

Q2

2016



Q2 IN BRIEF	2016	2015	2016	2015	2015
	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec
Net sales, MSEK	1,474	1,516	2,864	2,913	6,052
EBITDA excl. non-recurring items, MSEK	132	127	219	189	505
Operating profit (EBIT) excl. non-recurring items, MSEK	103	102	161	140	397
Operating margin (EBIT) excl. non-recurring items, %	7.0	6.7	5.6	4.8	6.6
Operating profit (EBIT), MSEK	80	80	133	109	320
Operating (EBIT) margin, %	5.4	5.3	4.6	3.8	5.3
Profit/loss for the period, MSEK	42	51	62	40	168
Earnings per share after dilution, SEK	0.55	0.64	0.81	0.51	2.18
Free cash flow, MSEK	27	-42	34	-185	56

CEO's COMMENTS

For the second quarter, we report an improved operating margin of 7.0% (6.7). For Region EMEA the operating margin was 4.9%, an improvement of 1.3 percentage points.



“EMEA achieved an operating margin of 4.9% – an improvement of 1.3 percentage points”

DEVELOPMENT OF OUR BUSINESS

Region Asia-Pacific showed positive organic growth during the quarter. The large order for OKI Pulp & Paper of Indonesia, received during the second quarter of 2015, continued to have a positive impact on sales and profits. It is also evident that business with public sector banks in India has stabilised.

In Region EMEA, sales increased in France during the quarter. However demand was weak in the UK, which has had a negative impact on turnover.

In Region Americas, sales were down in the quarter due to delays in deliveries to major American banks and weaker demand in Latin America.

The positive trend in Cash Management sales continued in the second quarter. We can see that interest in solutions that streamline the handling of cash is steadily increasing in all regions. A first order for our closed cash management system, SafePay, was signed in South Africa during the quarter, for example. In Canada, Gunnebo received its first order for automated cash management from a retail chain.

In Entrance Security the mass transit segment had a strong quarter, with large orders received for the metro in Athens, Greece and a metro line in Beijing, China. We also received several orders in France for the installation of high-security doors for public buildings and retail. Overall, Entrance Security sales fell slightly during the quarter, primarily due to deferred deliveries in a number of projects.

There were varying trends within Safes & Vaults, where the positive development for sales of ATM safes continued into the second quarter. Sales of graded safes continued to fall, however, due to consolidation in the banking sector.

Sales of Electronic Security declined slightly during the quarter. This part of our offering is mainly sold on markets in Region EMEA and Region Americas. Several important orders were signed during the period with customers in both the private sector and public administration in Europe.

Q2 FINANCIAL RESULTS

We report an improved operating profit of MSEK 103 (102), despite negative currency effects of MSEK -8. Free cash flow improved by MSEK 69, and the operating margin for the period excluding non-recurring items was 7%.

Henrik Lange
President and CEO

FINANCIAL TARGETS & OUTCOME

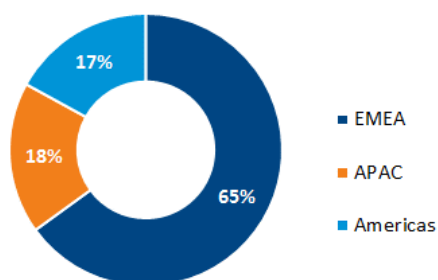
	2016	2015	2016	2015	2015	2016	Target
	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec	L12M	
Organic growth	-1%	-4%	0%	-3%	0%	2%	5%
Operating margin ¹⁾	7.0%	6.7%	5.6%	4.8%	6.6%	7.0%	7.0%
Return on capital employed ^{1) 2)}	12.7%	12.1%	12.7%	12.1%	12.4%	12.7%	15.0%
Equity ratio	33%	34%	33%	34%	34%	33%	30%

¹⁾ Excluding non-recurring items

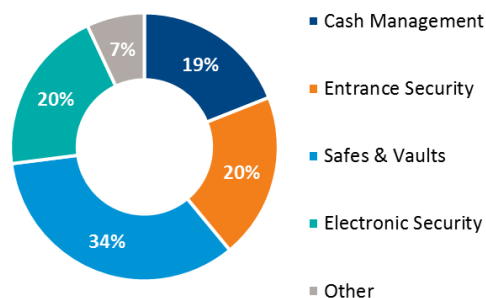
²⁾ During the last twelve-month period

SALES & PROFITABILITY IN BRIEF

SALES BY REGION YTD 2016



SALES BY PRODUCT GROUP YTD 2016



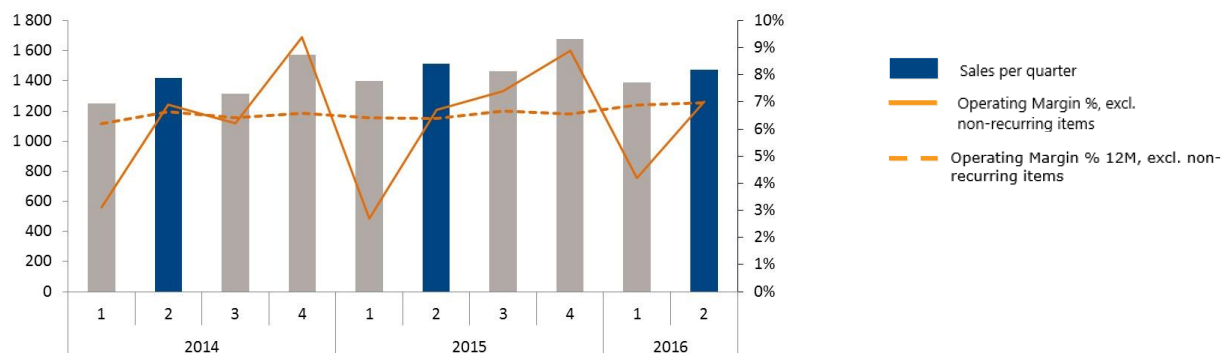
REGIONAL SALES Q2 2016 VS Q2 2015

	Organic	Structure	Currency	Total
EMEA	-1%	4%	-2%	0%
APAC	4%	0%	-6%	-2%
AMERICAS	-6%	0%	-8%	-14%
TOTAL	-1%	2%	-4%	-3%

