

Gothenburg, October 23, 2014

# GUNNEBO INTERIM REPORT JANUARY-SEPTEMBER 2014

## The CEO's comments on the third quarter

During the quarter, order intake increased organically by 1% compared with last year. Region Europe, Middle East & Africa (EMEA) saw an increase of 5% which reinforces the trend for stabilisation which has been seen in the region during the whole of the year. Compared to the previous year, order intake in our growth markets was somewhat weaker. This is largely due to a comparatively strong third quarter during the previous year, repercussions following the national elections in India, a continued reluctance to invest from the retail sector in Brazil and the fact that during the third quarter last year, Mexico had booked several large orders for delivery over a longer period.

During the third quarter, the Group's sales declined organically by 5%. In Region EMEA sales have continued to stabilise which is pleasing given the development of recent years. It is also especially pleasing to see that the cost savings programme we are implementing is showing results, that the French business has improved during the year, and that SafePay continues to develop well.

Sales in Region Asia-Pacific (APAC) declined organically by 11%. The slowdown in the region is temporary and both India and China will continue to deliver profitable growth going forward.

In Region Americas, sales declined organically by 14%, mainly due to a weak quarter in Brazil. However USA continues to develop positively even though intake from deliveries to state authorities is still lower than the previous year.

During the quarter, the acquisition of Dissamex, a provider of electronic security services in Mexico, was completed. The acquisition doubles the turnover in Mexico and gives us a strong, nationwide platform from which to expand our solutions offering to the growing Mexican security market.

Since the end of the quarter, Gunnebo has acquired Clear Image, a supplier of electronic security solutions that nicely complements our business and presents new opportunities on the British market.

As a result of these acquisitions, together with successful market initiatives to introduce our cash handling and entrance security solutions globally, and the positive improvement in results we have seen during the year, we now move into the future with confidence.

*Per Borgvall, President and CEO  
Gunnebo AB*

## THIRD QUARTER 2014

- Order intake increased to MSEK 1,331 (1,248), organically it increased by 1%.
- Net sales totalled MSEK 1,314 (1,314), organically a decrease of 5%.
- Operating profit increased to MSEK 77 (61) and the operating margin to 5.9% (4.6%).
- Excluding items of a non-recurring nature of MSEK -5 (-32), operating profit amounted to MSEK 82 (93) and the operating margin to 6.2% (7.1%).
- Profit after tax for the period totalled MSEK 36 (32).
- Earnings per share were SEK 0.47 (0.39).
- Free cash flow amounted to MSEK -24 (83).
- On August 28, 2014 Gunnebo acquired the Mexican company Diseños Inteligentes de Seguridad S.A de C.V. (Dissamex). The company provides services in electronic security and has annual sales of approximately MSEK 45.

## JANUARY-SEPTEMBER 2014

- Order intake amounted to MSEK 4,167 (4,201), organically a decrease of 3%.
- Net sales increased to MSEK 3,983 (3,794), organically they increased by 3%.
- Operating profit increased to MSEK 236 (119) and the operating margin to 5.9% (3.1%).
- Operating profit excluding items of a non-recurring nature of MSEK 18 (-54) increased to MSEK 218 (173) and the operating margin to 5.5% (4.5%).
- Profit after tax for the period increased to MSEK 139 (54).
- Earnings per share were SEK 1.83 (0.69).
- Free cash flow amounted to MSEK -48 (-16).
- 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.

### In Brief

MSEK	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Order intake	<b>1,331</b>	1,248	<b>4,167</b>	4,201	5,514
Net sales	<b>1,314</b>	1,314	<b>3,983</b>	3,794	5,271
Operating profit before depreciation (EBITDA)	<b>100</b>	83	<b>301</b>	184	308
Operating margin before depreciation (EBITDA), %	<b>7.6</b>	6.3	<b>7.5</b>	4.8	5.9
Operating profit excl. non-recurring items <sup>1)</sup>	<b>82</b>	93	<b>218</b>	173	306
Operating margin excl. non-recurring items, % <sup>1)</sup>	<b>6.2</b>	7.1	<b>5.5</b>	4.5	5.8
Operating profit (EBIT)	<b>77</b>	61	<b>236</b>	119	222
Operating margin (EBIT), %	<b>5.9</b>	4.6	<b>5.9</b>	3.1	4.2
Profit/loss for the period	<b>36</b>	32	<b>139</b>	54	102
Earnings per share, SEK <sup>2)</sup>	<b>0.47</b>	0.39	<b>1.83</b>	0.69	1.29
Free cash flow	<b>-24</b>	83	<b>-48</b>	-16	144

