

Press release 7 February, 2006

G U N N E B O

Y E A R - E N D R E L E A S E 2 0 0 5

Fourth quarter 2005 *

- The order intake rose by 22% to MSEK 1,705 (1,396). Organic growth was 9%.
- Invoiced sales rose by 12% to MSEK 1,868 (1,668). Organic growth was 2%.
- The result after financial items and before items affecting comparability was a profit of MSEK 138 (129) and after these items it amounted to MSEK 4 (17).
- Net cost items affecting comparability amounted to MSEK 134 (cost 112) and consisted largely of the remaining part of previously approved restructuring of production, costs for the new organisation and new structure, as well as lump-sum write-downs in the value of inventories.
- The result after tax was a loss of MSEK 28 (profit 18).
- The loss per share amounted to SEK 0.65 (profit: 0.40). Excluding items affecting comparability earnings per share were SEK 1.95 (2.40).
- The operative cash flow increased to MSEK 275 (167).

January - December 2005 *

- The order intake rose by 10% to MSEK 6,658 (6,035). Organic growth in the order intake was 2%.
- Invoiced sales rose by 6% to MSEK 6,477 (6,086). Organic, sales declined by 2%.
- The profit after financial items amounted to MSEK 238 (325) but excluding items affecting comparability and to MSEK 33 (121) including them.
- Net cost items affecting comparability amounted to MSEK 205 (cost 204), and consisted largely of the remaining part of previously approved restructuring of production, costs for the new organisation and new structure, as well as lump-sum write-downs in the value of inventories.
- The result after tax was a loss of MSEK 97 (profit 84).
- The loss per share amounted to SEK 2.20 (profit: 1.90). Excluding items affecting comparability earnings per share were SEK 3.75 (6.00).
- The shares in Gunnebo Industrier AB were distributed to Gunnebo's shareholders and floated separately on Stockholmsbörsen's "O" list.
- Eurofence was acquired in January 2005.

Dividend proposal

- It is proposed that a dividend of SEK 1.60 (2.25) be paid.

Outlook for 2006 *

- The result after financial items for 2006 is expected to be significantly higher than for 2005, both before and after items affecting comparability (MSEK 238 and MSEK 33), but it will still be below the company's established financial targets.

** These figures relate to the continuing business, i.e. excluding Gunnebo Industrier.*

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The Group

Information for the fourth quarter and for January - December including the corresponding comparative data for the previous year, relate to the business in the Group, i.e. excluding Gunnebo Industrier, except where otherwise stated.

Fourth quarter - continuing operations

Order intake and invoiced sales

The Group's order intake developed well during the fourth quarter. In total, the order intake rose by 22% to MSEK 1,705 (1,396). Organic growth was 9%, acquired companies accounted for 6% and currency effects for 7%. All divisions except Gunnebo Perimeter Security noted an increase in their order intake for the quarter.

Invoiced sales rose by 12% to MSEK 1,868 (1,668). Organic growth amounted to 2%, acquired companies accounted for 4% and currency effects for 6%.

Result

The consolidated operating profit excluding items affecting comparability amounted to MSEK 158 (146). The operating margin was 8.5% (8.8). Gunnebo Physical Security greatly improved its result, whereas Gunnebo Asia Pacific noted a marked deterioration in its.

The profit after financial items, excluding items affecting comparability, amounted to MSEK 138 (129). Acquired companies had a positive effect on the result of MSEK 14 and currency effects contributed MSEK 1.

Items affecting comparability amounted to a net cost of MSEK 134 (cost 112), of which the remaining previously approved structuring measures accounted for MSEK 41 and integration costs for the new organisation for MSEK 37. Other such items amount to MSEK 56, of which a provision to cover inventory values amounts to MSEK 44 and is an effect of the approved integration plans and on-going review of the product range.

The consolidated profit after financial items including items affecting comparability amounted to MSEK 4 (17).

Cash flow

The operative cash flow after investment activities but before interest, paid tax and restructuring costs improved to MSEK 275 (167), mainly through a reduction in the level of working capital.

January-December 2005

The structure of the Group was altered during the year pursuant to a decision by the Annual General Meeting in March 2005 to distribute Gunnebo Industrier to Gunnebo AB's shareholders and also have it floated separately on Stockholmsbörsen's "O" list.

Gunnebo Industrier is included in the following section for the first quarter of 2005 and the whole of 2004.

The Group's invoiced sales (including Gunnebo Industrier) amounted to MSEK 6,802 (7,326).

The consolidated operating profit amounted to MSEK 122 (265). Net financial costs amounted to MSEK 73 (cost 60). The profit after financial items amounted to MSEK 49 (205).

January-December 2005 - continuing operations

The information below relates only to the continuing operations, excluding Gunnebo Industrier, for the whole of 2005 and the corresponding comparative information for 2004, except where otherwise stated.

Order intake and invoiced sales

The Group's order intake increased by 10 % to MSEK 6,658 (6,035). Organic growth was 2 %. Company acquisitions added 7 % to the order intake, while currency effects raised it by 1 %.