REGIONAL SALES YTD 2016 VS YTD 2015

	Organic	Structure	Currency	Total
EMEA	-1%	3%	-2%	0%
APAC	7%	0%	-6%	1%
AMERICAS	-4%	0%	-7%	-11%
TOTAL	0%	2%	-4%	-2%

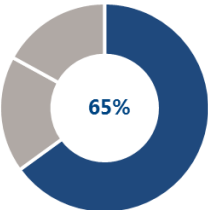
GROUP SALES & OPERATING MARGIN BY QUARTER



PRODUCT GROUP SALES YTD 2016 VS YTD 2015

	EMEA	APAC	Americas	Total
Cash Management	+++	---	+++	+++
Entrance Security	++	---	---	+/-
Safes & Vaults	--	--	+	-
Electronic Security	--	---	---	---
Other	+++	+++	+/-	+++

+/- Relatively unchanged
+ or - Slightly better/Slightly worse
++ or -- Better/Worse
+++/-- Much better/Much worse

REGION EMEA	2016	2015	2016	2015	2015	% GROUP SALES YTD
	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun	Jan - Dec	
Net sales, MSEK	966	962	1,854	1,849	3,860	
Organic growth, %	-1	-2	-1	-2	0	
Operating profit (EBIT) excl. non-recurring items, MSEK	47	35	54	40	151	
Operating margin (EBIT) excl. non-recurring items, %	4.9	3.6	2.9	2.2	3.9	
Non-recurring items, MSEK	-22	-16	-25	-24	-67	
Operating profit (EBIT), MSEK	25	19	29	16	84	

SALES DEVELOPMENT SECOND QUARTER 2016

During the second quarter, sales in the region decreased organically by 1%. Business in France showed good growth. Markets in Central and South Europe and the Nordics showed a slight decline in sales. In the UK, demand as well as sales were weak for the quarter.

Cash Management sales continued to develop well and several large deliveries were made to customers in Central Europe and France.

Entrance Security sales also developed well, especially to public buildings, government authorities and high-risk sites in France, Central Europe and several Nordic countries.

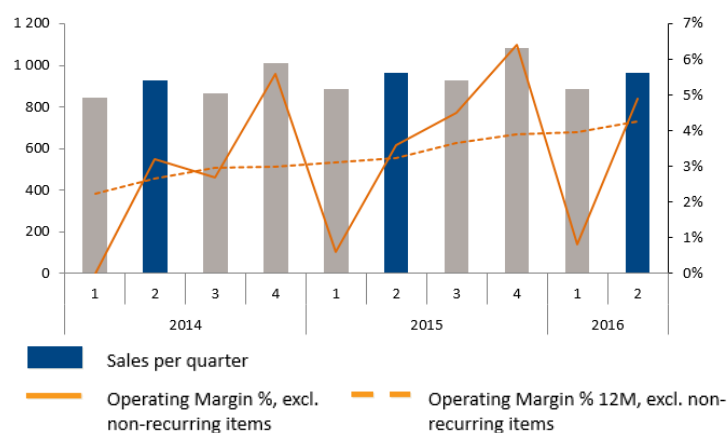
Within Safes & Vaults, the ATM business continued to develop well whereas sales of graded safes and vaults declined due to the continued consolidation of the banking sector in many markets.

Sales within Electronic Security were weaker compared to the same period last year, primarily due to projects being deferred.

RESULT DEVELOPMENT SECOND QUARTER 2016

Activities to increase productivity in Europe continued. Costs of a non-recurring nature burdened operating profit by MSEK -22 (-16).

Operating profit excluding non-recurring items improved to MSEK 47 (35) and the operating margin to 4.9% (3.6%).



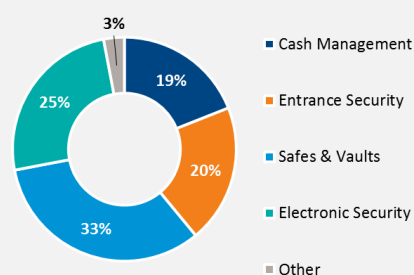
QUARTER HIGHLIGHTS

- A large European oil company extended its collaboration with Gunnebo to include delivery and installation of entrance security at its offices
- A Swedish authority ordered a specially designed safe to defend against cyber-attacks
- Several authorities and retail chains in France turned to Gunnebo for delivery and installation of high-security doors
- South African retail chain, Accessa Mauritius, invested in the closed cash management system, SafePay - the first order for the solution in the country
- The Athens metro is upgrading its stations and chose Gunnebo solutions for entrance and ticket control

EMEA IN BRIEF

SVP: Morten Andreasen | Sales Companies: 20
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.

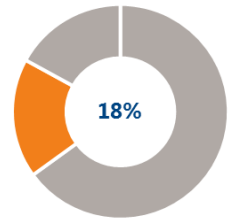
SALES BY PRODUCT GROUP



REGION ASIA-PACIFIC

	2016 Apr - Jun	2015 Apr - Jun	2016 Jan - Jun	2015 Jan - Jun	2015 Jan - Dec
Net sales, MSEK	267	273	525	518	1,085
Organic growth, %	4	-20	7	-17	-8
Operating profit (EBIT) excl. non-recurring items, MSEK	30	34	56	47	115
Operating margin (EBIT) excl. non-recurring items, %	11.2	12.5	10.7	9.1	10.6
Non-recurring items, MSEK	-1	-3	-1	-4	-7
Operating profit (EBIT), MSEK	29	31	55	43	108

% GROUP SALES YTD



SALES DEVELOPMENT SECOND QUARTER 2016

Organic sales for the region were up 4% for the quarter. The large order for OKI Pulp & Paper of Indonesia, received during the second quarter of 2015, continued to have a positive impact on sales in the whole region. The markets in South-East Asia also showed good development during the quarter.

