Gunnebo
For a safer world

# THE LEADING GLOBAL PROVIDER OF A SAFER FUTURE

# YEAR-END RELEASE 2011

## CEO's comments

"2011 has been an eventful year. We are continuing to implement the established strategy which means, for example, that we have continued to streamline our business by divesting the fencing business, Perimeter Protection, and have strengthened our core business with the acquisition of South African Alltech and the sales company in Brazil. We have also continued to invest in and lay a firm foundation for growth in China, India and Indonesia.

The aim of our strategy is to focus fully on our core business, create growth and improve the Group's profitability. 2011 finished strongly with operating profit excluding items affecting comparability of MSEK 138 in the fourth quarter, which equates to a margin of 9.2%. For the year as a whole there was a gross margin of 30.5% (29.3%), an operating margin of 6.3% (3.7%) and a strongly improved net profit of MSEK 230 (178), equating to an increase of 29% on the previous year. Net debt at the year-end amounted to MSEK 299 (261) and the equity ratio totalled 45% (43%). Our strong financial position leaves head-room for further growth initiatives.

The markets outside Europe have shown a strong development during the year with a growth-rate of 21%. In the Asia-Pacific region, growth was 26%.

The markets in Northern Europe have shown stable development during the year, as have some markets in Southern Europe such as France and Italy. However, we do not see any signs of a quick recovery of the negative market development in Spain, which is the background to the cost-savings program communicated in December.

The strategy that was carved out in 2010 and implemented in 2011 means that we now have a clear focus on our core business. In 2012 Gunnebo will continue to invest in growth, conduct activities which improve the gross margin as well as drive activities leading to greater sales-efficiency in the European sales organisations. To help in this we have a strong financial position, a streamlined business and an organisation prepared to seize the opportunities being offered in the 2012 financial year."

## Fourth quarter 2011

- Order intake amounted to MSEK 1,223 (1,206), in constant currency rates it increased by 3%.
- Net sales improved to MSEK 1,492 (1,441), in constant currency rates they increased by 6%.
- Operating profit excluding expenses of a non-recurring nature amounted to MSEK 138 (142) and the operating margin to 9.2% (9.9%).
- Operating profit strengthened to MSEK 166 (65) and the operating margin to 11.1% (4.5%).
- Net financial items improved to MSEK -7 (-18).
- Profit after tax for the period improved and totalled MSEK 153 (146).
- Earnings per share were SEK 1.98 (1.93).

## 2011 as a whole

- Order intake increased in constant currency rates by 2% and amounted to MSEK 5,091 (5,271).
- Net sales increased in constant currency rates by 3% and amounted to MSEK 5,137 (5,263).
- Operating profit excluding expenses of a non-recurring nature amounted to MSEK 317 (324) and the operating margin to 6.2% (6.1%).
- Operating profit strengthened to MSEK 324 (197) and the operating margin was 6.3% (3.7%).
- Net financial items improved to MSEK -26 (-75).
- Profit after tax for the period improved and totalled MSEK 230 (178).
- Earnings per share were SEK 3.00 (2.35).
- The Board and the President propose a dividend of SEK 1.00 (SEK 0.50) per share.

### In Brief

| | Oct-Dec | | Full year | |
|---|---|---|---|---|
| **MSEK** | **2011** | **2010** | **2011** | **2010** |
| Order intake | **1,223** | 1,206 | **5,091** | 5,271 |
| Net sales | **1,492** | 1,441 | **5,137** | 5,263 |
| Operating profit before depreciation (EBITDA) | **190** | 82 | **405** | 280 |
| Operating margin before depreciation (EBITDA), % | **12.7** | 5.7 | **7.9** | 5.3 |
| Operating profit before non-recurring items | **138** | 142 | **317** | 324 |
| Operating margin before non-recurring items, % | **9.2** | 9.9 | **6.2** | 6.1 |
| Operating profit (EBIT) | **166** | 65 | **324** | 197 |
| Operating margin (EBIT), % | **11.1** | 4.5 | **6.3** | 3.7 |
| Profit/loss for the period | **153** | 146 | **230** | 178 |
| Earnings per share, SEK[1)] | **1.98** | 1.93 | **3.00** | 2.35 |

[1)] Earnings per share before and after dilution



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# Business Area Summary

## Order intake

| MSEK | Oct-Dec 2011 | Oct-Dec 2010 | Full year 2011 | Full year 2010 |
|---|---|---|---|---|
| Business Area Bank Security & Cash Handling | **554** | 533 | **2,215** | 2,477 |
| Business Area Entrance Control | **175** | 160 | **713** | 654 |
| Business Area Secure Storage | **191** | 181 | **736** | 748 |
| Business Area Global Services | **245** | 264 | **1,144** | 1,120 |
| Business Area Developing Businesses | **58** | 68 | **283** | 272 |
| **Total** | **1,223** | 1,206 | **5,091** | 5,271 |

## Net sales

| MSEK | Oct-Dec 2011 | Oct-Dec 2010 | Full year 2011 | Full year 2010 |
|---|---|---|---|---|
| Business Area Bank Security & Cash Handling | **690** | 696 | **2,276** | 2,427 |
| Business Area Entrance Control | **209** | 183 | **720** | 691 |
| Business Area Secure Storage | **200** | 198 | **731** | 750 |
| Business Area Global Services | **301** | 280 | **1,120** | 1,120 |
| Business Area Developing Businesses | **92** | 84 | **290** | 275 |
| **Total** | **1,492** | 1,441 | **5,137** | 5,263 |

## Operating profit/loss, excl non-recurring items

| MSEK | Oct-Dec 2011 | Oct-Dec 2010 | Full year 2011 | Full year 2010 |
|---|---|---|---|---|
| Business Area Bank Security & Cash Handling | **81** | 85 | **167** | 199 |
| Business Area Entrance Control | **25** | 17 | **51** | 35 |
| Business Area Secure Storage | **6** | 15 | **16** | 48 |
| Business Area Global Services | **40** | 31 | **138** | 107 |
| Business Area Developing Businesses | **-9** | 2 | **-35** | -32 |
| Central items | **-5** | -8 | **-20** | -33 |
| **Total** | **138** | 142 | **317** | 324 |