The Group's invoiced sales increased by 6 % to MSEK 6,477 (6,086). Company acquisitions had a positive effect on invoiced sales by 6 % and currency effects added 2 %. After adjustment for acquisitions and currency effects, invoiced sales declined by 2 %.

The sales performance was good on the markets in the Nordic region, England, Spain and Indonesia. Eastern Europe and the Middle East also progressed well. On the other hand, sales declined in France, Germany and India.

Result

The consolidated operating profit before items affecting comparability amounted to MSEK 308 (368). The deterioration in the result occurred during the first half of the year, while the result gradually improved during the second half-year. The operating result for the fourth quarter was MSEK 12 higher than the corresponding figure in 2004. The previously approved programme for restructuring production, which is expected to result in annual cost savings of some MSEK 120, is estimated to have reached its full impact as of the final quarter of 2005.

Net cost items affecting comparability amounted to MSEK 205 (cost 204) and include the closure of the factory in Mumbai, India, final settlement of a major project in Great Britain attributable to earlier years, a provision to cover empty factory premises, closure of a factory in Canada, and additional costs relating to the closure of Elkosta's plant in Germany, etc. The restructuring of production is therefore in all essentials completed and all costs taken. Total costs during the year for the above measures amounted to MSEK 112.

Moreover, a decision was made in the second half of the year to introduce a new organisation and a new structure that will involve focusing on higher organic growth, while also reducing the cost base. The total cost of this programme is estimated at around MSEK 185, of which MSEK 37 was taken into the fourth quarter account. It is expected that the remainder of these costs will be incurred in 2006.

The costs associated with this programme mainly consist of discontinuation costs for employees who will

become redundant in connection with mergers, the cost of relocating to new premises, and the co-ordination of IT and logistical systems. Annual savings are expected to amount to approximately MSEK 90, only a small part of which will be realised in 2006.

Over and above this, other items affecting comparability of MSEK 56 were taken against the result, of which MSEK 44 are provisions to cover inventory values made as a consequence of the integration plans and on-going review of the product range.

The operating profit including items affecting comparability amounted to MSEK 103 (164).

This figure includes depreciation according to plan of MSEK 134 (115).

Net financial costs increased to MSEK 70 (cost 43), partly an effect of acquisitions and structuring costs.

The profit after financial items amounted to MSEK 238 (325) excluding items affecting comparability, of which the second half-year accounted for MSEK 202 (210), which is in line with the published forecast. The forecast published in the third quarter report was that the profit for the second half-year, excluding items affecting comparability, would be slightly lower than last year's.

Including items affecting comparability, the profit after financial items was MSEK 33 (121).

Company acquisitions raised the result by MSEK 24, and currency effects had a positive effect on it by MSEK 5.

The tax charge amounted to MSEK 130 (37), of which costs associated with a tax case that was lost in the Administrative Court of Appeal amounted to MSEK 89. An application has been submitted to have the decision reviewed by the Supreme Administrative Court of Appeal.

The result after tax was a loss of MSEK 97 (profit 84).

Capital expenditure

The Group's fixed capital expenditure, excluding company acquisitions, amounted to MSEK 141 (147).

Cash flow

The cash flow from continuing operations amounted to MSEK 22 (204), of which restructuring costs affecting the cash flow accounted for MSEK 189 (73).

The operative cash flow after investment activities but before interest, paid tax and restructuring costs, amounted to MSEK 325 (282).

New organisation introduced on 1 January 2006

During the coming years, Gunnebo intends to concentrate on security solutions for banks, retailers and sites in need of high security protection, such as airports, harbours, power stations, embassies and military bases. Gunnebo is the world leader in high-graded safes, also for users other than banks and retailers, and the company intends to consolidate and strengthen this position.

The Group was re-organised at the end of 2005 in order to integrate its various security solutions into a co-ordinated product offering for each category of customer. The new organisation came into effect on 1 January 2006. Customers will be served by a single Customer Centre in each country in which Gunnebo has had a market presence through a subsidiary. System and product development, manufacture and logistics will be run from six Competence Centres.

The management teams for each Competence and Customer Centre were appointed towards the end of the year, largely via internal recruitment.

Liquidity and financial position

The Group's liquid funds amounted to MSEK 169.

The Group's net debt amounted to MSEK 1,763.

The equity ratio was 25 % and the debt-equity ratio was 1.5.

In October a new five-year syndicated MEUR 200 loan was raised to replace a syndicated loan of the same amount that was raised in 2003. In December, Gunnebo raised a six-year MSEK 300 subordinated loan on the Swedish capital market.

Company acquisitions

At the beginning of January 2005, Gunnebo acquired Eurofence, a French company with an annual turnover of some MSEK 220 and 135 employees. Eurofence has been consolidated with effect from 1 January 2005 as a member of the Gunnebo Perimeter Security division. The additional information required by IFRS 3 is provided on page 15.

Employees

The number of employees in the Group at the end of the period was 6,759, which may be compared with 7,006 at the end of the previous year. The number of employees abroad was 6,278 (6,513).

Göran Gezelius succeeded Bjarne Holmqvist as President and CEO with effect from 2 May 2005.