<sup>1)</sup> Items of a non-recurring nature amounted to MSEK -5 (-32) for the period July - September and to 18 Mkr (-54) for the period January - September

<sup>2)</sup> Earnings per share before and after dilution

## Summary Regions

<b>Order intake</b>					
MSEK	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Region Europe, Middle East & Africa	838	758	2,816	2,678	3,558
Region Asia-Pacific	272	255	762	777	1,043
Region Americas	221	235	589	746	913
<b>Total</b>	<b>1,331</b>	<b>1,248</b>	<b>4,167</b>	<b>4,201</b>	<b>5,514</b>

<b>Net sales</b>					
MSEK	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Region Europe, Middle East & Africa	864	827	2,631	2,475	3,474
Region Asia-Pacific	228	242	730	693	954
Region Americas	222	245	622	626	843
<b>Total</b>	<b>1,314</b>	<b>1,314</b>	<b>3,983</b>	<b>3,794</b>	<b>5,271</b>

<b>Operating profit/loss, excl non-recurring items</b>					
MSEK	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Region Europe, Middle East & Africa	23	11	52	-9	47
Region Asia-Pacific	27	37	93	98	134
Region Americas	32	45	73	84	125
<b>Total</b>	<b>82</b>	<b>93</b>	<b>218</b>	<b>173</b>	<b>306</b>

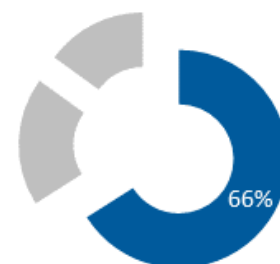
<b>Operating margin, excl non-recurring items</b>					
%	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Region Europe, Middle East & Africa	2.7	1.3	2.0	-0.4	1.4
Region Asia-Pacific	11.8	15.3	12.7	14.1	14.0
Region Americas	14.4	18.4	11.7	13.4	14.8
<b>Total</b>	<b>6.2</b>	<b>7.1</b>	<b>5.5</b>	<b>4.5</b>	<b>5.8</b>

<b>Non-recurring items</b>					
MSEK	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Region Europe, Middle East & Africa	-4	-30	28	-48	-74
Region Asia-Pacific	0	-2	-6	-6	-8
Region Americas	-1	0	-4	0	-2
<b>Total</b>	<b>-5</b>	<b>-32</b>	<b>18</b>	<b>-54</b>	<b>-84</b>

<b>Operating profit/loss</b>					
MSEK	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Region Europe, Middle East & Africa	19	-19	80	-57	-27
Region Asia-Pacific	27	35	87	92	126
Region Americas	31	45	69	84	123
<b>Total</b>	<b>77</b>	<b>61</b>	<b>236</b>	<b>119</b>	<b>222</b>

<b>Region Europe, Middle East &amp; Africa</b>					
<b>MSEK</b>	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Order intake	<b>838</b>	758	<b>2,816</b>	2,678	3,558
<i>Organic growth, %</i>	5		1		
Net sales	<b>864</b>	827	<b>2,631</b>	2,475	3,474
<i>Organic growth, %</i>	0		2		
Operating profit/loss excl. non-recurring items	<b>23</b>	11	<b>52</b>	-9	47
Operating margin excl. non-recurring items, %	<b>2.7</b>	1.3	<b>2.0</b>	-0.4	1.4
Non-recurring items	<b>-4</b>	-30	<b>28</b>	-48	-74
Operating profit/loss	<b>19</b>	-19	<b>80</b>	-57	-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 properties, as well as industrial and high-risk sites.

### July-September 2014

Order intake in EMEA increased by 5% organically compared to the third quarter of 2013. In France order intake increased during the quarter. The UK and Middle East were other markets that contributed to the positive order intake, while the Nordic region, Central and Southern Europe were on a par with the previous year.

Net sales in the region were unchanged in organic terms. The UK market has shown growth during the year, and the quarter was a strong one that included the delivery of a large vault. Since the end of the quarter Gunnebo has acquired Clear Image, which deepens our expertise in electronic security, bringing new opportunities and a broader service offering for existing customers in the bank, CIT and retail sectors.