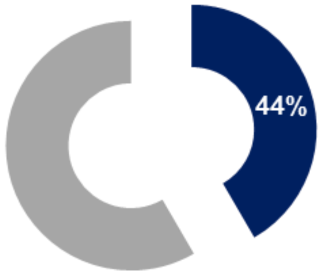
## Operating margin, excl non-recurring items

| % | Oct-Dec 2011 | Oct-Dec 2010 | Full year 2011 | Full year 2010 |
|---|---|---|---|---|
| Business Area Bank Security & Cash Handling | **11.7** | 12.2 | **7.3** | 8.2 |
| Business Area Entrance Control | **12.0** | 9.3 | **7.1** | 5.1 |
| Business Area Secure Storage | **3.0** | 7.6 | **2.2** | 6.4 |
| Business Area Global Services | **13.3** | 11.1 | **12.3** | 9.6 |
| Business Area Developing Businesses | **-9.8** | 2.4 | **-12.1** | -11.6 |
| **Total** | **9.2** | 9.9 | **6.2** | 6.1 |

## Business Area Bank Security & Cash Handling

| | Oct-Dec | | Full year | |
|---|---|---|---|---|
| **MSEK** | **2011** | **2010** | **2011** | **2010** |
| Order intake | **554** | 533 | **2,215** | 2,477 |
| Net sales | **690** | 696 | **2,276** | 2,427 |
| Operating profit/loss | **64** | 70 | **147** | 166 |
| Operating margin, % | **9.3** | 10.1 | **6.5** | 6.8 |
| Non-recurring items | **-17** | -15 | **-20** | -33 |

**Part of Group sales: 44%**




*Order intake for the fourth quarter amounted to MSEK 554 (533), in constant currency rates it increased by 5%. Net sales for the same period totalled MSEK 690 (696), in constant currency rates an increase of 2%. The business area's order intake for the year as a whole totalled MSEK 2,215 (2,477). In constant currency rates the order intake decreased by 5%, mainly due to an exceptional project order from a central bank in the Africa/Middle East region in 2010. Excluding this order, the order intake in constant currency rates was unchanged. Net sales amounted to MSEK 2,276 (2,427), in constant currency rates it decreased by 1%. Operating profit amounted to MSEK 147 (166) and the operating margin to 6.5% (6.8%).*

## The market for bank security and cash handling

Business within Bank Security & Cash Handling targets all the players in the global cash handling cycle – central banks, retail-banks, the retail trade and cash-in-transit (CIT) companies. The process for handling cash varies from market to market, depending on the agenda of the central bank. Thanks to Gunnebo's strong portfolio, which also includes a wide range of services, the offering can be adapted to conditions on each market.

The trend of retailers and cash-in-transit (CIT) companies investing in increasingly sophisticated equipment for back office cash handling is continuing. At the same time the number of bank branches in Asia is increasing. Gunnebo has also noted increased interest in several of the Group's key offerings in cash handling and electronic security (locks, alarm panels and CCTV) from large international customers.

From a global perspective, the business area's markets are continuing to develop positively. Gunnebo has strong market positions on some of the world's fastest growing markets in bank security and cash handling such as India, Indonesia and South Africa. The acquisition in Brazil during the fourth quarter gives the business area a strong base for developing business on the fast-growing Brazilian market.

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

## Market development in 2011

The Indian bank market has continued to develop very strongly during the year, as have some markets in the Middle East and Canada.

In Southern Europe the markets in France, Italy and Switzerland have shown stable development but there is no sign of a quick recovery in Spain.

In Northern Europe, the order intake has developed well in Germany and the Netherlands, particularly in the cash handling segment. The German operation has made a turnaround in 2011 and is contributing positively to Group profit for the first time in many years.

## Profit analysis

The markets in Asia and some markets in the Middle East have reported good growth during the year, which has partly compensated for the weaker profit development in Europe. Thanks to a good end to the year on several markets, the results are on a par with last year.

### QUARTER IN BRIEF

- Major order from ABN AMRO for safebags (night safe deposit) in Holland
- Sales of electronic security continue to develop well in France (with noticeable order of badges from Paris Airport)
- Gunnebo's electronic lock GSL 1000 has encountered success in Czech Republic with Komerci Bank (Société Generale Group)
- Ongoing strong order intake development from the 2 major gold loan companies in India (safes and vault doors)
- Integration of Gunnebo Brazil brings a strong foothold in local retail market

### BUSINESS AREA IN BRIEF

**Business idea**
Protecting assets and streamlining cash handling.

**Major customers**
Banks, central banks, CIT and retailers

**Offering**
Self-service solutions for lobbies, certified vaults and safes, safety deposit lockers, access- and entrance control, cash-handling solutions for backoffice, high-security locks and surveillance and alarm systems.



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## Business Area Entrance Control

| | Oct-Dec | | Full year | |
|---|---|---|---|---|
| **MSEK** | **2011** | **2010** | **2011** | **2010** |
| Order intake | **175** | 160 | **713** | 654 |
| Net sales | **209** | 183 | **720** | 691 |
| Operating profit/loss | **10** | -1 | **36** | -1 |
| Operating margin, % | **4.8** | -0.5 | **5.0** | -0.1 |
| Non-recurring items | **-15** | -18 | **-15** | -36 |

**Part of Group sales:14%**


*Order intake increased during the fourth quarter to MSEK 175 (160), in constant currency rates the increase was 11%. Net sales for the same period totalled MSEK 209 (183), in constant currency rates they increased by 17%. Order intake for the year as a whole increased in constant currency rates by 15% to MSEK 713 (654). Net sales for the same period increased in constant currency rates by 10% to MSEK 720 (691). Operating profit improved to MSEK 36 (-1) and the operating margin to 5.0% (-0.1%).*

## The market for entrance control

The market for entrance control is a global growth market driven by several factors. One strong driving force is investment in infrastructure such as airports, metro systems and expanded rail traffic, which is fuelled by increased demand for mobility in cities and between national borders. Civil unrest in some parts of the world result in increased demand for physical security and solutions for entrance control in buildings, as well as an increased need to protect strategically important facilities.

Tenants of large office buildings also demand increased security around facilities and in within buildings with the aim of preventing unauthorized access and the ability to detect and record events.

## Market development in 2011

The order intake has developed well during the year. In general, the markets outside of Europe developed strongly during the period, particularly the markets in Southeast Asia, North America, Australia and South Africa.

In Europe the markets in Italy and France have shown stable development throughout the year, while most other markets have reported weaker development.