Per share data

The loss per share after dilution amounted to SEK 2.20 (profit: 1.90). Excluding items affecting comparability earnings per share were SEK 3.75 (6.00).

Equity per share after dilution amounted to SEK 29.30 (33.50).

The company had 10,100 shareholders (10,800) at the end of the year.

Divisions - adjusted for IFRS as of 2004

Gunnebo Physical Security

	Oct - Dec		Full year		
MSEK	2005	2004	2005	2004	2003
Invoiced sales	770	682	2,682	2,543	2,618
Operating profit/loss					
excl. items affecting comparability	92	62	170	171	209
incl. items affecting comparability	72	-28	124	54	209
Operating margin, %					
excl. items affecting comparability	11.9	9.1	6.3	6.7	8.0
incl. items affecting comparability	9.4	-4.1	4.6	2.1	8.0

Market conditions for the division's products were weak in Germany, Holland and France, whereas the British market showed sustained strength. Among agency markets, several markets in the Middle East in particular developed very strongly, and the markets in North Africa and Russia continued to do well.

After declining for several years, demand for traditional banking products such as vaults, vault doors and high-graded safes stabilised at a lower level in the later months of the year, while demand for vaults and vault doors rose sharply in the Middle East. The market for products and services for banking automation, secure cash handling, and service has continued to develop favourably.

The new series of fire-resistant safes that was launched last year has been well received with increases in market share for high-graded, fire-resistant safes.

The closure of the division's factory in Sarreguemines, France, was completed in the middle of the year and production relocated to the Division's factories in Bazancourt, France, and Granollers, Spain. A small factory in Barrie, Canada, was closed at the end of the year.

The tendency for the handling of cash to shift from traditional banking activities to automated banking systems and to the retail trade has continued. The market for automated banking services such as deposit and recycling modules, coin roll dispensers, electronic safe deposit lockers, intelligent deposit systems, and systems for other types of automated cash handling showed a healthy trend during the year.

The retail sector shows an increased interest in integrated security solutions as robberies and thefts are increasing. One requirement is that these solutions can combine high flows of cash and merchandise with high security.

By the end of the year Gunnebo was delivering its SafePay™ cash handling system at a rate of 1,000 units per year, which is also the break-even volume. SafePay has been particularly successful in Sweden, Norway and Germany. Major orders or supply contracts for SafePay

include supplying all ICA Maxi stores in Norway and Framework Agreements with COOP, Statoil in Sweden, Norway and Denmark, and with Bauhaus in Sweden.

In Germany SafePay is being delivered to stores in the Metro chain, in the first instance to those with self-service check outs.

Increasingly, SafePay is being delivered with intelligent deposit units (IDU) and with cash transfer units integrated into a burglar-resistant safe (CTU), which makes it the only system on the market with a totally closed cash handling system.

Gateway, the article surveillance company that was acquired at the end of 2004, has made very good progress.

In all, Gunnebo Physical Security, after a weak start to the year, successively improved its result as a consequence of higher volumes and completion of structural changes, the result of which was a healthy operating margin in the fourth quarter. Consequently, the total result for the year, before items affecting comparability, matched that noted for the previous year.

Gunnebo Integrated Security

	Oct - Dec		Full year		
MSEK	2005	2004	2005	2004	2003
Invoiced sales	568	537	1,997	2,014	1,945
Operating profit/loss					
excl. items affecting comparability	60	68	125	176	171
incl. items affecting comparability	52	48	92	156	171
Operating margin, %					
excl. items affecting comparability	10.6	12.7	6.3	8.7	8.8
incl. items affecting comparability	9.2	8.9	4.6	7.7	8.8

The order intake for the division as a whole has developed favourably. During the year, electronic security systems did well in Spain, whereas the market, especially in the banking sector in France, Italy and Portugal in particular, has become exposed to greater competition, which result in a slight decline in volumes.

This notwithstanding, substantial orders were booked during the year from several leading French and Spanish banks. To a great extent the banking business, which has been declining in volume, was offset by orders for logistics centres, the chemical industry, prisons, airports, hotels, casinos and customers in the public sector. The growth in the Service segment within the framework of our Facilities Management unit may be exemplified by the signing of several new service contracts in the public sector.

Ritzenthaler's SkyRitz system of movable partitions for bullet-resistant environments noted a healthy order in-

take. Ritzenthaler's business in the renting out of module banks when, a branch has to be modernised, has been successful.

Gunnebo Entrance Control is Europe's leading supplier in the field of entrance control systems. During the year, the business had a very high order intake, with the Metro and Stadia & Leisure market segments doing particularly well and booking orders for metro operators and authorities in New Delhi, Taipei and Singapore. At the end of the year, the Metro segment booked significant orders from China and Colombia, and from Toulouse and Barcelona in Europe.

Gunnebo Entrance Control recently launched ImmSec, a unique immigration security booth for automated passage control with an integrated biometrical identification system and single-person detection, which has been well received by the market. Several units have been installed for testing and towards the end of the year an order was booked to install ImmSec at five airports in England.