The renewed product programme for entrance security introduced in EMEA during the year has met with an excellent response, and order intake and net sales are showing good growth.

Cost savings and efficiencies contributed to a higher operating profit of MSEK 23 (11) excluding items of a non-recurring nature. The operating margin for the third quarter excluding items of a non-recurring nature amounted to 2.7% (1.3%).

During the third quarter, items of a non-recurring nature totalled MSEK -4 (-30). Our expressed goal of continuing to adapt our cost base in Europe is still in place.

#### QUARTER IN BRIEF

- Banque de France signs a major order for vaults and entrance security
- Belgian casino company places a cash handling order
- New branch in Oman receives an order for electronic security and entrance security
- Newgate International places a large order for vaults and SDLs with Gunnebo UK

#### 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

<b>Region Asia-Pacific</b>					
<b>MSEK</b>	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Order intake	272	255	762	777	1,043
Organic growth, %	1		2		
Net sales	228	242	730	693	954
Organic growth, %	-11		9		
Operating profit/loss excl. non-recurring items	27	37	93	98	134
Operating margin excl. non-recurring items, %	11.8	15.3	12.7	14.1	14.0
Non-recurring items	0	-2	-6	-6	-8
Operating profit/loss	27	35	87	92	126

Percentage of  
Group Sales: 18%



## 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. In addition 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.

## July-September 2014

Order intake in Region Asia-Pacific increased organically by 1%. China enjoyed a strong quarter with good order intake in the growing segment of entrance security for offices, two major orders for automated safe deposit locker systems, and continued confidence from the nuclear power segment. In India there was once again increased interest related to the expansion of the national ATM network whilst, compared to last year, the willingness to invest, particularly on the part of state-owned banks, decreased.

Sales declined organically in the region by 11% due to a weak order intake during the first half-year in India, but also due to a strong comparison year, 2013, which included several major project deliveries in China and Australia.

Operating profit excluding items of a non-recurring nature amounted to MSEK 27 (37), which equates to an operating margin of 11.8% (15.3%). The quarter is burdened by increased costs for market initiatives to broaden the Group's offering, primarily in China and in South-East Asia. Items of a non-recurring nature burdened operating profit by MSEK 0 (-2).

### QUARTER IN BRIEF

- Gunnebo China receives large entrance security order for offices from Huatai Securities
- Jilin Bank in China chooses Gunnebo's automated SDL system
- Tianwan Nuclear Power Station in China places order for entrance security, strengthening Gunnebo's position as a supplier of security solutions to high-risk sites
- Sejong City Government in Korea once again chooses Gunnebo to supply entrance security solutions

### FACTS ASIA-PACIFIC

- SVP: Per Borgvall
- Sales companies: 8

#### Australia/New Zealand

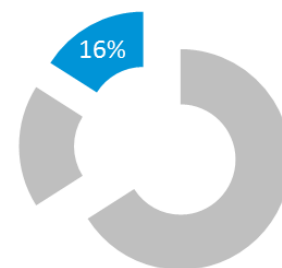
#### India

#### China

**South-East Asia:** Indonesia, Malaysia, Singapore, South Korea

<b>Region Americas</b>					
<b>MSEK</b>	July-Sept		Jan-Sept		Full year
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
Order intake	<b>221</b>	235	<b>589</b>	746	913
<i>Organic growth, %</i>	<i>-12</i>		<i>-21</i>		
Net sales	<b>222</b>	245	<b>622</b>	626	843
<i>Organic growth, %</i>	<i>-14</i>		<i>0</i>		
Operating profit/loss excl. non-recurring items	<b>32</b>	45	<b>73</b>	84	125
Operating margin excl. non-recurring items, %	<b>14.4</b>	18.4	<b>11.7</b>	13.4	14.8
Non-recurring items	<b>-1</b>	0	<b>-4</b>	0	-2
Operating profit/loss	<b>31</b>	45	<b>69</b>	84	123

Percentage of  
Group Sales: 16%



## 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.

## July-September 2014

In Region Americas, order intake decreased organically by 12% compared to the third quarter of 2013. Order intake in Latin America decreased as a result of a reluctance to invest in the retail sector in Brazil, and efforts to build the offering in cash handling on the Brazilian market have yet to make any significant impression on order intake. In Mexico the third quarter also suffered from comparison with a strong 2013, when orders were booked with deliveries over several years. Order intake in North America rose organically, primarily in entrance security.