## Profit analysis

The improved operating profit can primarily be explained by increased sales, as well as measures within the Get It Right programme, which helped maintain gross margins and contributed to lower costs (which also includes the closure of the factory in Bedford in 2010). The acquisition of Alltech has contributed positively to the profit for the year.

### QUARTER IN BRIEF

- Naples Metro extension will be equipped with Gunnebo gates
- Security in Banco do Portugal re-inforced with DarTek ballistic resistant doors
- Barcelona Metro place further orders of Metro SpeedGates for 4 additional stations
- The flow of visitors to and from the New Stadium for the 2016 Eurocup in France will be regulated by Tripod turnstiles
- The European commission in Brussel to be equipped with SpeedStiles
- The prestigious Shard Building in London will be equipped with SpeedStiles

### BUSINESS AREA IN BRIEF

**Business idea**
Preventing unauthorised access

**Major customers**
Public transport such as metro and bus systems, airports, leisure centres, power stations, telecom provision systems, office buildings and other buildings and installations in need of high security

**Offering**
***Product solutions:*** A wide range of entrance gates, security gates, security doors, blast and bullet-resistant doors, windows, partitions and transfer solutions

***Concept solutions*** for entrance control for office buildings, public transport such as metro systems, express trains, airports and bus networks



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| Business Area Secure Storage | | | | |
|---|---|---|---|---|
| | Oct-Dec | | Full year | |
| **MSEK** | **2011** | **2010** | **2011** | **2010** |
| Order intake | **191** | 181 | **736** | 748 |
| Net sales | **200** | 198 | **731** | 750 |
| Operating profit/loss | **5** | 9 | **15** | 38 |
| Operating margin, % | **2.5** | 4.5 | **2.1** | 5.1 |
| Non-recurring items | **-1** | -6 | **-1** | -10 |

**Part of Group sales:14%**


*Order intake for the fourth quarter increased to MSEK 191 (181), in constant currency rates the increase was 8%. Net sales for the same period totalled MSEK 200 (198), in constant currency rates they were up 3%. Order intake for the year as a whole amounted to MSEK 736 (748), in constant currency rates it increased by 4%. Net sales for the same period totalled MSEK 731 (750), in constant currency rates they were up 3%. Operating profit amounted to MSEK 15 (38) and the operating margin to 2.1% (5.1%).*

## The market for secure storage

Business within Secure Storage is driven largely by increased awareness about the importance of protecting valuables against fire and theft. On many 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 is on markets in Asia, the Middle East and Africa.

## Market development in 2011

The business area's sales developed well during the fourth quarter, particularly in France and Australia. Sales of safes to manufacturers of ATM's developed well throughout the period, and Gunnebo predicts a trend of continued higher volumes.

## Profit analysis

The markets in Asia and Australia have shown stable profit development, while development in Northern Europe has been weaker due to lower demand. An unfavourable product mix has had an adverse effect on profitability during the year.

### QUARTER IN BRIEF

- Continued good development in order intake from global OEMs
- Good performance in key markets such as France, Indonesia and Australia

### BUSINSS AREA IN BRIEF

**Business concept**
Protecting valuables from fire and theft

**Major customers**
End customers range from casinos, major well-known jewellers, fashion houses, offices, pharmaceuticals producers and authorities, to one-person businesses, universities and hospitals. Direct customers primarily comprise a very large network of retailers.

**Offering**
Safes and cabinets, fire-resistant and burglar-resistant safes and OEM production of safes for ATMs.

| **Business Area Global Services** | | | | |
|---|---|---|---|---|
| | Oct-Dec | | Full year | |
| **MSEK** | **2011** | **2010** | **2011** | **2010** |
| Order intake | **245** | 264 | **1,144** | 1,120 |
| Net sales | **301** | 280 | **1,120** | 1,120 |
| Operating profit/loss | **23** | 20 | **121** | 91 |
| Operating margin, % | **7.6** | 7.1 | **10.8** | 8.1 |
| Non-recurring items | **-17** | -11 | **-17** | -16 |

**Part of Group sales: 22%**


*Order intake for the fourth quarter amounted to MSEK 245 (264), in constant currency rates it decreased by 6%. Net sales for the same period totalled MSEK 301 (280), in constant currency rates they were up 9%. Order intake for the year as a whole amounted to MSEK 1,144 (1,120), in constant currency rates it increased by 8%. Net sales for the same period totalled MSEK 1,120 (1,120), in constant currency rates they increased by 6%. Operating profit improved to MSEK 121 (91) and the operating margin to 10.8% (8.1%).*

## The market for services

There is a clear trend on the market for security-related services where customers are showing increased interest to bring all maintenance and security services together into one contract with one single interface. This development is changing market conditions and creating new opportunities in the service industry. At the same time it is leading to stiffer competition. However, there are only parts of the security services that can be characterized as non-proprietary and open for multi-vendor services. For cash handling solutions, there is still a close connection between the delivery of a solution and the associated services.

## Market development in 2011

The trend of a growing need of security-related services in retail has continued to develop positively also during the fourth quarter of 2011. Gunnebo also sees an increased need for upgrade and refurbishment services, as several customers wish to extend the lifecycle of their security solutions to reduce the need for new investment.

The business area has enjoyed good development in order intake throughout the period thanks to good volumes for new and renewed service contracts. The highest growth is evident in the Canadian, UK and Australian markets.

Some of the business area's business comprises contracts which are renewed annually, and consequently the order intake varies from quarter to quarter.

## Profit analysis

The business area continues to show good profit development.