Profitability in electronic security was affected during the year by depressed prices; moreover, some of the companies in the division in the security booth and bullet-resistant glass walls units experienced serious profitability problems, mainly as a result of declining sales. During the year the capacity of these unit's was adjusted into line with the lower volume. Consequently, the division's overall result was poorer than in the previous year, despite an improvement towards the end of the year.

Gunnebo Perimeter Security

MSEK	Oct - Dec		Full year		
	2005	2004	2005	2004	2003
Invoiced sales	451	375	1,537	1,275	1,038
Operating profit/loss					
excl. items affecting comparability	39	26	80	54	28
incl. items affecting comparability	24	26	65	-11	28
Operating margin, %					
excl. items affecting comparability	8.6	6.9	5.2	4.2	2.7
incl. items affecting comparability	5.3	6.9	4.2	-0.9	2.7

Gunnebo Perimeter Security consists of Gunnebo Perimeter Protection and Gunnebo Troax.

After a normal period of seasonally weak demand at the beginning of the year, **Gunnebo Perimeter Protection** had a stronger second half-year. Sales in northern Europe continued at a healthy level with significant orders for high-graded security systems for airports, prisons, military bases, process industries, and for high-graded public authorities.

The markets on the European Continent have tended to become considerably weaker – especially the German market where volumes are lower and prices under intense

pressure.

The market in Great Britain has been favourable with a number of orders for Elkosta's anti-terrorist products being booked for British embassies and consulates.

International sales of anti-terrorist products have shown a consistently firm trend with orders from the Middle East, Hungary and India.

Within Gunnebo Perimeter Protection's product programme it is above all anti-terrorist products in the form of hydraulic bollards, tyre killers, heavy-duty gates and road blockers that have experienced continued strong demand.

The closure of Elkosta's factory in Salzgitter, which was acquired in April 2004, was finalised during the fourth quarter of 2005. Production has been relocated to the division's nearby factory in Salzkotten.

Towards the end of the year, negotiations opened on discontinuing production of chain-link fencing and gates at the factory in Ödeborg, Sweden.

All the shares in Eurofence, a French company, were acquired at the beginning of 2005. This acquisition will significantly strengthen the market position in France and bring into the Group a partly new product range of welded fencing products.

Eurofence's key customer segments are manufacturing industry, haulage contractors, defence installations, harbours, airports, prisons, logistics centres, power stations and telecom installations.

Gunnebo Perimeter Protection improved its operating result in relation to the previous year, mainly owing to the acquisition of Eurofence, whose result improved noticeably during the year. The business in the Nordic region has also continued to produce good results, whilst Germany remained weak.

During the year, **Gunnebo Troax** carried out extensive investments in new and complementary production equipment at the factor in Hillerstorp and launched a new product programme with the object of creating a more rational flow through the factory and improving efficiency.

Earlier investments in the form of a fully automated welding unit were complemented during the year with a new automatic welding robot and the introduction of robots into the paintshop. All in all, this has resulted in an improved product offering and better service for Gunnebo Troax' end customers.

All markets except Switzerland, Austria and Belgium have developed well. The progress in the Nordic region is mainly related to the strength of the building economy, while the performance in Great Britain and Spain is mainly driven by a healthy economy in general.

The result improved slightly, even though running-in cost in connection with the investments were higher than expected as a result of some production disturbances.

Gunnebo Asia Pacific

MSEK	Oct - Dec		Full year		
	2005	2004	2005	2004	2003
Invoiced sales	109	99	369	346	309
Operating profit/loss					
excl. items affecting comparability	-13	8	-4	20	13
incl. items affecting comparability	-22	6	-27	18	13
Operating margin, %					
excl. items affecting comparability	-11.9	8.1	-1.1	5.8	4.2
incl. items affecting comparability	-20.2	6.1	-7.3	5.2	4.2

Gunnebo Asia Pacific's main markets are India and Indonesia. The division reports a loss for the year as a whole owing to a very unsatisfactory result in India. During the fourth quarter, the company in India found itself obliged to report a heavy loss on account of incorrect recognition in income of certain items and stock valuation errors, which were partly attributable to earlier periods. On top of this, sales were weak towards the end of the year. Management changes have been made and an action programme to restore profitability has been launched.

Developments on the market for traditional security products for the banking sector in India showed continued stability, even though heavy flooding, especially in Mumbai and Chennai, in the middle of the year, moderated demand somewhat.

A large order was received during the year for physical security products for Deutsche Bank, which has opened seven branches in major cities.

The factory in Mumbai was closed in March 2005. Sale of the property has been delayed by new licence conditions for new buildings in this part of Mumbai.

The market for portable fire extinguishers weakened as a result of growing competition from numerous local manufacturers with low-price offers. Conditions on the fire-projects sector have also been weak, mainly owing to the postponement of some large projects.

In Indonesia conditions developed well for both physical security products and electronic security systems. Gunnebo is the leading security company in Indonesia, where many areas of the security market are unregulated and few formal security demands are made by businesses and insurance companies. In Indonesia, Gunnebo has played an active part in measures designed to introduce standards for security systems.

On the market for fire-safety surveillance systems Gunnebo Indonesia completed a series of installations during the year in the oil and gas industries, in mining and on behalf of other major enterprises.