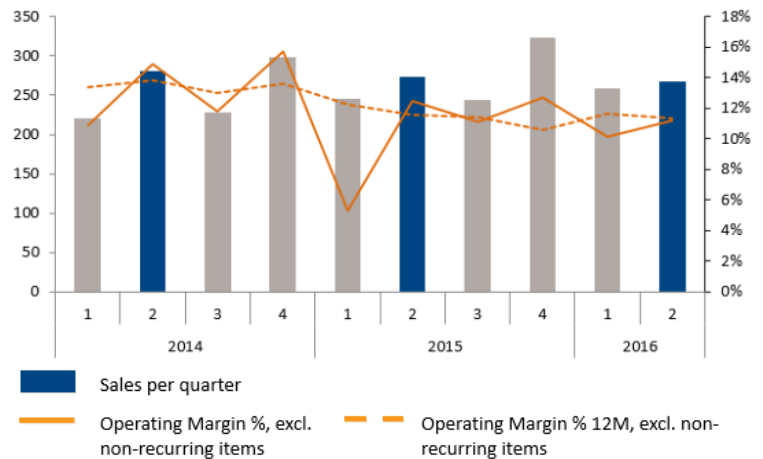
Interest in the Group's Cash Management offering continued to increase, although sales in the quarter were lower compared to the same period last year.

Several major deliveries were made in Entrance Security, including to office buildings and metro lines in China. Sales developed weakly for the region as a whole.

In Safes & Vaults, sales were also below 2015 levels. Sales of safes to ATM manufacturers in the region did, however, continue to develop positively, and business with public sector banks in India – an important segment for Gunnebo – has started showing signs of stabilisation.

RESULT DEVELOPMENT SECOND QUARTER 2016

Operating profit excluding non-recurring items amounted to MSEK 30 (34), and the operating margin improved on Q1 2016 to 11.2% (12.5%).



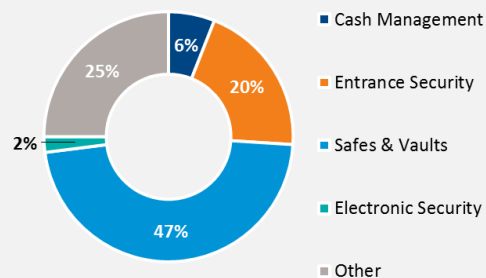
QUARTER HIGHLIGHTS

- Gunnebo Australia received its first order for the automated safe deposit locker system, Safe-Store Auto, from a private company offering secure storage solutions
- A European embassy in India upgraded its security and installed entrance security, high-security doors and high-security windows
- A tourist attraction in Singapore has chosen to improve its entrance security with solutions from Gunnebo
- Fuqing Nuclear Power Plant, China, chose a Gunnebo solution to control the flow of people to and from the site

ASIA-PACIFIC IN BRIEF

SVP: Sacha de La Noë | Sales Companies: 8
Australia/New Zealand, India, Indonesia, China
South-Korea, South-East Asia: Malaysia, Singapore
(with offices in Thailand, Vietnam and Myanmar)

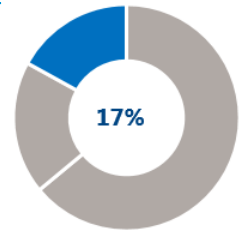
SALES BY PRODUCT GROUP



REGION AMERICAS

	2016 Apr - Jun	2015 Apr - Jun	2016 Jan - Jun	2015 Jan - Jun	2015 Jan - Dec
Net sales, MSEK	241	281	485	546	1,107
Organic growth, %	-6	5	-4	7	8
Operating profit (EBIT) excl. non-recurring items, MSEK	26	33	51	53	131
Operating margin (EBIT) excl. non-recurring items, %	10.8	11.7	10.5	9.7	11.8
Non-recurring items, MSEK	0	-3	-2	-3	-3
Operating profit (EBIT), MSEK	26	30	49	50	128

% GROUP SALES YTD



SALES DEVELOPMENT SECOND QUARTER 2016

Organic sales for the region were -6%, primarily attributable to weak development in Latin America and delays in deliveries to major American banks.

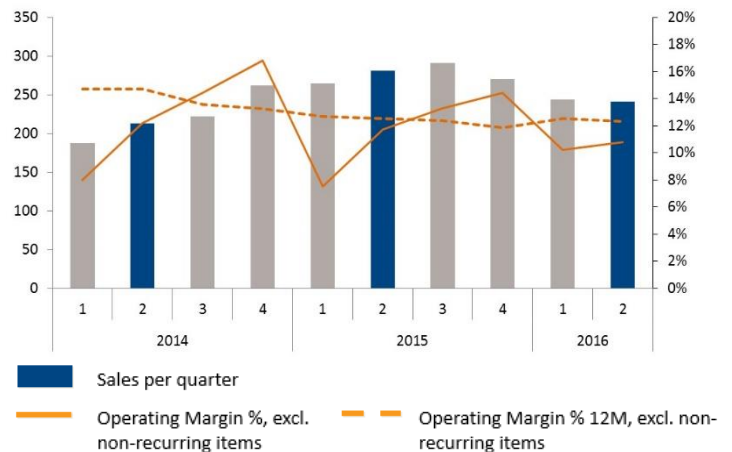
Cash Management sales continued to develop positively in the established markets US and Brazil as well as in the recently entered markets Mexico and Canada.

Entrance Security saw a strong quarter in Canada. Sales of Electronic Security increased in the US. In the region as a whole, sales in both product areas saw a weak development.

Safe sales saw weak development due to lower sales to authorities in the US and delays in deliveries to major American banks.

RESULT DEVELOPMENT SECOND QUARTER 2016

The region's operating profit excluding non-recurring items amounted to MSEK 26 (33) and the operating margin to 10.8% (11.7). The lower result was mainly due to lower net sales.



QUARTER HIGHLIGHTS

- Canadian supermarket chain, Calgary Coop, invested in a cash management solution – Gunnebo's first automated cash management order in Canada
- American Key Bank chose a Gunnebo entrance security solution as it upgrades security at its branches
- American chain store, Harry Winston, invested in new safes and high-security doors
- Brazilian retail chains Drogaria SIP and Magazine Luiza invested in a Gunnebo electronic article surveillance (EAS) solution to combat loss prevention

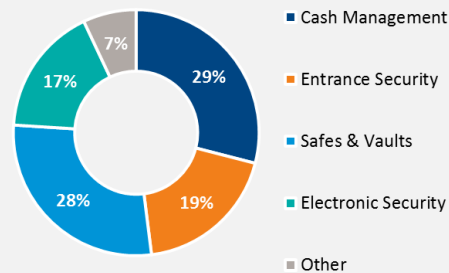
AMERICAS IN BRIEF

SVP: Dan Schroeder | Sales Companies: 4

North America: Canada, USA

Latin America: Brazil, Mexico

SALES BY PRODUCT GROUP



FINANCIAL PERFORMANCE

APRIL – JUNE 2016

Net sales

The Group's net sales during the second quarter of 2016 amounted to MSEK 1,474. Net sales for the corresponding period last year totalled MSEK 1,516. Organically, net sales decreased by 1%.