### QUARTER IN BRIEF

- Large contract signed with a facility manager in UK to provide reactive maintenance services to 1,600 sites
- Renewals of a major maintenance contracts have been signed with bank and logistics customers in France and Italy

### BUSINESS AREA IN BRIEF

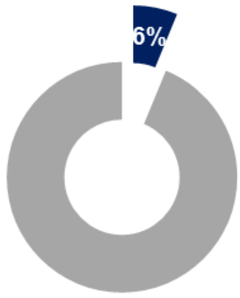
**Business idea**
To supply a wide range of security-related services – primarily to the Group's customers – along with individual security services

**Major customers**
Gunnebo's service offering is primarily targeted at customers in the business area Bank Security & Cash Handling

**Offering**
Within Services, Gunnebo provides a complete offering that helps the customer obtain the best possible return from its products and solutions throughout their life cycle. Gunnebo can offer everything from installation and training to proactive maintenance contracts with monitoring, support and spare parts management. Gunnebo's upgrade services can extend the life span of a customer solution.

| Developing Businesses | | | | |
|---|---|---|---|---|
| | Oct-Dec | | Full year | |
| MSEK | **2011** | **2010** | **2011** | **2010** |
| Order intake | **58** | 68 | **283** | 272 |
| Net sales | **92** | 84 | **290** | 275 |
| Operating profit/loss | **-9** | -3 | **-35** | -37 |
| Operating margin, % | **-9.8** | -3.6 | **-12.1** | -13.5 |
| Non-recurring items | **-** | -5 | **-** | -5 |

**Part of Group sales:6%**




*Order intake for the fourth quarter amounted to MSEK 58 (68), in constant currency rates it decreased by 13%. Net sales for the same period totalled MSEK 92 (84), in constant currency rates they increased by 12%. Order intake for the year as a whole increased in constant currency rates by 9% to MSEK 283 (272). Net sales for the same period totalled MSEK 290 (275), in constant currency rates they were up 11%. Operating profit amounted to MSEK -35 (-37) and the operating margin to -12.1% (-13.5%).*

## SafePay

Both the order intake and net sales developed strong during the year. This is a result of growing interest in closed cash handling on the retail market. During the year the system's quality has improved considerably.

The major order at the beginning of the year for Italian Leroy Merlin has been successfully delivered according to plan. Examples of other retail chains that have been important customers during the year include Lidl in Sweden, Swedish Apoteket, and Coop and Statoil in Denmark.

| SAFEPAY | | | | |
|---|---|---|---|---|
| | Oct-Dec | | Full year | |
| MSEK | **2011** | **2010** | **2011** | **2010** |
| Order intake | **28** | 37 | **174** | 162 |
| Net sales | **62** | 51 | **180** | 160 |
| Operating profit/loss | **-5** | -12 | **-36** | -39 |
| Operating margin, % | **-8.1** | -23.5 | **-20.0** | -24.4 |

## Gateway

Operating profit was adversely affected by weak development in Southern Europe at the end of the year. Results for the whole year are on a par with last year.

| GATEWAY | | | | |
|---|---|---|---|---|
| | Oct-Dec | | Full year | |
| MSEK | **2011** | **2010** | **2011** | **2010** |
| Order intake | **30** | 31 | **109** | 110 |
| Net sales | **30** | 33 | **110** | 115 |
| Operating profit/loss | **-4** | 9 | **1** | 2 |
| Operating margin, % | **-13.3** | 27.3 | **0.9** | 1.7 |

## OCTOBER-DECEMBER 2011

### Order intake and net sales

The Group's order intake rose by 1% during the fourth quarter of 2011 and totalled MSEK 1,223 (1,206). Adjusted for altered exchange rates, order intake increased by 3%. Weak development on some markets in Southern Europe was compensated for by continued successes in Asia, where order intake improved by 10%.

Net sales increased by 4% and amounted to MSEK 1,492 (1,441). In constant currency rates net sales increased by 6%. The increase in sales can primarily be attributed to successes in Asia, Germany and the UK, as well as to the acquired units in Brazil and South Africa. In Spain and on some other markets in Southern Europe, however, demand continued to show weak development.

### Financial results

Operating profit amounted to MSEK 166 (65) and the operating margin to 11.1% (4.5%). Currency effects had a negative impact on profit of MSEK -13 compared to last year.

Items of a non-recurring nature amounted to MSEK 28 and comprised a positive profit effect of MSEK 86, attributable to a revaluation of the previously owned holding in the Brazilian sales company and to restructuring costs of MSEK -58. Operating profit adjusted for such items of a non-recurring nature amounted to MSEK 138 (142), which equates to an operating margin of 9.2% (9.9%). In addition to expenses of a non-recurring nature, profit for the quarter was burdened by expenses relating to market initiatives of MSEK 7 (2).

## 2011 AS A WHOLE

### Order intake and net sales

Order intake amounted to MSEK 5,091 (5,271). Adjusted for altered exchange rates, order intake increased by 2%. The improvement in order intake in constant currency rates was primarily attributable to Asia, Germany and Canada, while development in Southern Europe was weaker.

The Group's net sales decreased to MSEK 5,137 (5,263). A stronger Swedish krona compared to last year had an adverse impact on sales of 5%. Adjusted for exchange rate fluctuations, net sales improved by 3%. Above all there was increased demand in Asia, Africa, Germany and Canada which had a positive impact on net sales, while development in Southern Europe, and Spain in particular, was weaker.

### Financial results

Operating profit increased to MSEK 324 (197) and the operating margin to 6.3% (3.7%). Currency effects had a negative impact on profit of MSEK 34 compared to last year.

Operating profit adjusted for items of a non-recurring nature of MSEK 7 (-127) amounted to MSEK 317 (324) and the operating margin to 6.2% (6.1%).

In connection with the acquisition of further holdings in Gunnebo's Brazilian sales company, the Group obtained a controlling influence and the previously owned holding was revalued to its fair value. The revaluation resulted in a positive impact on profit of MSEK 86, which is reported under operating profit.

Restructuring costs, along with certain other expenses of a non-recurring nature, burdened the result by MSEK -79 (-127) in total. The majority of these costs can be attributed to staff cuts in the Group's Spanish operation, and to structural measures in the Bank Security & Cash Handling business area. The measures are part of the savings programme launched in 2009 with the aim of reducing the Group's fixed costs, and the savings programme is deemed to have reduced fixed costs by approximately MSEK 61 compared to last year.

Further initiatives to expand the operation have been carried out this year, primarily on the market side. The cost of such measures to promote growth burdened profit for the period by MSEK 50 (11) in total.

Net financial items improved to MSEK -26 (-75) due to a decrease in average interest on borrowing, as well as lower borrowing overall. Group profit after financial items amounted to MSEK 298 (122). Net profit for the period totalled MSEK 230 (178), and earnings per share related to the Parent Company's shareholders amounted to SEK 3.00 (2.35) per share.

The tax expense amounted to MSEK -52 (-41) and the tax rate to 18% (33%). The tax rate has been positively affected by non-taxable income of a non-recurring nature and by a more favourable composition of Group profit, with profit improvements in countries where the Group is not yet in a tax position.