Conditions in Australia are better than they have been, but despite a strong close to the year, the business there

incurred a small loss for the year as a whole.

In Singapore and on the agency markets covered from there, markets have developed well. Moreover, a regional head office was established in Singapore during the year, and the management has been strengthened in preparation for intensified marketing activities in the future.

Accounting principles

The company has applied the new International Financial Reporting Standards (IFRS) with effect from 1 January 2005.

Up until 2004 inclusive, the company applied the Swedish Financial Accounting Standards Council's recommendations. Gunnebo has recalculated prior year figures as of 1 January 2004. The net effect of the change in accounting principles has been taken direct to equity in accordance with IFRS 1.

The most important differences in accounting principles consist of IFRS 3 (Business Combinations), where goodwill is no longer to be depreciated. Instead, an assessment is to be made each year of whether there is a need to write down the value of goodwill. Nor may transfers to restructuring reserve be made in the acquisition balance; instead, the costs incurred on restructuring measures as a consequence of an acquisition shall be taken direct against the result. Gunnebo has opted under the terms of IFRS 1 not to recalculate the figures for acquisitions made before 1 January 2004. Goodwill arising in connection with acquisitions made before 1 January 2004 is included in the accounts on the basis of the residual value of goodwill stated in the balance sheet at 31 December 2003.

Otherwise, certain leasing agreements have been reclassified and are stated as financial leasing agreements in accordance with IAS 17. Minority interests are stated in accordance with IAS 1 as a separate component within equity in the balance sheet instead of between liabilities and equity. In the income statement minority interests in the result are included in the result stated for the period, with separate disclosures.

IAS 39 (Financial instruments) has been applied with effect from 1 January 2005 in its new version, which came into effect in May 2005. Derivative instruments are always stated at their market value in the balance sheet, according to IAS 39. Changes in the market value of derivative instruments are to be stated in the income statement if hedge accounting is not applied. Gunnebo applies hedge accounting for its management of currency risks associated with net investments, transaction flows and for managing interest rate risks associated with its loan portfolio. The difference between the value stated in accordance with IAS 39 and the previous practice is netted off direct against hedging reserve within equity as of 1 January 2005. The change in the hedging reserve during the year is explained under Changes in Equity on page 8.

Gunnebo has opted on the basis of IFRS 1 not to recalculate the comparative figures for 2004.

Other accounting principles and the transitional rules applied on the basis of IFRS 1 are explained in Note 29 in the Annual Report for 2004. The reconciliation of equity and the result in accordance with previously applied principles and IFRS is described on pages 13-14 of this report.

Dividend proposal

It is proposed to pay a dividend of SEK 1.60 per share. Last year the dividend was SEK 2.25 per share in addition to which the shares in Gunnebo Industrier were also distributed to shareholders.

Annual General Meeting

The Annual General Meeting will be held at 5.00 pm on 30 March 2006 in the Chalmers Institute of Technology's Student Union Building, Chalmersplatsen 1, Göteborg. The annual report will be distributed to shareholders and made available at Gunnebo AB's head office as of the week beginning 13 March 2006.

Financial targets

The financial targets that applied to the Gunnebo Group prior to the distribution of Gunnebo Industrier still apply to the remaining Gunnebo. The targets require the Group to earn a return on capital employed of 15 per cent, an operating margin of 7 per cent, and that the equity ratio should not fall below 30 per cent. Moreover, Gunnebo's growth target is to achieve organic growth of 5 per cent a year. The aim is for Gunnebo to achieve these targets in 2007, or at least achieve that annual rate in 2007.

In 2005 the company earned a return on capital employed of 10.4 per cent and an operating margin of 4.8 per cent, excluding items affecting comparability.

Outlook for 2006

The profit after financial items for 2006 – both before and after items affecting comparability - is expected to be significantly higher than it was for 2005 (MSEK 238 and MSEK 33 respectively) but still below the company's established financial targets.

Göteborg, 7 February 2006
Gunnebo AB (Publ)
Board of Directors

All the figures in the statements relate to the total Group, i.e. including Gunnebo Industrier until 31 March, 2005. All financial information according to IFRS as of 2004.

Consolidated income statement, MSEK

	Oct - Dec		Full year		
	2005	2004	2005	2004	2003
Invoiced sales	1,868	1,986	6,802	7,326	6,961
Cost of goods sold	-1,242	-1,313	-4,613	-4,910	-4,680
Gross operating profit	626	673	2,189	2,416	2,281
Other operating costs*	-602	-607	-2,067	-2,151	-1,882
Operating profit	24	66	122	265	399
Net financial items	-20	-21	-73	-60	-58
Profit after financial items	4	45	49	205	341
Taxes	-32	-8	-135	-64	-81
Net profit for the period	-28	37	-86	141	260
Whereof attributable to:					
Equity holders of the company	-28	37	-86	140	259
Minority interest	-	-	-	1	1
	-28	37	-86	141	260
Earnings per share, SEK	-0.65	0.80	-1.95	3.20	6.00
Earnings per share after dilution, SEK	-0.65	0.85	-1.95	3.20	5.95
* whereof items affecting comparability	-134	-112	-205	-204	-