Net sales fell by 14% organically during the third quarter, mainly due to a weak quarter in Brazil compared to 2013. In the USA, sales to authorities remain lower than last year. During the year sales to other customer segments, which account for the majority of business, continue to develop well.

Operating profit excluding items of a non-recurring nature amounted to MSEK 32 (45), which resulted in an operating margin of 14.4% (18.4%). Costs for market initiatives aiming to broaden the Group's customer offering in Latin America burdened the third quarter figures. Expenses of a non-recurring nature burdened the operating profit by MSEK -1 (0).

### QUARTER IN BRIEF

- Gunnebo receives a large order from a national bank in the US related to increased automation of customer reception area at 370 branches
- Major Canadian airport places an entrance security order
- Gunnebo signs general agreement for delivery and servicing of cash handling systems
- Gunnebo receives an order in the Dominican Republic to supply bank vaults
- Gunnebo acquires Dissamex in Mexico, strengthening its position in service and electronic security

### FACTS AMERICAS

- SVP: Tomas Wängberg
- Sales companies: 4

**North America:** Canada, USA

**Latin America:** Brazil, Mexico

## JULY-SEPTEMBER 2014

### Order intake and net sales

The Group's order intake during the third quarter of 2014 amounted to MSEK 1,331 (1,248). Order intake increased by 1% organically.

Net sales were on a par with last year and amounted to MSEK 1,314 (1,314). Organically, net sales decreased by 5%.

### Financial results

Operating profit amounted to MSEK 77 (61). Operating profit adjusted for items of a non-recurring nature amounted to MSEK 82 (93), which equates to an operating margin of 6.2% (7.1%). Currency effects had a marginal impact on the figures.

## JANUARY-SEPTEMBER 2014

### Order intake and net sales

During January-September 2014, the Group's order intake totalled MSEK 4,167 (4,201). Organically order intake decreased by 3%.

Net sales increased by MSEK 189 to MSEK 3,983 (3,794). Organically, sales increased by 3%.

### Financial results

Operating profit increased to MSEK 236 (119) and the operating margin to 5.9% (3.1%). Currency effects had an adverse effect 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, along with other expenses of a non-recurring nature, burdened the result by MSEK 55 (54). Operating profit excluding items of a non-recurring nature of MSEK 18 (-54) amounted to MSEK 218 (173), which equates to an operating margin of 5.5% (4.5%).

Net financial items totalled MSEK -27 (-24). Group profit after financial items amounted to MSEK 209 (95). Net profit for the period totalled MSEK 139 (54), and earnings per share attributable to the parent company's shareholders were SEK 1.83 (0.69) per share.

### Acquisition in Mexico

On August 28, 2014, Gunnebo acquired Mexican company Diseños Inteligentes de Seguridad S. A de C.V. (Dissamex), which provides service and installation services in electronic security, primarily to banks. The acquired operation has annual sales of approximately MSEK 45. The purchase sum is expected to total MSEK 32. Group surplus value arising from the acquisition has not been finally established as the acquisition analysis is as yet preliminary.

### Capital expenditure and depreciation

Investments made in intangible assets and property, plant and equipment during the period totalled MSEK 48 (55). Depreciation amounted to MSEK 65 (61).

### Cash flow

Cash flow from operating activities decreased compared to the same period last year and amounted to MSEK -11 (32), primarily as a result of higher working capital tied up. The divestment of Fichet-Bauche Telesurveillance brought in MSEK 77 net and resulted in a positive cash flow from investing activities.

Free cash flow, i.e. operating cash flow after deductions for net financial items affecting cash flow and paid tax, amounted to MSEK -48 (-16).

### Liquidity and financial position

The Group's liquid funds at the end of the period amounted to MSEK 259 (392 at beginning of year). Equity was MSEK 1,569 (1,463 at beginning of year) and the equity ratio was 35% (34% at beginning of year).



The increase in equity can primarily be attributed to net profit for the period, which amounted to MSEK 139. Translation differences in foreign operations, reported in other comprehensive income, had a positive effect on equity of MSEK 68. Dividend payments to shareholders burdened equity by MSEK 76.

Net debt increased to MSEK 1,243 (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 reduced the net debt. The debt/equity ratio totalled 0.8 (0.7 at beginning of year). Net debt excluding pension commitments amounted to MSEK 824 (728 at beginning of year).

