period	**142**	23	**151**	-1	4
Whereof attributable to:					
Parent company shareholders	**141**	24	**149**	0	3
Non-controlling interests	**1**	-1	**2**	-1	1
Total	**142**	23	**151**	-1	4

*Net of taxes

Summary Group balance sheet

MSEK	30 June 2014	30 June 2013	31 Dec 2013
Goodwill	**1,366**	1,326	1,322
Other intangible assets	**168**	179	172
Property, plant and equipment	**302**	322	304
Financial assets	**15**	60	17
Deferred tax assets	**322**	276	307
Inventories	**687**	647	609
Current receivables	**1,341**	1,225	1,212
Liquid funds	**292**	291	392
Total assets	**4,493**	4,326	4,335
Equity	**1,540**	1,456	1,463
Long-term liabilities	**1,415**	1,241	1,274
Current liabilities	**1,538**	1,629	1,598
Total equity and liabilities	**4,493**	4,326	4,335

Changes in Group equity in brief

MSEK	Jan-June 2014	Jan-June 2013	Full year 2013
Opening balance	**1,463**	1,533	1,533
Total comprehensive income for the period	**151**	-1	4
New share issue*	**2**	-	2
Dividend	**-76**	-76	-76
Closing balance	**1,540**	1,456	1,463

*Refers to the issue of shares to participants in incentive programmes

Summary Group cash flow statement

MSEK	April-June 2014	April-June 2013	Jan-June 2014	Jan-June 2013	Full year 2013
Cash flow from operating activities before changes in working capital	**68**	49	**84**	42	218
Cash flow from changes in working capital	**-10**	-84	**-89**	-106	-7
Cash flow from operating activities	**58**	-35	**-5**	-64	211
Net investments	**-14**	-12	**-19**	-35	-67
Acquisition of operations	**-**	-	**-**	-	-8
Divestment of operations	**77**	-	**77**	-	-
Cash flow from investing activities	**63**	-12	**58**	-35	-75
Change in interest-bearing receivables and liabilities	**-54**	108	**-96**	121	13
New share issue	**2**	-	**2**	-	2
Dividend	**-76**	-76	**-76**	-76	-76
Cash flow from financing activities	**-128**	32	**-170**	45	-61
Cash flow for the period	**-7**	-15	**-117**	-54	75
Liquid funds at the beginning of the period	**288**	306	**392**	350	350
Translation difference in liquid funds	**11**	0	**17**	-5	-33
Liquid funds at the end of the period	**292**	291	**292**	291	392

Summary Group operating cash flow statement

MSEK	April-June 2014	April-June 2013	Jan-June 2014	Jan-June 2013	Full year 2013
Operating profit/loss	**141**	57	**159**	58	222
Adjustment for non-cash items	**-41**	21	**-13**	36	113
Cash flow from changes in working capital	**-10**	-84	**-89**	-106	-7
Net investments	**-14**	-12	**-19**	-35	-67
Operating cash flow	**76**	-18	**38**	-47	261
Net financial items affecting cash flow	**-9**	-7	**-14**	-17	-32
Taxes paid	**-23**	-22	**-48**	-35	-85
Free cash flow	**44**	-47	**-24**	-99	144

Reconciliation to profit/loss after financial items

MSEK	April-June 2014	April-June 2013	Jan-June 2014	Jan-June 2013	Full year 2013
Region Europe, Middle East & Africa	**81**	5	**61**	-38	-27
Region Asia-Pacific	**37**	28	**60**	57	126
Region Americas	**23**	24	**38**	39	123
Operating profit/loss	**141**	57	**159**	58	222
Net financial items	**-11**	-7	**-19**	-16	-75
Profit/loss after financial items	**130**	50	**140**	42	147

Sales by market

	April-June 2014	April-June 2013	Jan-June 2014	Jan-June 2013	Full year 2013
France	**18%**	20%	**19%**	20%	19%
USA	**8%**	8%	**8%**	8%	8%
India	**7%**	7%	**8%**	8%	7%
UK	**5%**	5%	**5%**	5%	5%
Spain	**5%**	4%	**4%**	4%	4%
Sweden	**4%**	3%	**4%**	4%	4%
Germany	**4%**	5%	**4%**	4%	5%
Denmark	**3%**	3%	**3%**	3%	3%
Australia	**4%**	3%	**3%**	3%	3%
The Netherlands	**3%**	3%	**3%**	2%	2%
Others	**39%**	39%	**39%**	39%	40%
Total	**100%**	100%	**100%**	100%	100%

Parent company

Summary parent company income statement

MSEK	April-June 2014	April-June 2013	Jan-June 2014	Jan-June 2013	Full year 2013
Net sales	**48**	21	**93**	42	204
Administrative expenses	**-32**	-28	**-65**	-52	-147
Operating profit/loss	**16**	-7	**28**	-10	57
Net financial items	**-5**	-3	**-6**	-6	-14
Profit/loss after financial items	**11**	-10	**22**	-16	43
Appropriations	**-**	-	**-**	-	-90
Taxes	**0**	-1	**-1**	-1	-3
Profit/loss for the period	**11**	-11	**21**	-17	-50

Changes in parent company comprehensive income in brief

MSEK	April-June 2014	April-June 2013	Jan-June 2014	Jan-June 2013	Full year 2013
Profit/loss for the period	**11**	-11	**21**	-17	-50
Other comprehensive income, net after tax	**-**	-	**-**	-	-
Total comprehensive income for the period	**11**	-11	**21**	-17	-50