Cash flow analysis, MSEK

	Oct - Dec		Full year		
	2005	2004	2005	2004	2003
Cash flow from current operations before change in working capital	-94	134	-110	379	360
Change in working capital	166	49	106	-75	105
Cash flow from current operations	72	183	-4	304	465
Investments, net	-29	-52	-148	-142	-190
Acquisitions of subsidiary companies	-2	-98	-103	-155	-56
Distribution of subsidiary companies	-4	-	-36	-	-
Cash flow from investment activities	-35	-150	-287	-297	-246
Change in interest-bearing receivables and liabilities	-21	11	339	77	-260
New issue	-	-	6	-	-
Dividend	-	-	-99	-99	-85
Cash flow from financing activities	-21	11	246	-22	-345
Cash flow for the period	16	44	-45	-15	-126
Opening liquid funds	150	163	203	221	362
Translation differences on liquid funds	3	-4	11	-3	-15
Closing liquid funds	169	203	169	203	221

Consolidated balance sheet, MSEK

	2005	2004	2003
Goodwill	1,098	1,089	959
Other intangible fixed assets	126	121	89
Tangible fixed assets	744	1,021	1,027
Financial fixed assets	219	169	132
Inventory	838	1,195	1,061
Operating receivables	1,639	1,851	1,668
Liquid funds	169	203	221
Total assets	4,833	5,649	5,157
Equity	1,208	1,759	1,751
Interest-bearing provisions and liabilities	1,950	1,931	1,732
Other provisions and liabilities	1,675	1,959	1,674
Total equity and liabilities	4,833	5,649	5,157

Change in equity during the period, MSEK

	2005	2004	2003
Opening balance	1,759	1,751	1,646
Dividends paid	-99	-99	-85
Distribution of Gunnebo Industrier	-398	-	-
New issues	6	-	-
Conversion of convertible loan	-	-	81
Currency translations differences	25	-34	-32
Change of accounting principles	8	-	-119
Change of fair value reserves	-7	-	-
Net profit for the year	-86	141	260
Closing equity	1,208	1,759	1,751
Whereof minority interest	-	7	6

Operating cash flow, MSEK

	Oct - Dec		Full year		
	2005	2004	2005	2004	2003
Cash flow from current operations	72	183	-4	304	465
Re-entry of paid tax and net financial items affecting cash	140	48	261	151	138
Net investments	-29	-52	-148	-142	-190
Operating cash flow	183	179	109	313	413
Re-entry of structuring costs affecting cash flow	92	29	189	73	87
Operating cash flow excluding structuring costs	275	208	298	386	500

Key ratios, excl. items affecting comparability

	2005	2004	2003
Return on capital employed, %	10.4	13.6	12.1
Return on equity, %	12.8	18.4	14.8
Operating margin before depreciation, % (EBITDA)	7.0	8.7	9.0
Operating profit, % (EBIT)	4.8	6.4	5.7
Profit margin, % (EBT)	3.7	5.6	4.9

Key ratios, incl. items affecting comparability

	2005	2004	2003
Return on capital employed, %	4.1	7.9	12.1
Return on equity, %	-6.2	8.0	14.8
Gross margin, %	32.2	33.0	32.8
Operating margin before depreciation, % (EBITDA)	4.0	5.9	9.0
Operating margin, % (EBIT)	1.8	3.6	5.7
Profit margin, % (EBT)	0.7	2.8	4.9
Capital turnover rate	2.1	2.0	2.0
Equity ratio, %	25	31	37
Interest cover	1.7	4.3	5.8
Debt-equity ratio	1.5	1.0	0.7

Data per share, excl. items affecting comparability

	2005	2004	2003
Earnings per share, SEK	4.05	7.35	6.00
Earnings per share after dilution, SEK	4.00	7.30	5.95

Data per share, incl. items affecting comparability

	2005	2004	2003
Earnings per share, SEK	-1.95	3.20	6.00
Earnings per share after dilution, SEK	-1.95	3.20	5.95
Equity per share, SEK	27.55	40.15	42.70
Equity per share after dilution, SEK	29.30	41.75	44.20
Cash flow per share, SEK	-0.10	7.05	10.65
No. of shares at end of period, thousands	43,854	43,780	43,780
Average no. of shares, thousand	43,823	43,780	43,216
No. of shares after full dilution, thousand	46,213	45,780	45,780

Invoiced sales, operating profit and operating margin, SEK

	Invoiced sales				Operating profit				Operating margin, %			
	Oct - Dec		Full year		Oct - Dec		Full year		Oct - Dec		Full year	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Gunnebo Physical Security	770	682	2,682	2,543	92	62	170	171	11.9	9.1	6.3	6.7
Gunnebo Integrated Security	568	537	1,997	2,014	60	68	125	176	10.6	12.7	6.3	8.7
Gunnebo Perimeter Security	451	375	1,537	1,275	39	26	80	54	8.6	6.9	5.2	4.2
Gunnebo Asia Pacific	109	99	369	346	-13	8	-4	20	-11.9	8.1	-1.1	5.8
Items affecting comparability		-		-	-134	-112	-205	-204	-	-	-	-
Central items	-30	-25	-108	-92	-20	-18	-63	-53	-	-	-	-
Continuing operations, total	1,868	1,668	6,477	6,086	24	34	103	164	1.3	2.0	1.6	2.7
Discontinued operations *	-	318	325	1,240	-	32	19	101	-	10.1	5.8	8.1
Group total	1,868	1,986	6,802	7,326	24	66	122	265	1.3	3.3	1.8	3.6