The Group's long-term credit framework on September 30, 2014 amounted to MSEK 1,513 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-September amounted to MSEK 140 (63), of which MSEK 0 (0) related to external customers. Net profit/loss for the period amounted to MSEK 77 (-26).

## Employees

The number of employees at the end of the period was 5,738 (5,612 at beginning of year). The number of employees outside of Sweden at the end of the period was 5,562 (5,432 at beginning of year).

## Share data

Earnings per share after dilution were SEK 1.83 (0.69). The number of shareholders totalled 12,400 (10,900).

## 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, apart from the dividend paid to shareholders.

## Events after the closing day

Since the end of the reporting period, Gunnebo acquired British company Clear Image MMS Ltd, a provider of electronic security solutions and services. The acquired operation has annual sales of approximately MSEK 60 and 60 employees.

## 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 been reviewed by the company's auditors.*

Gothenburg, October 23, 2014

Per Borgvall  
President and CEO

## Review Report

### Introduction

We have reviewed the interim report for Gunnebo AB (publ) for the period January 1 - September 30, 2014. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Gothenburg, October 23, 2014  
Deloitte AB

Jan Nilsson  
Authorized Public Accountant

## Group

### Summary Group income statement

MSEK	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Net sales	1,314	1,314	3,983	3,794	5,271
Cost of goods sold	-922	-908	-2,823	-2,653	-3,689
<b>Gross profit</b>	<b>392</b>	406	<b>1,160</b>	1,141	1,582
Other operating costs, net	-315	-345	-924	-1,022	-1,360
<b>Operating profit/loss</b>	<b>77</b>	61	<b>236</b>	119	222
Net financial items	-8	-8	-27	-24	-75
<b>Profit/loss after financial items</b>	<b>69</b>	53	<b>209</b>	95	147
Taxes	-33	-21	-70	-41	-45
<b>Profit/loss for the period</b>	<b>36</b>	32	<b>139</b>	54	102
<i>Whereof attributable to:</i>					
Parent company shareholders	36	30	139	52	98
Non-controlling interests	0	2	0	2	4
	<b>36</b>	32	<b>139</b>	54	102
Earnings per share before dilution, SEK	<b>0.47</b>	0.39	<b>1.83</b>	0.69	1.29
Earnings per share after dilution, SEK	<b>0.47</b>	0.39	<b>1.83</b>	0.69	1.29

**Statement of comprehensive income in brief**

MSEK	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Profit/loss for the period	36	32	139	54	102
<b>Other comprehensive income for the period</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Actuarial gains and losses*	-33	-18	-33	-18	-16
<b>Total items that will not be reclassified to profit or loss subsequently</b>	<b>-33</b>	<b>-18</b>	<b>-33</b>	<b>-18</b>	<b>-16</b>
<b>Items that may be reclassified subsequently to profit or loss</b>					
Translation differences in foreign operations	17	-51	68	-75	-81
Hedging of net investments*	0	-3	2	-5	-3
Cash-flow hedges*	-1	0	-6	3	2
<b>Total items that may be reclassified to profit or loss subsequently</b>	<b>16</b>	<b>-54</b>	<b>64</b>	<b>-77</b>	<b>-82</b>
<b>Total other comprehensive income</b>	<b>-17</b>	<b>-72</b>	<b>31</b>	<b>-95</b>	<b>-98</b>
<b>Total comprehensive income for the period</b>	<b>19</b>	<b>-40</b>	<b>170</b>	<b>-41</b>	<b>4</b>
<i>Whereof attributable to:</i>					
Parent company shareholders	20	-41	169	-41	3
Non-controlling interests	-1	1	1	0	1
	<b>19</b>	<b>-40</b>	<b>170</b>	<b>-41</b>	<b>4</b>

\*Net of taxes

**Summary Group balance sheet**

MSEK	30 Sept		31 Dec
	2014	2013	2013
Goodwill	1,414	1,303	1,322
Other intangible assets	167	171	172
Property, plant and equipment	309	306	304
Financial assets	15	59	17
Deferred tax assets	330	297	307
Inventories	724	647	609
Current receivables	1,299	1,178	1,212
Liquid funds	259	317	392
<b>Total assets</b>	<b>4,517</b>	<b>4,278</b>	<b>4,335</b>
Equity	1,569	1,416	1,463
Long-term liabilities	1,466	1,249	1,274
Current liabilities	1,482	1,613	1,598
<b>Total equity and liabilities</b>	<b>4,517</b>	<b>4,278</b>	<b>4,335</b>