## Divestment of Perimeter Protection

In September 2011, Perimeter Protection was sold to Swedish venture capital company Procuritas Capital Investors. The purchase sum on a debt-free basis after transaction costs amounted to MSEK 268 and the Group capital loss totalled MSEK -1. Furthermore, profit was recompensed by MSEK 3 relating to accumulated translation differences in equity which were reclassified as profit in connection with the divestment. The discontinued operation is reported separately as a discontinued operation in this report, in accordance with IFRS 5.

## Acquisition of Alltech

On August 31, 2011 Gunnebo acquired Alltech (Pty) Ltd, a market-leading company in South Africa in the field of entrance control. The acquired operation has annual net sales of approximately MSEK 40 and 28 employees. The purchase sum totalled MSEK 42. Group surplus value arising from the acquisition amounted to MSEK 42.

## Acquisition of further holdings in Gunnebo's Brazilian sales company

In early November a further 30% of both the capital and the votes in Gunnebo's Brazilian associated company was acquired. The company is a leading supplier of security solutions for the retail sector in Brazil and has sales in the region of MSEK 130 and 90 employees. The acquisition is an important step in Gunnebo's continued expansion on the South American market. The purchase sum was MSEK 80 and payment was in cash. Acquisition costs totalled MSEK 1.9.

On increasing its ownership of the Brazilian associated company, Gunnebo obtained a controlling influence in the company which has subsequently been recognised as a subsidiary. The previously owned share has hereby been re-valued to fair value, resulting in a positive profit effect of MSEK 86 which has been reported under operating profit.

Group surplus value arising from the acquisition and the revaluation of the previously owned share amounted to MSEK 150. After the acquisition the company has had sales of MSEK 47 and an operating profit of MSEK 15.

## Capital expenditure and depreciation

Investments made in intangible assets and tangible fixed assets during the period totalled MSEK 90 (88). Investments relating to continuing operations totalled MSEK 85 (71). Depreciation in the Group and in continuing operations amounted to MSEK 90 (113) and MSEK 81 (82) respectively.

## Cash flow

Cash flow from operating activities amounted to MSEK 65 (145). Payments related to restructuring measures burdened cash flow for the year by MSEK 54 and an increase in working capital tied up had a negative impact of MSEK 169.

Cash flow from operating activities before changes in working capital amounted to MSEK 234 (177). The operating cash flow after deductions for capital expenditure but before net financial items affecting cash flow and paid tax amounted to MSEK 71 (214).

## Liquidity and financial position

The Group's liquid funds at the end of the period amounted to MSEK 239 (189). Equity amounted to MSEK 1,776 (1,606), producing an equity ratio of 45% (43%).

The improvement in equity can primarily be attributed to profit during the year, which contributed MSEK 230. Dividend payments to shareholders burdened equity by MSEK -38. 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 -34 during the period.

Net debt amounted to MSEK 498 (460), mainly due to acquisitions, dividend to shareholders and an increase in working capital tied up. The divestment of Perimeter Protection, however, had a mitigating effect. The debt/equity ratio was identical to last year and totalled 0.3 (0.3). Net debt excluding pension commitments amounted to MSEK 299 (261).

During the third quarter, Gunnebo agreed on a renewed MEUR 140 credit framework which ensures financing is available on market terms until the end of June 2014. The new borrowing facility replaces Gunnebo's former borrowing facility in the form of a syndicated credit framework and bilateral loans.

## Employees

The number of employees at the end of the period was 5,499 (5,251 at the beginning of the year). The number of employees outside of Sweden at the end of the period was 5,298 (5,055 at the beginning of the year). The increase in the number of employees can mainly be explained by the acquisitions in Brazil and South Africa and by growth initiatives in India.

## Share data

Earnings per share after dilution were SEK 3.00 (2.35) and for continuing operations SEK 3.20 (1.07). The number of shareholders totalled 10,200 (10,600).

## 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, besides dividends paid to the parent company's shareholders.

## Events after the closing day

No significant events occurred after the closing day.

## Accounting principles and review

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, with the exception of the accounting estimates required to calculate obsolescence in inventories. During the year the Group initiated a programme to increase the rate of capital turnover in inventory, and as a result of the programme activities have been carried out with the aim of selling and disposing of products that have been written down. Consequently, some measures which form the basis for calculating a provision for obsolescence in inventories have been adjusted, and this has resulted in the reversal of MSEK 25 against "Cost of goods sold" in the income statement.

*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 3. 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 92-95 of Gunnebo's 2010 Annual Report, and in Note 3. Gunnebo considers this risk description to still be correct.

## Annual General Meeting

Gunnebo's Annual General Meeting will be held at 4.00 pm CET on Thursday April 26, 2012 at Liseberg Theatre, Örgrytevägen 5, Göteborg, Sweden. Shareholders who wish to participate in the Annual General Meeting must have their names entered in the register of shareholders maintained by Euroclear Sweden by no later than April 20, 2012, and notify Gunnebo's head office by no later than 4.00 pm CET on April 20, 2012:

Gunnebo AB (publ)
Box 5181
SE-402 26 Göteborg

Phone +46 (0)10-2095 000
E-mail: info@gunnebo.com
Website www.gunnebo.com.

The Annual Report will be distributed to shareholders who have ordered a copy and will be available from the Gunnebo head office and on www.gunnebo.com from the end of the week beginning March 19, 2012.

## Proposed dividend

The Board and the President propose that a dividend of SEK 1.00 per share (SEK 0.50 per share) be paid for the 2011 financial year.