Financial results

Gross profit totalled MSEK 425 (463) for the period, a gross margin of 28.8% (30.5). Gross profit excluding non-recurring items amounted to MSEK 434 (465), a gross margin of 29.4% (30.7). The lower margins were mainly due to lower net sales and production variances in Europe.

Reported operating profit was MSEK 80 (80), equating to an operating margin of 5.4% (5.3). Operating profit excluding non-recurring items amounted to MSEK 103 (102), an operating margin of 7.0% (6.7).

Selling and administrative costs continued to decrease. These costs totalled MSEK 335 (363), excluding non-recurring costs of MSEK 14 (20), which corresponded to 22.7% (24.0) of net sales.

OPERATING PROFIT BRIDGE

	QTD
Operating profit 2015, MSEK	80
Organic	-4
Structure	14
Currency	-8
Other	-2
Operating profit 2016	80

Compared to operating profit for the corresponding period in 2015, the organic change was negative due to lower sales. The positive structural change comprised contributions from acquired operations, along with gains from previously performed restructuring initiatives. Of the total currency effect of MSEK -8, MSEK -5 related to translation differences and MSEK -3 to transaction effects. Other changes were due primarily to the lower gross margin.

Research and development costs during the quarter amounted to 1.5% of net sales.

Non-recurring items for the second quarter totalled MSEK -23 (-22), attributable to continued productivity improvements in Europe.

Net financial items totalled MSEK -12 (-9) and tax MSEK -26 (-20).

Net profit for the period amounted to MSEK 42 (51).

Investments, divestments, depreciation and amortisation

Investments made in intangible assets and property, plant and equipment during the period totalled MSEK 23 (25), and depreciation and amortisation amounted to MSEK 29 (25).

Cash flow

EBITDA for the quarter totalled MSEK 109 (105), followed by a cash flow from operating activities before changes in working capital of MSEK 97 (72). Cash flow from changes in working capital amounted to MSEK -47 (-93).

Cash flow from investing activities amounted to MSEK -23 (-41). During the corresponding period last year, shares were acquired in an American associated company.

Cash flow after investing activities, before financing activities, amounted to MSEK 27 (-62).

Cash flow from financing activities increased by MSEK 47 (83), primarily due to loan repayments of MSEK 35, a dividend payment to shareholders of MSEK 76 and increased credit utilisation totalling MSEK 156.

Cash flow for the period amounted to MSEK 74 (21).

JANUARY – JUNE 2016

Net sales

The Group's net sales for the first six months of 2016 amounted to MSEK 2,864. Net sales for the corresponding period last year totalled MSEK 2,913. Organically, net sales remained unchanged.

Financial results

Gross profit totalled MSEK 822 (865) for the period, a gross margin of 28.7% (29.7). Gross profit excluding non-recurring items amounted to MSEK 832 (868), a gross margin of 29.1% (29.8). The lower margins were mainly due to lower net sales and production variances in Europe.

Reported operating profit amounted to MSEK 133 (109), which equated to an operating margin of 4.6% (3.8). Operating profit excluding non-recurring items amounted to MSEK 161 (140), an operating margin of 5.6% (4.8). The main factor behind the improved figures was attributable to reduced selling and administrative costs, a consequence of restructuring activities and tight cost control. These costs totalled MSEK 677 (727), excluding non-recurring costs of MSEK 18 (28), which corresponded to 23.6% (25.0) of net sales.

OPERATING PROFIT BRIDGE

	YTD
Operating profit 2015, MSEK	109
Organic	0
Structure	28
Currency	-4
Other	0
Operating profit 2016	133

Compared to the operating profit for the corresponding period in 2015, the organic figure was unchanged. The positive structural change comprised contributions from acquired operations, along with gains from restructuring initiatives. The currency effect related primarily to transaction effects.

Research and development costs amounted to 1.4% of net sales.

Non-recurring items for the first half-year totalled MSEK -28 (-31), attributable to continued productivity improvements in Europe.

Net financial items totalled MSEK -26 (-26) and tax MSEK -45 (-43).

Net profit for the period amounted to MSEK 62 (40).

Investments, divestments, depreciation and amortisation

Investments made in intangible assets and property, plant and equipment during the period totalled MSEK 45 (48), and depreciation and amortisation amounted to MSEK 58 (49). A property in the UK was divested during the period at the book value of MSEK 20.

Cash flow

EBITDA for the half-year totalled MSEK 191 (158), followed by a cash flow from operating activities before changes in working capital of MSEK 128 (76). Cash flow from changes in working capital amounted to MSEK -69 (-217).

Cash flow from investing activities amounted to MSEK -25 (-65).

Cash flow after investing activities, before financing activities, amounted to MSEK 34 (-206).

Cash flow from financing activities decreased by MSEK 4 (increased by 102), primarily due to loan repayments of MSEK 69, a dividend payment to shareholders of MSEK 76 and increased credit utilisation totalling MSEK 141.

Cash flow for the period amounted to MSEK 30 (-104).

Liquidity and financial position

The Group's liquid funds at the end of the period amounted to MSEK 539 (496*). Equity amounted to MSEK 1,753 (1,747*) and the equity ratio to 33% (34%*).

The increase in equity was mainly attributable to the profit for the year of MSEK 62 and positive translation differences from foreign operations of MSEK 55. At the same time, equity was burdened by a dividend paid to shareholders of MSEK 76 and by actuarial revaluations, net of taxes, of MSEK -38.

Net debt increased by MSEK 100 to MSEK 1,312 (1,212*), of which the pension liability increased by MSEK 44 due mainly to lower interest rates. Net debt excluding pension commitments amounted to MSEK 906 (850*).

The debt/equity ratio totalled MSEK 0.7 (0.7*).

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 January-June totalled MSEK 91 (90) and net profit amounted to MSEK 11 (3).

Employees

The number of employees at the end of the period was 5,432 (5,482*). The number of employees outside Sweden at the end of the period was 5,260 (5,318*).