**Changes in Group equity in brief**

MSEK	Jan-Sept		Full year
	2014	2013	2013
Opening balance	1,463	1,533	1,533
Total comprehensive income for the period	170	-41	4
Non-cash issue*	10	-	-
New share issue**	2	-	2
Dividend	-76	-76	-76
<b>Closing balance</b>	<b>1,569</b>	<b>1,416</b>	<b>1,463</b>
<i>Whereof non-controlling interests</i>	<b>23</b>	<b>15</b>	<b>16</b>

\*Refers to purchase price for the Dissamex acquisition consisting of shares in Gunnebo Mexico

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

**Summary Group cash flow statement**

MSEK	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Cash flow from operating activities before changes in working capital	47	70	131	112	218
Cash flow from changes in working capital	-53	26	-142	-80	-7
<b>Cash flow from operating activities</b>	<b>-6</b>	<b>96</b>	<b>-11</b>	<b>32</b>	<b>211</b>
Net investments	-18	-13	-37	-48	-67
Acquisition of operations	-14	-8	-14	-8	-8
Divestment of operations	-	-	77	-	-
<b>Cash flow from investing activities</b>	<b>-32</b>	<b>-21</b>	<b>26</b>	<b>-56</b>	<b>-75</b>
Change in interest-bearing receivables and liabilities	-4	-24	-100	97	13
New share issue	-	-	2	-	2
Dividend	-	-	-76	-76	-76
<b>Cash flow from financing activities</b>	<b>-4</b>	<b>-24</b>	<b>-174</b>	<b>21</b>	<b>-61</b>
<b>Cash flow for the period</b>	<b>-42</b>	<b>51</b>	<b>-159</b>	<b>-3</b>	<b>75</b>
Liquid funds at the beginning of the period	292	291	392	350	350
Translation difference in liquid funds	9	-25	26	-30	-33
<b>Liquid funds at the end of the period</b>	<b>259</b>	<b>317</b>	<b>259</b>	<b>317</b>	<b>392</b>

**Summary Group operating cash flow statement**

MSEK	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Operating profit/loss	77	61	236	119	222
Adjustment for non-cash items	14	34	1	70	113
Cash flow from changes in working capital	-53	26	-142	-80	-7
Net investments	-18	-13	-37	-48	-67
<b>Operating cash flow</b>	<b>20</b>	<b>108</b>	<b>58</b>	<b>61</b>	<b>261</b>
Net financial items affecting cash flow	-14	-6	-28	-23	-32
Taxes paid	-30	-19	-78	-54	-85
<b>Free cash flow</b>	<b>-24</b>	<b>83</b>	<b>-48</b>	<b>-16</b>	<b>144</b>

**Reconciliation to profit/loss after financial items**

MSEK	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Region Europe, Middle East & Africa	19	-19	80	-57	-27
Region Asia-Pacific	27	35	87	92	126
Region Americas	31	45	69	84	123
<b>Operating profit/loss</b>	<b>77</b>	<b>61</b>	<b>236</b>	<b>119</b>	<b>222</b>
Net financial items	-8	-8	-27	-24	-75
<b>Profit/loss after financial items</b>	<b>69</b>	<b>53</b>	<b>209</b>	<b>95</b>	<b>147</b>

**Sales by market**

	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
France	19%	18%	19%	19%	19%
USA	10%	10%	9%	9%	8%
India	8%	8%	8%	8%	7%
UK	7%	5%	6%	5%	5%
Spain	4%	5%	4%	4%	4%
Germany	4%	5%	4%	5%	5%
Sweden	3%	3%	4%	3%	4%
Canada	3%	4%	3%	4%	4%
Denmark	2%	3%	3%	3%	3%
Belgium	3%	3%	3%	3%	3%
Others	37%	36%	37%	37%	38%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Parent company

### Summary parent company income statement

MSEK	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Net sales	47	21	140	63	204
Administrative expenses	-31	-26	-96	-78	-147
<b>Operating profit/loss</b>	<b>16</b>	<b>-5</b>	<b>44</b>	<b>-15</b>	<b>57</b>
Net financial items	41	-4	35	-10	-14
<b>Profit/loss after financial items</b>	<b>57</b>	<b>-9</b>	<b>79</b>	<b>-25</b>	<b>43</b>
Appropriations	-	-	-	-	-90
Taxes	-1	0	-2	-1	-3
<b>Profit/loss for the period</b>	<b>56</b>	<b>-9</b>	<b>77</b>	<b>-26</b>	<b>-50</b>