## 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% a year.

Göteborg, February 9, 2012

Per Borgvall
President

# Group

## Summary group income statement

| MSEK | Oct-Dec 2011 | Oct-Dec 2010 | Full year 2011 | Full year 2010 |
|---|---|---|---|---|
| Net sales | **1,492** | 1,441 | **5,137** | 5,263 |
| Cost of goods sold | **-1,026** | -1,029 | **-3,572** | -3,723 |
| **Gross profit** | **466** | 412 | **1,565** | 1,540 |
| Other operating costs, net | **-300** | -347 | **-1,241** | -1,343 |
| **Operating profit/loss** | **166** | 65 | **324** | 197 |
| Net financial items | **-7** | -18 | **-26** | -75 |
| **Profit/loss after financial items** | **159** | 47 | **298** | 122 |
| Taxes | **-3** | -2 | **-52** | -41 |
| **Profit/loss for the period from continuing operations** | **156** | 45 | **246** | 81 |
| Profit/loss for the period from discontinued operations | **-3** | 101 | **-16** | 97 |
| **Profit/loss for the period** | **153** | 146 | **230** | 178 |
| *Whereof attributable to:* | | | | |
| Parent company shareholders | **151** | 146 | **228** | 178 |
| Holdings without controlling influence | **2** | - | **2** | - |
| | **153** | 146 | **230** | 178 |
| **Earnings per share before dilution, SEK** | **1.98** | 1.93 | **3.00** | 2.35 |
| *Whereof continuing operations* | *2.01* | *0.59* | *3.20* | *1.07* |
| *Whereof discontinued operations* | *-0.03* | *1.34* | *-0.20* | *1.28* |
| **Earnings per share after dilution, SEK** | **1.98** | 1.93 | **3.00** | 2.35 |
| *Whereof continuing operations* | *2.01* | *0.59* | *3.20* | *1.07* |
| *Whereof discontinued operations* | *-0.03* | *1.34* | *-0.20* | *1.28* |



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## Changes in comprehensive income in brief

| | Oct-Dec | | Full year | |
|---|---|---|---|---|
| **MSEK** | **2011** | **2010** | **2011** | **2010** |
| Profit/loss for the period | **153** | 146 | **230** | 178 |
| **Other comprehensive income for the period** | | | | |
| Translation differences in foreign operations | **-73** | 89 | **2** | 30 |
| Cancellation of accumulated currency differences from discontinued operations | **-** | 6 | **-3** | 6 |
| Hedging of net investments* | **53** | -82 | **-33** | -25 |
| Cash-flow hedges* | **2** | -6 | **0** | 3 |
| **Total other comprehensive income, net of taxes** | **-18** | 7 | **-34** | 14 |
| **Total comprehensive income for the period** | **135** | 153 | **196** | 192 |
| *Whereof attributable to:* | | | | |
| Parent company shareholders | **133** | 153 | **194** | 192 |
| Holdings without controlling influence | **2** | - | **2** | - |
| | **135** | 153 | **196** | 192 |

*Net of taxes

## Summary group balance sheet

| | 31 December | |
|---|---|---|
| **MSEK** | **2011** | **2010** |
| Goodwill | **1,104** | 952 |
| Other intangible assets | **111** | 96 |
| Tangible assets | **316** | 367 |
| Financial assets | **392** | 335 |
| Inventories | **564** | 543 |
| Current receivables | **1,239** | 1,253 |
| Liquid funds | **239** | 189 |
| **Total assets** | **3,965** | 3,735 |
| Equity | **1,776** | 1,606 |
| Long-term liabilities | **800** | 639 |
| Current liabilities | **1,389** | 1,490 |
| **Total equity and liabilities** | **3,965** | 3,735 |

## Changes in equity in brief

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

## Summary group cash flow statement

| MSEK | Oct-Dec 2011 | Oct-Dec 2010 | Full year 2011 | Full year 2010 |
|---|---|---|---|---|
| Cash flow from operating activities before changes in working capital | **132** | 115 | **234** | 177 |
| Cash flow from changes in working capital | **14** | 21 | **-169** | -32 |
| **Cash flow from operating activities** | **146** | 136 | **65** | 145 |
| Net investments* | **-25** | -30 | **-88** | -78 |
| Investment in securities | **-** | - | **-5** | - |
| Acquisition of operations | **-58** | -1 | **-100** | -25 |
| Divestment of operations | **-** | 297 | **172** | 297 |
| **Cash flow from investing activities** | **-83** | 266 | **-21** | 194 |
| Change in interest-bearing receivables and liabilities | **-32** | -385 | **58** | -318 |
| New share issue | **-** | - | **1** | 1 |
| Dividend | **-** | - | **-38** | - |
| **Cash flow from financing activities** | **-32** | -385 | **21** | -317 |
| **Cash flow for the period** | **31** | 17 | **65** | 22 |
| Liquid funds at the beginning of the period | **214** | 168 | **189** | 172 |
| Translation difference in liquid funds | **-6** | 4 | **-15** | -5 |
| **Liquid funds at the end of the period** | **239** | 189 | **239** | 189 |

*Including sales of property



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## Summary group operating cash flow statement

| MSEK | Oct-Dec 2011 | Oct-Dec 2010 | Full year 2011 | Full year 2010 |
|---|---|---|---|---|
| Cash flow from operating activities | **146** | 136 | **65** | 145 |
| Reversal of paid tax and net financial items affecting cash flow | **16** | 35 | **94** | 147 |
| Net investments | **-25** | -30 | **-88** | -78 |
| **Operating cash flow** | **137** | 141 | **71** | 214 |

## Reconciliation to profit/loss after financial items

| MSEK | Oct-Dec 2011 | Oct-Dec 2010 | Full year 2011 | Full year 2010 |
|---|---|---|---|---|
| Operating profit/loss Bank Security & Cash Handling | **64** | 70 | **147** | 166 |
| Operating profit/loss Entrance Control | **10** | -1 | **36** | -1 |
| Operating profit/loss Secure Storage | **5** | 9 | **15** | 38 |
| Operating profit/loss Global Services | **23** | 20 | **121** | 91 |
| Operating profit/loss Developing Businesses | **-9** | -3 | **-35** | -37 |
| Central items | **73** | -30 | **40** | -60 |
| **Operating profit/loss** | **166** | 65 | **324** | 197 |
| Net financial items | **-7** | -18 | **-26** | -75 |
| **Profit/loss after financial items** | **159** | 47 | **298** | 122 |

## Sales per market

| | Oct-Dec 2011 | Oct-Dec 2010 | Full Year 2011 | Full Year 2010 |
|---|---|---|---|---|
| France | **22%** | 24% | **23%** | 23% |
| Great Britain | **5%** | 5% | **6%** | 6% |
| Spain | **5%** | 7% | **6%** | 7% |
| Germany | **7%** | 5% | **5%** | 4% |
| India | **5%** | 5% | **5%** | 5% |
| Hungary | **4%** | 3% | **5%** | 4% |
| Italy | **4%** | 5% | **4%** | 4% |
| Canada | **4%** | 4% | **4%** | 4% |
| Sweden | **4%** | 5% | **4%** | 4% |
| Indonesia | **4%** | 3% | **3%** | 3% |
| Others | **36%** | 34% | **35%** | 36% |
| **Total** | **100%** | 100% | **100%** | 100% |