*At the end of 2015

Share data

Earnings per share before and after dilution were SEK 0.81 (0.51). The number of shareholders totalled 10,600 (11,700).

In line with the Long Term Incentive Programme (LTIP 2015), Gunnebo AB issued 730,800 new shares of series C in March at a nominal value of SEK 5 per share, increasing the share capital by MSEK 3.7 during the period.

All of these shares were then repurchased by Gunnebo AB at the same value. The shares will be held by Gunnebo AB until the closure of LTIP in 2018, when they may be converted to shares of series B in line with LTIP.

These shares are, in the calculation of earnings per share, replaced by an expected outcome of shares from the incentive programme.

In line with the incentive programme adopted in 2012, Gunnebo AB issued 85,000 new shares of series B in June at a nominal value of SEK 5 per share and an issue price of SEK 31.4 per share. This increased equity by MSEK 2.7 in total during the period, of which share capital accounted for MSEK 0.4. These shares are included in the calculation of earnings per share.

Certification

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

Gothenburg July 19, 2016

Martin Svalstedt
Chairman

Henrik Lange
CEO

Tore Bertilsson
Board member

Göran Bille
Board member

Charlotte Brogren
Board member

Bo Dankis
Board member

Eva Elmstedt
Board member

Mikael Jönsson
Board member

Crister Carlsson
Board member

Irene Thorin
Board member

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

GROUP INCOME STATEMENT, CONDENSED

MSEK	2016 Apr - Jun	2015 Apr - Jun	2016 Jan - Jun	2015 Jan - Jun	2015 Jan - Dec
Net sales	1,474	1,516	2,864	2,913	6,052
Cost of goods sold	-1,049	-1,053	-2,042	-2,048	-4,278
Gross profit	425	463	822	865	1,774
Selling and administrative expenses	-349	-383	-695	-755	-1,452
Other operating items, net	4	0	6	-1	-2
Operating profit/loss	80	80	133	109	320
Net financial items	-12	-9	-26	-26	-43
Profit/loss after financial items	68	71	107	83	277
Taxes	-26	-20	-45	-43	-109
Profit/loss for the period	42	51	62	40	168
<i>Profit and loss attributable to:</i>					
Parent company shareholders	41	49	61	39	166
Non-controlling interests	1	2	1	1	2
	42	51	62	40	168

GROUP STATEMENT OF COMPREHENSIVE INCOME, CONDENSED

MSEK	2016 Apr - Jun	2015 Apr - Jun	2016 Jan - Jun	2015 Jan - Jun	2015 Jan - Dec
Profit/loss for the period	42	51	62	40	168
Other comprehensive income for the period					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Actuarial gains and losses*	-38	7	-38	7	42
Total items that will not be reclassified to profit or loss subsequently	-38	7	-38	7	42
<i>Items that may be reclassified subsequently to profit or loss</i>					
Translation differences in foreign operations	51	-44	55	3	-82
Hedging of net investments*	-	0	-	-3	-3
Cash flow hedges*	-	3	-1	2	1
Total items that may be reclassified to profit or loss subsequently	51	-41	54	2	-84
Total other comprehensive income	13	-34	16	9	-42
Total comprehensive income for the period	55	17	78	49	126
*Net of taxes					
<i>Total comprehensive income attributable to:</i>					
Parent company shareholders	53	17	75	50	129
Non-controlling interests	2	0	3	-1	-3
	55	17	78	49	126

GROUP STATEMENT OF FINANCIAL POSITION, CONDENSED

MSEK	2016 June 30	2015 June 30	2015 Dec 31
Goodwill	1,571	1,486	1,517
Other intangible assets	291	196	295
Property, plant and equipment	345	302	358
Financial assets	15	14	14
Deferred tax assets	313	329	304
Inventories	722	763	678
Accounts receivable	1,156	1,173	1,150
Other current receivables	305	266	273
Liquid funds	539	350	496
Total assets	5,257	4,879	5,085
Equity	1,753	1,668	1,747
Deferred tax liabilities	92	70	93
Pension commitments	406	418	362
Loans, long-term	1,219	1,044	1,139
Accounts payable	596	609	635
Other current liabilities	955	873	895
Loans, short-term	236	197	214
Total equity and liabilities	5,257	4,879	5,085

CHANGES IN GROUP EQUITY, CONDENSED

MSEK	2016 Jan - Jun	2015 Jan - Jun	2015 Jan - Dec
Opening balance	1,747	1,694	1,694
Total comprehensive income for the period	78	49	126
Non-cash issue	-	1	1
Share-based remuneration	2	0	2
New share issue	2	0	0
Dividend	-76	-76	-76
Closing balance	1,753	1,668	1,747
<i>Whereof non-controlling interests</i>	<i>25</i>	<i>23</i>	<i>21</i>

GROUP CASH FLOW STATEMENT

MSEK	2016 Apr - Jun	2015 Apr - Jun	2016 Jan - Jun	2015 Jan - Jun	2015 Jan - Dec
OPERATING ACTIVITIES					
Operating profit/loss	80	80	133	109	320
Adjustment for depreciations/amortisations	29	25	58	49	108
Adjustment for other items not included in cash flow etc.	10	-4	9	-14	19
Net financial items affecting cash flow	-11	-6	-25	-27	-46
Taxes paid	-11	-23	-47	-41	-96
Cash flow from operating activities before changes in working capital	97	72	128	76	305
Cash flow from changes in working capital	-47	-93	-69	-217	-119
Cash flow from operating activities	50	-21	59	-141	186
INVESTING ACTIVITIES					
Capital expenditure on intangible assets	-9	-8	-17	-15	-33
Capital expenditure on property, plant and equipment	-14	-17	-28	-33	-102
Sales of non-current assets	0	4	20	4	4
Acquisition of operations	-	-20	-	-21	-160
Cash flow from investing activities	-23	-41	-25	-65	-291
Cash flow after investing activities, before financing activities	27	-62	34	-206	-105
FINANCING ACTIVITIES					
Change in interest-bearing receivables	0	0	-2	-1	9
Increase in loans	156	210	141	245	359
Repayment of loans	-35	-51	-69	-66	-116
New share issue	2	0	2	0	0
Dividend	-76	-76	-76	-76	-76
Cash flow from financing activities	47	83	-4	102	176
Cash flow for the period	74	21	30	-104	71
Liquid funds at the beginning of the period	452	345	496	447	447
Translation differences in liquid funds	13	-16	13	7	-22
Liquid funds at the end of the period	539	350	539	350	496
Free cash flow*	27	-42	34	-185	56