### Changes in parent company comprehensive income in brief

MSEK	July-Sept		Jan-Sept		Full year
	2014	2013	2014	2013	2013
Profit/loss for the period	56	-9	77	-26	-50
Other comprehensive income, net after tax	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>56</b>	<b>-9</b>	<b>77</b>	<b>-26</b>	<b>-50</b>



**Summary parent company balance sheet**

MSEK	30 Sept		31 Dec
	2014	2013	2013
Other intangible assets	7	6	6
Property, plant and equipment	2	3	2
Financial assets	1,726	1,693	1,726
Current receivables	49	24	140
Liquid funds	6	0	3
<b>Total assets</b>	<b>1,790</b>	<b>1,726</b>	<b>1,877</b>
Equity	1,435	1,454	1,432
Current liabilities	355	272	445
<b>Total equity and liabilities</b>	<b>1,790</b>	<b>1,726</b>	<b>1,877</b>

**Changes in parent company equity in brief**

MSEK	Jan-Sept		Full year
	2014	2013	2013
Opening balance	1,432	1,556	1,556
Total comprehensive income for the period	77	-26	-50
New share issue*	2	-	2
Dividend	-76	-76	-76
<b>Closing balance</b>	<b>1,435</b>	<b>1,454</b>	<b>1,432</b>

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

## Group Key Ratios

Key ratios	Jan-Sept		Full year
	2014	2013	2013
Gross margin, %	<b>29.1</b>	30.1	30.0
Operating margin before depreciation (EBITDA) excl. non-recurring items, %	<b>7.1</b>	6.2	7.4
Operating margin before depreciation (EBITDA), %	<b>7.5</b>	4.8	5.9
Operating margin (EBIT) excl. non-recurring items, %	<b>5.5</b>	4.5	5.8
Operating margin (EBIT), %	<b>5.9</b>	3.1	4.2
Profit margin (EBT), %	<b>5.2</b>	2.5	2.8
Return on capital employed, % <sup>1)</sup>	<b>11.9</b>	8.1	7.9
Return on equity, % <sup>1)</sup>	<b>12.5</b>	3.7	6.9
Capital turnover rate, times	<b>1.8</b>	1.8	1.8
Equity ratio, %	<b>35</b>	33	34
Interest coverage ratio, times	<b>8.4</b>	4.8	5.3
Debt/equity ratio, times	<b>0.8</b>	0.8	0.7

<sup>1)</sup> During the last twelve-month period

## Data per share

Data per share	Jan-Sept		Full year
	2014	2013	2013
Earnings per share before dilution, SEK	<b>1.83</b>	0.69	1.29
Earnings per share after dilution, SEK	<b>1.83</b>	0.69	1.29
Equity per share, SEK	<b>20.35</b>	18.47	19.06
Free cash flow per share, SEK	<b>-0.63</b>	-0.21	1.90
No. of shares at end of period, thousands	<b>75,987</b>	75,856	75,914
Average no. of shares, thousands	<b>75,942</b>	75,856	75,863