Summary parent company balance sheet

MSEK	30 June 2014	30 June 2013	31 Dec 2013
Other intangible assets	**7**	6	6
Property, plant and equipment	**2**	3	2
Financial assets	**1,726**	1,693	1,726
Current receivables	**54**	34	140
Liquid funds	**3**	1	3
Total assets	**1,792**	1,737	1,877
Equity	**1,379**	1,463	1,432
Current liabilities	**413**	274	445
Total equity and liabilities	**1,792**	1,737	1,877

Changes in parent company equity in brief

MSEK	Jan-June 2014	Jan-June 2013	Full year 2013
Opening balance	**1,432**	1,556	1,556
Total comprehensive income for the period	**21**	-17	-50
New share issue*	**2**	-	2
Dividend	**-76**	-76	-76
Closing balance	**1,379**	1,463	1,432

*Refers to the issue of shares to participants in incentive programmes

Group Key Ratios

Key ratios

	Jan-June		Full year
	2014	**2013**	**2013**
Gross margin, %	**28.8**	29.6	30.0
Operating margin before depreciation (EBITDA) excl. non-recurring items, %	**6.7**	5.0	7.4
Operating margin before depreciation (EBITDA), %	**7.5**	4.1	5.9
Operating margin (EBIT) excl. non-recurring items, %	**5.1**	3.2	5.8
Operating margin (EBIT), %	**6.0**	2.3	4.2
Profit margin (EBT), %	**5.3**	1.7	2.8
Return on capital employed, %[1)]	**11.4**	6.7	7.9
Return on equity, %[1)]	**12.5**	1.6	6.9
Capital turnover rate, times	**1.8**	1.8	1.8
Equity ratio, %	**34**	34	34
Interest coverage ratio, times	**8.4**	3.3	5.3
Debt/equity ratio, times	**0.7**	0.9	0.7

[1)] During the last twelve-month period

Data per share

	Jan-June		Full year
	2014	**2013**	**2013**
Earnings per share before dilution, SEK	**1.36**	0.29	1.29
Earnings per share after dilution, SEK	**1.36**	0.29	1.29
Equity per share, SEK	**20.03**	19.00	19.06
Free cash flow per share, SEK	**-0.33**	-1.31	1.90
No. of shares at end of period, thousands	**75,987**	75,856	75,914
Average no. of shares, thousands	**75,920**	75,856	75,863

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Quarterly data, MSEK

Income statement	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2
Net sales	1,169	1,270	1,280	1,517	1,155	1,325	1,314	1,477	1,250	**1,419**
Costs of goods sold	-825	-889	-900	-1,052	-827	-918	-908	-1,036	-894	**-1,007**
Gross profit	344	381	380	465	328	407	406	441	356	**412**
Other operating costs, net	-334	-339	-363	-355	-327	-350	-345	-338	-338	**-271**
Operating profit/loss	10	42	17	110	1	57	61	103	18	**141**
Net financial items	-4	-4	-6	-52	-9	-7	-8	-51	-8	**-11**
Profit/loss after financial items	6	38	11	58	-8	50	53	52	10	**130**
Taxes	-9	-14	-10	-56	-4	-16	-21	-4	-13	**-24**
Profit/loss for the period	-3	24	1	2	-12	34	32	48	-3	**106**
Key ratios										
Gross margin, %	29.4	30.0	29.7	30.7	28.4	30.7	30.9	29.9	28.5	**29.0**
Operating margin, %	0.8	3.3	1.3	7.3	0.1	4.3	4.6	7.0	1.5	**9.9**
Operating profit (EBIT) excl. non-recurring items, MSEK	14	50	63	139	11	69	93	133	38	**98**
Operating profit (EBIT) excl. non-recurring items, %	1.2	3.9	4.9	9.2	0.9	5.2	7.1	9.0	3.1	**6.9**
Earnings per share, SEK [1)]	-0.04	0.32	-0.02	0.00	-0.16	0.45	0.39	0.61	-0.04	**1.40**

[1)] Before and after dilution

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Notes

Note 1 Non-recurring items per function

MSEK	Jan-June incl. non-recurring items 2014	Non-recurring items 2014	Jan-June excl. non-recurring items 2014
Net sales	2,669	-	2,669
Cost of goods sold	-1,901	20	-1,881
Gross profit	**768**	**20**	**788**
Gross margin	*28.8%*		*29.5%*
Other operating costs, net	-609	-43	-652
Operating profit/loss	**159**	**-23**	**136**
Operating margin	*6.0%*		*5.1%*

Note 2 Assets and liabilities in discountinued operations*

MSEK	
Goodwill	5
Other intangible assets	0
Property, plant and equipment	6
Deferred tax assets	0
Current receivables	12
Liquid funds	13
Long-term liabilities	-1
Current liabilities	-18
Net assets sold	**17**
Capital gain/loss	73
Received purchase sum after transaction costs and taxes	**90**
Liquid funds in discontinued operations	-13
Effect on group liquid funds	**77**

*Refers to Fichet-Bauche Telesurveillance

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Definitions

Capital employed:
Total assets less non interest-bearing provisions and liabilities.

Capital turnover rate:
Net sales in relation to average capital employed.

Debt/equity ratio:
Net debt in relation to equity.

Earnings per share:
Profit after tax attributable to the parent company's shareholders divided by the average number of shares.

EBITDA:
Operating profit before depreciation, amortisation and write-down of intangible assets and property, plant and equipment

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.

Free cash flow per share:
Cash flow from operating and investing activities, excluding acquisitions and divestments, divided by the average number of shares in issue after dilution.

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.

Organic growth:
Growth in net sales, or order intake, adjusted for acquisitions, divestments and exchange rate effects.

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

Interim report January-September 2014	October 23, 2014
Year-end release 2014	February 4, 2015
Annual General Meeting 2015	April 15, 2015
Interim report January-March 2015	April 28, 2015

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