*Equals to cash flow from operating and investing activities, excluding acquisitions and divestments

CHANGE IN NET DEBT

MSEK	Closing balance June 30	Organic	Structure	Currency	Opening balance January 1
Loans, long- and short-term	1,455	-72	-	-30	1,353
Post employment benefits, net	406	-43	-	-1	362
Interest-bearing assets	-10	2	-	1	-7
Liquid funds	-539	30	-	13	-496
Net debt	1,312	-83	-	-17	1,212

GROUP KEY RATIOS	2016	2015	2015
	Jan - Jun	Jan - Jun	Jan - Dec
Operating profit before depreciation and amortisation (EBITDA), MSEK	191	158	428
Operating profit before depreciation and amortisation (EBITDA) excl. non-recurring items, MSEK	219	189	505
Operating margin before depreciation and amortisation (EBITDA), %	6.7	5.4	7.1
Operating margin before depreciation and amortisation (EBITDA) excl. non-recurring items, %	7.7	6.5	8.4
Operating margin (EBIT), %	4.6	3.8	5.3
Operating margin (EBIT) excl. non-recurring items, %	5.6	4.8	6.6
Profit margin (EBT), %	3.7	2.9	4.6
Return on capital employed, % ^{*)}	10.5	10.0	10.1
Return on capital employed excl. non-recurring items, % ^{*)}	12.7	12.1	12.4
Capital turnover rate, times	1.7	1.8	1.8
Return on equity, % ^{*)}	11.1	10.0	9.9
Net debt, MSEK	1,312	1,303	1,212
Net debt/EBITDA, times ^{*)}	2.8	3.0	2.9
Equity ratio, %	33	34	34
Interest coverage ratio, times	5.5	5.3	7.8
Debt/equity, times	0.7	0.8	0.7
Equity per share, SEK	22.67	21.59	22.65
Free cash flow per share, SEK	0.45	-2.42	0.73
Average no. of shares, thousands	76,661	76,175	76,180
No. of shares at end of period, thousands	77,001	76,185	76,185

^{*)} During the last twelve-month period

QUARTERLY DATA

QUARTERLY DATA GROUP

Income statement, MSEK	2014					2015					2016		
	1	2	3	4	YTD	1	2	3	4	YTD	1	2	YTD
Net sales	1,250	1,419	1,314	1,574	5,557	1,397	1,516	1,462	1,677	6,052	1,390	1,474	2,864
Cost of goods sold	-894	-1,007	-922	-1,088	-3,911	-995	-1,053	-1,028	-1,202	-4,278	-993	-1,049	-2,042
Gross profit	356	412	392	486	1,646	402	463	434	475	1,774	397	425	822
Selling and administrative expenses	-338	-348	-318	-380	-1,384	-372	-383	-352	-345	-1,452	-346	-349	-695
Other operating items, net	0	77	3	10	90	-1	0	8	-9	-2	2	4	6
Operating profit/loss	18	141	77	116	352	29	80	90	121	320	53	80	133
Net financial items	-8	-11	-8	-8	-35	-17	-9	-10	-7	-43	-14	-12	-26
Profit/loss after financial items	10	130	69	108	317	12	71	80	114	277	39	68	107
Taxes	-13	-24	-33	-20	-90	-23	-20	-32	-34	-109	-19	-26	-45
Profit/loss for the period	-3	106	36	88	227	-11	51	48	80	168	20	42	62
Key ratios													
Organic growth, %	9	6	-5	-2	2	-3	-4	4	2	0	1	-1	0
Gross margin, %	28.5	29.0	29.8	30.9	29.6	28.8	30.5	29.7	28.3	29.3	28.6	28.8	28.7
Selling and administrative expenses in % of sales	27.0	24.5	24.2	24.1	24.9	26.6	25.3	24.1	20.6	24.0	24.9	23.7	24.3
Operating (EBIT) margin, %	1.5	9.9	5.9	7.4	6.3	2.0	5.3	6.2	7.2	5.3	3.8	5.4	4.6
Non-recurring items, MSEK	-20	43	-5	-32	-14	-9	-22	-18	-28	-77	-5	-23	-28
Gross margin excl. non-recurring items, %	29.0	30.0	30.4	31.1	30.2	28.8	30.7	30.2	29.2	29.7	28.6	29.4	29.1
Selling and administrative expenses, excl. non-recurring items in % of sales	26.1	23.5	24.2	22.3	23.9	26.1	24.0	23.3	19.8	23.1	24.6	22.7	23.6
Operating profit (EBIT), excl. non-recurring items, MSEK	38	98	82	148	366	38	102	108	149	397	58	103	161
Operating margin (EBIT) excl. non-recurring items, %	3.1	6.9	6.2	9.4	6.6	2.7	6.7	7.4	8.9	6.6	4.2	7.0	5.6
Earnings per share, SEK *)	-0.04	1.40	0.47	1.15	2.98	-0.13	0.64	0.62	1.05	2.18	0.26	0.55	0.81