# Parent Company

| Summary parent company income statement* | | | | |
|---|---|---|---|---|
| | Oct-Dec | | Full year | |
| MSEK | 2011 | 2010 | 2011 | 2010 |
| Net sales | **103** | 41 | **142** | 87 |
| Administrative expenses | **-30** | -39 | **-123** | -117 |
| **Operating profit/loss** | **73** | 2 | **19** | -30 |
| Net financial items | **66** | -1 | **78** | -37 |
| **Profit/loss after financial items** | **139** | 1 | **97** | -67 |
| Taxes | **-** | - | **-** | - |
| **Profit/loss for the period** | **139** | 1 | **97** | -67 |

* The parent company reports group contributions and related taxes in the income statement from the fourth quarter 2011. The income statement for 2010 has been restated in accordance with the new principle.

| Changes in comprehensive income in brief | | | | |
|---|---|---|---|---|
| | Oct-Dec | | Full year | |
| MSEK | 2011 | 2010 | 2011 | 2010 |
| Profit/loss for the period | **139** | 1 | **97** | -67 |
| Other comprehensive income, net after tax | **-** | - | **-** | - |
| **Total comprehensive income for the period** | **139** | 1 | **97** | -67 |

## Summary parent company balance sheet

| MSEK | 31 December 2011 | 2010 |
|---|---|---|
| Other intangible assets | **12** | 16 |
| Tangible assets | **4** | 1 |
| Financial assets | **1,870** | 1,867 |
| Current receivables | **689** | 685 |
| Liquid funds | **0** | 0 |
| **Total assets** | **2,575** | 2,569 |
| Equity | **1,586** | 1,526 |
| Current liabilities | **989** | 1,043 |
| **Total equity and liabilities** | **2,575** | 2,569 |

## Changes in equity in brief

| MSEK | Full year 2011 | 2010 |
|---|---|---|
| Opening balance | **1,526** | 1,592 |
| Total comprehensive income for the period | **97** | -67 |
| New share issue | **1** | 1 |
| Dividend | **-38** | - |
| **Closing balance** | **1,586** | 1,526 |

# Key ratios for the Group

| Key ratios | Full year 2011 | 2010 |
|---|---|---|
| Gross margin, % | **30.5** | 29.3 |
| Operating profit before depreciation (EBITDA), MSEK | **405** | 280 |
| Operating margin before depreciation (EBITDA) excl non-recurring items, % | **7.7** | 7.7 |
| Operating margin before depreciation (EBITDA), % | **7.9** | 5.3 |
| Operating profit (EBIT), MSEK | **324** | 197 |
| Operating margin (EBIT) excl non-recurring items, % | **6.2** | 6.1 |
| Operating margin (EBIT), % | **6.3** | 3.7 |
| Profit margin (EBT), % | **5.8** | 2.3 |
| Return on capital employed, %[1) 2)] | **13.5** | 12.3 |
| Return on equity, %[1) 2)] | **14.1** | 12.2 |
| Capital turnover rate, times[2)] | **2.3** | 2.5 |
| Equity ratio, %[2)] | **45** | 43 |
| Interest coverage ratio, times[2)] | **18.0** | 5.0 |
| Debt/equity ratio, times[2)] | **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 | Full year 2011 | 2010 |
|---|---|---|
| Earnings per share before dilution, SEK | **3.20** | 1.07 |
| Earnings per share after dilution, SEK | **3.20** | 1.07 |
| No. of shares at end of period, thousands | **75,856** | 75,856 |
| Average no. of shares, thousands | **75,856** | 75,856 |

## Data per share, continuing and discontinued operations

| | Full year 2011 | Full year 2010 |
|---|---|---|
| Earnings per share before dilution, SEK | **3.00** | 2.35 |
| Earnings per share after dilution, SEK | **3.00** | 2.35 |
| Equity per share, SEK | **23.24** | 21.17 |
| Cash flow per share, SEK | **0.86** | 1.91 |
| No. of shares at end of period, thousands | **75,856** | 75,856 |
| Average no. of shares, thousands | **75,856** | 75,856 |

## Quarterly data, MSEK

| | 2009 | | | | 2010 | | | | 2011 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Income statement** | **1** | **2** | **3** | **4** | **1** | **2** | **3** | **4** | **1** | **2** | **3** | **4** |
| Net sales | 1,369 | 1,364 | 1,266 | 1,481 | 1,213 | 1,331 | 1,278 | 1,441 | 1,132 | 1,266 | 1,247 | **1,492** |
| Costs of goods sold | -977 | -965 | -899 | -1,087 | -885 | -924 | -885 | -1,029 | -815 | -856 | -875 | **-1,026** |
| **Gross profit** | 392 | 399 | 367 | 394 | 328 | 407 | 393 | 412 | 317 | 410 | 372 | **466** |
| Other operating costs, net | -373 | -379 | -335 | -406 | -322 | -359 | -315 | -347 | -294 | -336 | -311 | **-300** |
| **Operating profit/loss** | 19 | 20 | 32 | -12 | 6 | 48 | 78 | 65 | 23 | 74 | 61 | **166** |
| Net financial items | -22 | -16 | -17 | -13 | -21 | -20 | -16 | -18 | -6 | -8 | -5 | **-7** |
| **Profit/loss after financial items** | -3 | 4 | 15 | -25 | -15 | 28 | 62 | 47 | 17 | 66 | 56 | **159** |
| Taxes | -4 | -5 | -21 | -6 | -4 | -8 | -27 | -2 | -5 | -27 | -17 | **-3** |
| **Profit/loss for the period from continuing operations** | -7 | -1 | -6 | -31 | -19 | 20 | 35 | 45 | 12 | 39 | 39 | **156** |
| Profit/loss for the period from discontinued operations | -18 | -5 | -6 | -131 | -26 | 18 | 4 | 101 | -19 | 1 | 5 | **-3** |
| **Profit/loss for the period** | -25 | -6 | -12 | -162 | -45 | 38 | 39 | 146 | -7 | 40 | 44 | **153** |
| **Key ratios** | | | | | | | | | | | | |
| Gross margin, % | 28.6 | 29.3 | 29.0 | 26.6 | 27.0 | 30.6 | 30.8 | 28.6 | 28.0 | 32.4 | 29.8 | **31.2** |
| Operating margin, % | 1.4 | 1.5 | 2.5 | -0.8 | 0.5 | 3.6 | 6.1 | 4.5 | 2.0 | 5.8 | 4.9 | **11.1** |
| Operating profit (EBIT) excl non-recurring items, MSEK | 35 | 33 | 44 | 122 | 24 | 70 | 88 | 142 | 23 | 82 | 74 | **138** |
| Operating profit (EBIT) excl non-recurring items, % | 2.6 | 2.4 | 3.5 | 8.2 | 2.0 | 5.3 | 6.9 | 9.9 | 2.0 | 6.5 | 5.9 | **9.2** |
| Earnings per share, SEK [1] [2] | *-0.42* | *-0.10* | *-0.20* | *-2.63* | *-0.59* | *0.50* | *0.51* | *1.93* | *-0.09* | *0.53* | *0.58* | ***1.98*** |