Quarterly data, MSEK

	IFRS											
	2003				2004				2005			
Consolidated income statement	1	2	3	4	1	2	3	4	1	2	3	4
Continuing operations												
Invoiced sales	1 354	1 504	1 381	1 578	1 336	1 591	1 491	1 668	1 438	1 612	1 559	1 868
Cost of goods sold	-910	-999	-922	-1 039	-897	-1 060	-988	-1 099	-996	-1 089	-1 053	-1 242
Gross operating profit	444	505	459	539	439	531	503	569	442	523	506	626
Items affecting comparability	-	-	-	-	-	-92	-	-112	-44	-	-27	-134
Depreciation of goodwill	-15	-14	-15	-15	-	-	-	-	-	-	-	-
Other operating costs	-402	-399	-368	-399	-406	-432	-413	-423	-438	-460	-423	-468
Operating profit	27	92	76	125	33	7	90	34	-40	63	56	24
Net financial items	-12	-10	-8	-8	-8	-9	-9	-17	-12	-19	-19	-20
Profit after financial items	15	82	68	117	25	-2	81	17	-52	44	37	4
Taxes	-3	-19	-14	-23	-3	-18	-17	1	14	-12	-100	-32
Profit after tax for continuing operations	12	63	54	94	22	-20	64	18	-38	32	-63	-28
Discontinued operations												
Profit after tax for discontinued operations, *	4	12	10	11	7	16	15	19	11	-	-	-
Total net profit	16	75	64	105	29	-4	79	37	-27	32	-63	-28
Key ratios continuing operations												
Gross margin, %	32,8	33,6	33,2	34,2	32,9	33,4	33,7	34,1	30,7	32,4	32,5	33,5
Operating margin before items affecting comparability and depreciation of goodwill, %	3,1	7,0	6,6	8,9	2,5	6,2	6,0	8,8	0,3	3,9	5,3	8,5
Operating margin, %	2,0	6,1	5,5	7,9	2,5	0,4	6,0	2,0	-2,8	3,9	3,6	1,3

* Refers to Gunnebo Industrier, which was distributed to the shareholders in June 2005

Consolidated income statement full year, MSEK

	Continuing operations		Discontinued operations		Group total	
	2005	2004	2005	2004	2005	2004
Invoiced sales	6,477	6,086	325	1,240	6,802	7,326
Cost of goods sold	-4,380	-4,044	-233	-866	-4,613	-4,910
Gross operating profit	2,097	2,042	92	374	2,189	2,416
Other operating costs *	-1,994	-1,878	-73	-273	-2,067	-2,151
Operating profit	103	164	19	101	122	265
Net financial items	-70	-43	-3	-17	-73	-60
Profit after financial items	33	121	16	84	49	205
Taxes	-130	-37	-5	-27	-135	-64
Net profit	-97	84	11	57	-86	141
Earnings per share after dilution, but excl. items affecting comparability, SEK	3.75	6.00	0.25	1.30	4.00	7.30
Earnings per share after dilution, SEK	-2.20	1.90	0.25	1.30	-1.95	3.20
* Whereof items affecting comparability	-205	-204	-	-	-205	-204

Consolidated balance sheet, MSEK

	Continuing operations		Discontinued operations		Group total	
	31 Dec 2005	31 Dec 2004	31 Dec 2005	31 Dec 2004	31 Dec 2005	31 Dec 2004
Intangible fixed assets	1,224	1,119	-	91	1,224	1,210
Tangible fixed assets	744	676	-	345	744	1,021
Financial fixed assets	219	164	-	5	219	169
Inventory	838	847	-	348	838	1,195
Operating receivables	1,639	1,690	-	161	1,639	1,851
Liquid funds	169	172	-	31	169	203
Total assets	4,833	4,668	-	981	4,833	5,649
Equity	1,208	1,383	-	376	1,208	1,759
Interest-bearing provisions and liabilities	1,950	1,521	-	410	1,950	1,931
Other provisions and liabilities	1,675	1,764	-	195	1,675	1,959
Total equity and liabilities	4,833	4,668	-	981	4,833	5,649

Operating cash flow full year, MSEK

	Continuing operations		Discontinued operations		Group total	
	2005	2004	2005	2004	2005	2004
Cash flow from current operations	22	204	-26	100	-4	304
Re-entry of paid tax and net financial items affecting cash	250	115	11	36	261	151
Net investments	-136	-110	-12	-32	-148	-142
Operating cash flow	136	209	-27	104	109	313
Re-entry of structuring costs affecting cash flow	189	73	-	-	189	73
Operating cash flow excluding structuring costs	325	282	-27	104	298	386