* Before and after dilution

QUARTERLY REGIONAL DATA

EMEA	2014					2015					2016		
	1	2	3	4	YTD	1	2	3	4	YTD	1	2	YTD
Net sales, MSEK	842	925	864	1,013	3,644	887	962	927	1,084	3,860	888	966	1,854
Organic growth, %	7	0	0	-4	0	-3	-2	-1	3	0	-1	-1	-1
Operating profit (EBIT), MSEK	-20	81	19	28	108	-3	19	25	43	84	4	25	29
Operating (EBIT) margin, %	-2.4	8.8	2.2	2.8	3.0	-0.3	2.0	2.7	4.0	2.2	0.5	2.6	1.6
Non-recurring items, MSEK	-19	51	-4	-29	-1	-8	-16	-17	-26	-67	-3	-22	-25
Operating profit (EBIT), excl. non-recurring items, MSEK	-1	30	23	57	109	5	35	42	69	151	7	47	54
Operating margin (EBIT) excl. non-recurring items, %	-0.1	3.2	2.7	5.6	3.0	0.6	3.6	4.5	6.4	3.9	0.8	4.9	2.9
APAC													
Net sales, MSEK	221	281	228	299	1,029	245	273	244	323	1,085	258	267	525
Organic growth, %	15	24	-11	5	8	-12	-20	-2	1	-8	10	4	7
Operating profit (EBIT), MSEK	23	37	27	44	131	12	31	26	39	108	26	29	55
Operating (EBIT) margin, %	10.4	13.2	11.8	14.7	12.7	4.9	11.4	10.7	12.1	10.0	10.1	10.9	10.5
Non-recurring items, MSEK	-1	-5	0	-3	-9	-1	-3	-1	-2	-7	0	-1	-1
Operating profit (EBIT), excl. non-recurring items, MSEK	24	42	27	47	140	13	34	27	41	115	26	30	56
Operating margin (EBIT) excl. non-recurring items, %	10.9	14.9	11.8	15.7	13.6	5.3	12.5	11.1	12.7	10.6	10.1	11.2	10.7
AMERICAS													
Net sales, MSEK	187	213	222	262	884	265	281	291	270	1,107	244	241	485
Organic growth, %	7	9	-14	2	0	9	5	21	-2	8	-1	-6	-4
Operating profit (EBIT), MSEK	15	23	31	44	113	20	30	39	39	128	23	26	49
Operating (EBIT) margin, %	8.0	10.8	14.0	16.8	12.8	7.5	10.7	13.4	14.4	11.6	9.4	10.8	10.1
Non-recurring items, MSEK	0	-3	-1	0	-4	0	-3	0	0	-3	-2	0	-2
Operating profit (EBIT), excl. non-recurring items, MSEK	15	26	32	44	117	20	33	39	39	131	25	26	51
Operating margin (EBIT) excl. non-recurring items, %	8.0	12.2	14.4	16.8	13.2	7.5	11.7	13.4	14.4	11.8	10.2	10.8	10.5

NOTE 1 ACCOUNTING PRINCIPLES, RISKS AND SUBSEQUENT EVENTS

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 Gunnebo Group has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Financial Reporting. 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. Disclosures in accordance with IAS 34 Interim Financial Reporting

are presented either in the notes or elsewhere in the Interim Report.

Significant risks and uncertainties

The Group's and parent company's significant risks and uncertainties include operational risks and financial risks. Operational risks for Gunnebo mainly include risks posed by the global economy and commercial risks.

The Group's risk management is described in more detail in the latest Annual Report.

Subsequent events

No significant events have occurred since the closing day.

NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value

For all assets and liabilities measured at fair value, which comprise derivative instruments, the fair values have been assessed based on measurement techniques which are, in all essentials, based on observable market data. According to the fair value hierarchy of IFRS 13, such measurement methods are referred to as Level 2.

The carrying amount of the Group's derivatives corresponds to their fair values.

Other financial instruments

For financial instruments such as accounts receivable, accounts payable and other non-

interest-bearing financial assets and liabilities, which are recognised at amortised cost less any write-down, the fair value is deemed to be the same as the carrying amount due to the short anticipated duration.

The Group's long-term borrowing primarily relates to long-term credit facilities but with short fixed interest rate periods and stable credit margin. The fair value is therefore deemed to be the same as the carrying amount (Level 2 in the IFRS 13 fair value hierarchy).

NOTE 3 RECONCILIATION OF PROFIT/LOSS AFTER FINANCIAL ITEMS

MSEK	2016 Apr - Jun	2015 Apr - Jun	2016 Jan - Jun	2015 Jan - Jun	2015 Jan - Dec
Region EMEA	25	19	29	16	84
Region APAC	29	31	55	43	108
Region Americas	26	30	49	50	128
Operating profit/loss	80	80	133	109	320
Financial items	-12	-9	-26	-26	-43
Profit/loss after financial items	68	71	107	83	277

NOTE 4 NON-RECURRING ITEMS PER FUNCTIONAL COST

MSEK	2016 Apr - Jun incl. non-rec items	2016 Apr - Jun non-rec items	2016 Apr - Jun excl. non-rec items	2016 Jan - Jun incl. non-rec items	2016 Jan - Jun non-rec items	2016 Jan - Jun excl. non-rec items
Net sales	1,474	-	1,474	2,864	-	2,864
Cost of goods sold	-1,049	9	-1,040	-2,042	10	-2,032
Gross profit	425	9	434	822	10	832
Selling and administrative expenses	-349	14	-335	-695	18	-677
Other operating expenses, net	4	-	4	6	-	6
Operating profit/loss	80	23	103	133	28	161
<i>Gross margin, %</i>	<i>28.8%</i>		<i>29.4%</i>	<i>28.7%</i>		<i>29.1%</i>
<i>Selling and administrative expenses in percentage of sales</i>	<i>23.7%</i>		<i>22.7%</i>	<i>24.3%</i>		<i>23.6%</i>
<i>Operating margin, %</i>	<i>5.4%</i>		<i>7.0%</i>	<i>4.6%</i>		<i>5.6%</i>

MSEK	2015 Apr - Jun incl. non-rec items	2015 Apr - Jun non-rec items	2015 Apr - Jun excl. non-rec items	2015 Jan - Jun incl. non-rec items	2015 Jan - Jun non-rec items	2015 Jan - Jun excl. non-rec items
Net sales	1,516	-	1,516	2,913	-	2,913
Cost of goods sold	-1,053	2	-1,051	-2,048	3	-2,045
Gross profit	463	2	465	865	3	868
Selling and administrative expenses	-383	20	-363	-755	28	-727
Other operating expenses, net	0	-	0	-1	-	-1
Operating profit/loss	80	22	102	109	31	140
<i>Gross margin, %</i>	<i>30.5%</i>		<i>30.7%</i>	<i>29.7%</i>		<i>29.8%</i>
<i>Selling and administrative expenses in percentage of sales</i>	<i>25.3%</i>		<i>24.0%</i>	<i>25.9%</i>		<i>25.0%</i>
<i>Operating margin, %</i>	<i>5.3%</i>		<i>6.7%</i>	<i>3.8%</i>		<i>4.8%</i>