[1] Before and after dilution

[2] The figures for 2009 are adjusted for the bonus issue element of the Rights issue



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# Notes

## Note 1 Summary income statement, discontinued operations

| Mkr | Oct-Dec 2011 Perimeter Protection | Oct-Dec 2011 Troax | Oct-Dec 2011 Total | Oct-Dec 2010 Perimeter Protection | Oct-Dec 2010 Troax | Oct-Dec 2010 Total |
|---|---|---|---|---|---|---|
| Net sales | - | - | - | 184 | 92 | 276 |
| Cost of goods sold | -3 | - | -3 | -165 | -59 | -224 |
| **Gross profit** | -3 | - | -3 | 19 | 33 | 52 |
| Other operating costs, net | - | - | - | -38 | -23 | -61 |
| **Operating profit/loss** | -3 | - | -3 | -19 | 10 | -9 |
| Net financial items | - | - | - | -1 | -2 | -3 |
| **Profit/loss after financial items** | -3 | - | -3 | -20 | 8 | -12 |
| Taxes | - | - | - | - | -1 | -1 |
| **Profit/loss for the period** | -3 | - | -3 | -20 | 7 | -13 |
| Profit on divestment | - | - | - | - | 131 | 131 |
| Taxes on profit on divestment | - | - | - | - | 0 | 0 |
| Transaction costs | - | - | - | - | -11 | -11 |
| Profit/loss from exchange rate differences and hedges | - | - | - | - | -6 | -6 |
| **Profit/loss for the period** | -3 | - | -3 | -20 | 121 | 101 |

| Mkr | Full year 2011 Perimeter Protection | Full year 2011 Troax | Full year 2011 Total | Full year 2010 Perimeter Protection | Full year 2010 Troax | Full year 2010 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 Assets and liabilities in discontinued operations*

| MSEK | 2011 | 2010 |
|---|---|---|
| Goodwill | 11 | 35 |
| Other intangible assets | 4 | - |
| Tangible assets | 77 | 114 |
| Financial assets | 1 | 2 |
| Inventories | 163 | 56 |
| Current receivables | 124 | 122 |
| Liquid funds | 2 | 4 |
| Long-term liabilities | -2 | -17 |
| Current liabilities | -111 | -106 |
| **Net assets sold** | **269** | **210** |
| Capital gain/loss | -1 | 120 |
| **Received purchase sum after transaction costs and taxes** | **268** | **330** |
| Whereof unpaid purchase sum | -94 | -29 |
| **Purchase sum paid in cash** | **174** | **301** |
| Liquid funds in discontiuned operations | -2 | -4 |
| **Effect on group liquid funds** | **172** | **297** |

*The figures for 2011 and 2010 relate to Perimeter Protection and Troax respectively.

## Note 3 Cash flow statement, discontinued operations

| | Oct-Dec | | Full year | |
|---|---|---|---|---|
| MSEK | 2011 | 2010 | 2011 | 2010 |
| Cash flow from operating activities | **-** | 38 | **-78** | 30 |
| Cash flow from investing activities* | **-** | -10 | **-5** | -17 |
| Cash flow from financing activities | **-** | -27 | **84** | -13 |
| **Cash flow for the period** | **-** | 1 | **1** | 0 |

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

## Note 4 Aquisition of operations*

| MSEK | 2011 | 2010 |
|---|---|---|
| **Assets and liabilities in aquired operations** | | |
| Intangible assets | 25 | - |
| Tangible assets | 25 | 4 |
| Financial assets | 1 | - |
| Inventories | 30 | 12 |
| Current receivables | 48 | 8 |
| Liquid funds | 22 | - |
| Holdings without controlling influence | -11 | - |
| Current liabilities | -34 | -7 |
| Long-term liabilities | -44 | - |
| **Identifiable net assets** | **62** | **17** |
| Goodwill | 173 | 8 |
| Group value of associated companies at aquisition date | -27 | - |
| Revaluation of previously owned shares in associated companies | -86 | - |
| **Total purchase sums** | **122** | **25** |
| *Less:* | | |
| Purchase sums not paid | - | - |
| Liquid funds in aquired operations | -22 | - |
| **Effect on group liquid funds** | **100** | **25** |

*In 2011, Alltech (South Africa) was acquired and a further 30 percent of the capital and votes in Gunnebo's Brazilian sales company. The figures for 2010 relate entirely to the acquisition of API (Australia).

## Note 5 Non-recurring items per function

| MSEK | Jan-Dec incl. non-recurring items 2011 | Reversal of non-recurring items 2011 | Jan-Dec excl. non-recurring items 2011 |
|---|---|---|---|
| Net sales | 5,137 | **-** | 5,137 |
| Cost of goods sold | -3,572 | 19 | -3,553 |
| **Gross profit** | **1,565** | **19** | **1,584** |
| **Gross margin** | **30.5%** | | **30.8%** |
| Other operating costs, net | -1,241 | -26 | -1,267 |
| **Operating profit/loss** | **324** | **-7** | **317** |
| **Operating margin** | **6.3%** | | **6.2%** |



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# Definitions

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

**Capital turnover rate:**
Revenue 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 interest 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 | |
|---|---|
| Interim report January-March 2012 | April 26, 2012 |
| AGM 2012 | April 26, 2012 |
| Interim report January-June 2012 | July 20, 2012 |
| Gunnebo CMD 2012 | September 20, 2012 |
| Interim report January-September 2012 | October 25, 2012 |
| Year-end release 2012 | January 31, 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.*

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