**Quarterly data, MSEK**

<b>Income statement</b>	<b>2012</b>				<b>2013</b>				<b>2014</b>		
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>3</b>
Net sales	1,169	1,270	1,280	1,517	1,155	1,325	1,314	1,477	1,250	1,419	<b>1,314</b>
Costs of goods sold	-825	-889	-900	-1,052	-827	-918	-908	-1,036	-894	-1,007	<b>-922</b>
<b>Gross profit</b>	<b>344</b>	<b>381</b>	<b>380</b>	<b>465</b>	<b>328</b>	<b>407</b>	<b>406</b>	<b>441</b>	<b>356</b>	<b>412</b>	<b>392</b>
Other operating costs, net	-334	-339	-363	-355	-327	-350	-345	-338	-338	-271	<b>-315</b>
<b>Operating profit/loss</b>	<b>10</b>	<b>42</b>	<b>17</b>	<b>110</b>	<b>1</b>	<b>57</b>	<b>61</b>	<b>103</b>	<b>18</b>	<b>141</b>	<b>77</b>
Net financial items	-4	-4	-6	-52	-9	-7	-8	-51	-8	-11	<b>-8</b>
<b>Profit/loss after financial items</b>	<b>6</b>	<b>38</b>	<b>11</b>	<b>58</b>	<b>-8</b>	<b>50</b>	<b>53</b>	<b>52</b>	<b>10</b>	<b>130</b>	<b>69</b>
Taxes	-9	-14	-10	-56	-4	-16	-21	-4	-13	-24	<b>-33</b>
<b>Profit/loss for the period</b>	<b>-3</b>	<b>24</b>	<b>1</b>	<b>2</b>	<b>-12</b>	<b>34</b>	<b>32</b>	<b>48</b>	<b>-3</b>	<b>106</b>	<b>36</b>
<b>Key ratios</b>											
Gross margin, %	29.4	30.0	29.7	30.7	28.4	30.7	30.9	29.9	28.5	29.0	<b>29.8</b>
Operating margin, %	0.8	3.3	1.3	7.3	0.1	4.3	4.6	7.0	1.5	9.9	<b>5.9</b>
Operating profit (EBIT) excl. non-recurring items, MSEK	14	50	63	139	11	69	93	133	38	98	<b>82</b>
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	<b>6.2</b>
Earnings per share, SEK <sup>1)</sup>	-0.04	0.32	-0.02	0.00	-0.16	0.45	0.39	0.61	-0.04	1.40	<b>0.47</b>

<sup>1)</sup> Before and after dilution

## Notes

### Note 1 Non-recurring items per function

MSEK	Jan-Sept incl.	Non-recurring	Jan-Sept excl.
	non-recurring items 2014	items 2014	non-recurring items 2014
Net sales	3,983	-	3,983
Cost of goods sold	-2,823	28	-2,795
<b>Gross profit</b>	<b>1,160</b>	<b>28</b>	<b>1,188</b>
<i>Gross margin</i>	29.1%		29.8%
Other operating costs, net	-924	-46	-970
<b>Operating profit/loss</b>	<b>236</b>	<b>-18</b>	<b>218</b>
<i>Operating margin</i>	5.9%		5.5%

### Note 2 Assets and liabilities in discontinued operations\*

MSEK	Jan-Sept	
	2014	2013
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	-
<b>Divested net assets</b>	<b>17</b>	<b>-</b>
Capital gain/loss	73	-
<b>Received purchase sum after transaction costs and taxes</b>	<b>90</b>	<b>-</b>
Liquid funds in discontinued operations	-13	-
<b>Effect on group liquid funds</b>	<b>77</b>	<b>-</b>

\*Refers to Fichet-Bauche Telesurveillance

**Note 3 Aquisition of operations\***

MSEK	Jan-Sept	
	2014	2013
<b>Assets and liabilities in aquired operations</b>		
Property, plant and equipment	1	2
Financial assets	0	0
Inventories	2	10
Current receivables	7	5
Liquid funds	0	1
Current liabilities	-5	-7
Long-term liabilities	-2	-5
<b>Identifiable net assets</b>	<b>3</b>	<b>6</b>
Goodwill	29	9
<b>Total purchase sums</b>	<b>32</b>	<b>15</b>
<i>Less:</i>		
Purchase sums not paid	-8	-6
Non-cash issue**	-10	-
Liquid funds in aquired operations	0	-1
<b>Effect on group liquid funds</b>	<b>14</b>	<b>8</b>

\* August 25, 2014, Gunnebo acquired Gunnebo Diseños Inteligentes de Seguridad S.A de C.V. in Mexico. The figures for 2013 relate to the acquisition of ATG Entrance Corporation (South Korea).

\*\*Refers to purchase price consisting of shares in the subsidiary Gunnebo Mexico

## 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

---

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

---

**Gunnebo AB (publ)**

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

e-mail: [info@gunnebo.com](mailto:info@gunnebo.com)  
[www.gunnebogroup.com](http://www.gunnebogroup.com)

*The Gunnebo Security Group is a global leader in security products, services and solutions with an offering covering cash handling, safes and vaults, entrance security and electronic security for banks, retail, CIT, mass transit, public & commercial buildings and industrial & high-risk sites.*

*The Group has an annual turnover of €610 million, employs 5,600 people and has sales companies in 33 countries across Europe, Middle East & Africa, Asia-Pacific and the Americas as well as Channel Partners on over 100 additional markets.*

*We make your world safer.*