PARENT COMPANY

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME, CONDENSED

MSEK	2016 Apr - Jun	2015 Apr - Jun	2016 Jan - Jun	2015 Jan - Jun	2015 Jan - Dec
Net sales	46	46	91	90	265
Administrative expenses	-37	-44	-77	-78	-181
Operating profit/loss	9	2	14	12	84
Net financial items	-3	-3	-5	-5	-11
Profit/loss after financial items	6	-1	9	7	73
Appropriations	-	-	-	-	75
Taxes	0	-1	2	-4	-37
Profit/loss for the period	6	-2	11	3	111

Total comprehensive income corresponds with profit/loss for the period

PARENT COMPANY STATEMENT OF FINANCIAL POSITION, CONDENSED

MSEK	2016 June 30	2015 June 30	2015 Dec 31
Other intangible assets	5	5	4
Property, plant and equipment	2	2	2
Financial assets	1,675	1,713	1,673
Current receivables	21	61	40
Liquid funds	3	0	0
Total assets	1,706	1,781	1,719
Equity	1,457	1,412	1,520
Current liabilities	249	369	199
Total equity and liabilities	1,706	1,781	1,719

CHANGES IN PARENT COMPANY EQUITY, CONDENSED

MSEK	2016 Jan - Jun	2015 Jan - Jun	2015 Jan - Dec
Opening balance	1,520	1,485	1,485
Total comprehensive income for the period	11	3	111
New share issue	2	0	0
Dividend	-76	-76	-76
Closing balance	1,457	1,412	1,520

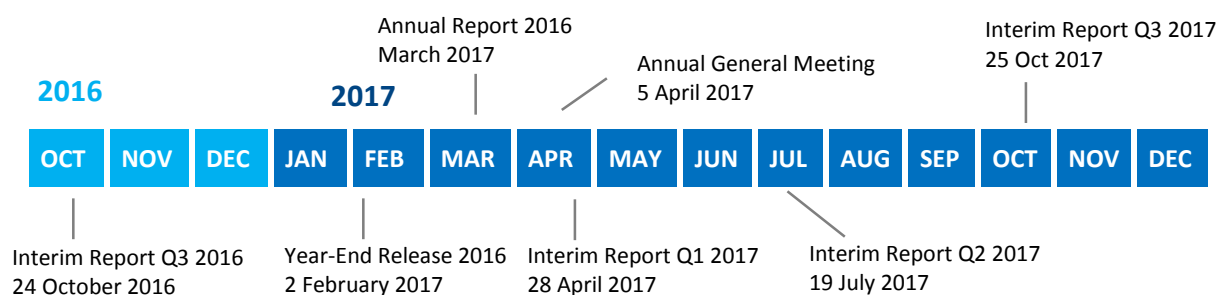
DEFINITIONS

In the Interim Report, Gunnebo presents certain financial figures that are not defined according to IFRS. The Group believes that these figures provide investors and the company's management with valuable supplementary disclosures, since they enable a valuation of the company's financial results and position. Since not all companies calculate financials in the same way, these are not always comparable with figures used by other companies. These financials should not, therefore, be considered a substitute for figures defined according to IFRS.

Capital employed	Total assets less non-interest-bearing provisions and liabilities.
Capital turnover rate	Net sales in relation to average capital employed.
Debt/equity	Net debt in relation to equity.
Earnings per share ¹⁾	Profit after tax attributable to the parent company's shareholders divided by the average number of shares.
Earnings per share after dilution ¹⁾	Profit after tax attributable to the parent company's shareholders divided by the average number of shares after dilution.
EBITDA	Operating profit before depreciation/amortisation and write-downs of intangible assets and property, plant and equipment.
Equity per share	Equity attributable to the parent company's shareholders divided by the number of shares at the end of the period.
Equity ratio	Equity as a percentage of the total assets.
Free cash flow per share	Cash flow from operating and investing activities, excluding acquisitions and divestments, divided by the average number of shares.
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.
Net debt/EBITDA	Average net debt divided by EBITDA.
Non-recurring items	Non-recurring items encompass restructuring programmes (cost for the closure of operations and for surplus personnel) and other one-off costs.
Operating (EBIT) margin	Operating profit as a percentage of net sales.
Organic growth	Growth in net sales adjusted for acquisitions, divestments and exchange rate effects.
Profit margin	Profit after financial items as a percentage of net sales.
Return on capital employed	Operating profit plus financial income as a percentage of average capital employed.
Return on equity	Profit/loss for the period as a percentage of average equity.

¹⁾ Defined according to IFRS

Financial Calendar 2016/2017



About Gunnebo

Gunnebo is a global security provider with an offering covering safes and vaults, cash management, entrance security and electronic security.

The Group has an annual turnover of €660 million and 5,500 employees in 32 countries worldwide. Gunnebo has 11 production units in ten countries. Gunnebo's shares (GUNN) are traded on NASDAQ Stockholm under Mid Cap and Industrials.



Vision

To be the leading global provider of a safer future.

Mission

Gunnebo's mission is to offer products, services and solutions that increase security and efficiency, and create value for shareholders, customers, partners, employees and society on a global scale.

Strategy for profitable growth

- Focus on growth in the product groups Cash Management, Entrance Security, Safes & Vaults and Electronic Security.
- Focus on solutions-selling to key accounts in target customer segments
- Focus on operational excellence and productivity

Product Groups

Cash Management

Development, production, installation and service of intelligent cash management solutions for deposit, dispense, recycling and closed cash management. Marketed and sold under the Gunnebo brand with strong product brands as SafePay and Sallén.

Entrance Security

Development, production, installation and service of turnstiles, security doors & partitions and electronic article surveillance (EAS). Marketed and sold under the Gunnebo and Gateway (EAS) brands.

Safes & Vaults

Development, production, installation and service of safes, vaults, vault doors, safe deposit lockers (SDL's) and ATM safes. Marketed and sold under leading brands such as Chubb safes and Fichet-Bauche.

Electronic Security

Development, production, installation and service of solutions for remote surveillance, access control, intrusion detection and electronic locking. Marketed and sold under the Gunnebo brand.

Other

Development, production, installation and service of solutions for fire safety and other traded products.

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Gunnebo

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The information in this interim report is such that Gunnebo is required to disclose in accordance with the Securities Market Act. The report was released for publication at 08.01 a.m. CET on July 19 2016.