Key ratios for continuing operations, excl. items affecting comparability

	Full year		
	2005	2004	2003
Return on capital employed, %	10.4	14.1	13.0
Return on equity, %	12.8	19.4	16.3
Operating margin before depreciation, % (EBITDA)	6.8	7.9	8.5
Operating profit, % (EBIT)	4.8	6.0	5.5
Profit margin, % (EBT)	3.7	5.3	4.8

Key ratios for continuing operations, incl. items affecting comparability

	Full year		
	2005	2004	2003
Return on capital employed, %	3.7	6.6	13.0
Return on equity, %	-7.5	6.1	16.3
Gross margin, %	32.4	33.6	33.5
Operating margin before depreciation, % (EBITDA)	3.7	4.6	8.5
Operating profit, % (EBIT)	1.6	2.7	5.5
Profit margin, % (EBT)	0.5	2.0	4.8
Capital turnover rate	2.1	2.3	2.2

Data per share for continuing operations, excl. items affecting comparability

	Full year		
	2005	2004	2003
Earnings per share, SEK	3.80	6.00	5.15
Earnings per share after dilution, SEK	3.75	6.00	5.10

Data per share for continuing operations, incl. items affecting comparability

	Full year		
	2005	2004	2003
Earnings per share, SEK	-2.25	1.90	5.15
Earnings per share after dilution, SEK	-2.20	1.90	5.10

Reconciliation of IFRS

The tables below show how the comparative figures have been converted from the previously applied Swedish accounting principles (Swedish Financial Accounting Standards Council's recommendations) to the now applicable international financial reporting standards (IFRS).

Reconciliation of balance sheet at 1 January 2004

	Swedish GAAP	Effect of adoption of IAS 19 *	Other	IFRS
Intangible fixed assets	1,048.4			1,048.4
Tangible fixed assets	1,010.6		16.5	1,027.1
Financial fixed assets	81.2	53.1	-2.3	132.0
Inventory	2,728.6			2,728.6
Liquid funds	221.2			221.2
Total assets	5,090.0	53.1	14.2	5,157.3
Equity	1,870.1	-123.6	4.6	1,751.1
Minority interests	5.9		-5.9	-
Interest-bearing provisions and liabilities	1,541.1	175.1	15.4	1,731.6
Other provisions and liabilities	1,672.9	1.6	0.1	1,674.6
Total equity and liabilities	5,090.0	53.1	14.2	5,157.3

* IAS 19 - Employee benefits where adopted during 2004 when Swedish Financial Accounting Standards Council's recommendation RR 29 came into effect.

Reconciliation of balance sheet at 31 December 2004

	Swedish GAAP	IFRS 3 Goodwill- depreciation	IFRS 3 Restructuring costs	Other	IFRS
Intangible fixed assets	1 229,5	75,1	-94,8		1 209,8
Tangible fixed assets	1 007,1			14,4	1 021,5
Financial fixed assets	170,5			-2,0	168,5
Inventory	3 046,1				3 046,1
Liquid funds	203,3				203,3
Total assets	5 656,5	75,1	-94,8	12,4	5 649,2
Equity	1 772,7	75,1	-94,8	5,6	1 758,6
Minority interests	7,5			-7,5	-
Interest-bearing provisions and liabilities	1 917,4			14,2	1 931,6
Other provisions and liabilities	1 958,9			0,1	1 959,0
Total equity and liabilities	5 656,5	75,1	-94,8	12,4	5 649,2

Reconciliation of balance sheet 1 January 2005

	IFRS 31 December, 2004	Effects of adoption of IAS 32 and IAS 39	IFRS 1 January, 2005
Intangible fixed assets	1 209,8		1 209,8
Tangible fixed assets	1 021,5		1 021,5
Financial fixed assets	168,5	10,9	179,4
Inventory	3 046,1		3 046,1
Liquid funds	203,3		203,3
Total assets	5 649,2	10,9	5 660,1
Equity	1 758,6	7,8	1 766,4
Interest-bearing provisions and liabilities	1 931,6		1 931,6
Other provisions and liabilities	1 959,0	3,1	1 962,1
Total equity and liabilities	5 649,2	10,9	5 660,1

Reconciliation of income statement for the period October - December 2004

	Swedish GAAP	IFRS 3 Goodwill- depreciations	Other	IFRS
Invoiced sales	1 986,0			1 986,0
Cost of goods sold	-1 313,3		0,2	-1 313,1
Gross operating profit	672,7		0,2	672,9
Other operating costs	-626,8	19,5	-	-607,3
Operating profit	45,9	19,5	0,2	65,6
Net financial items	-21,1		-0,3	-21,4
Profit after financial items	24,8	19,5	-0,1	44,2
Minority interests	-0,3		0,3	-
Taxes	-7,8		0,1	-7,7
Net profit for the period	16,7	19,5	0,3	36,5

Reconciliation of income statement 2004

	Swedish GAAP	IFRS 3 Goodwill- depreciations	IFRS 3 Restructuring costs	Other	IFRS
Invoiced sales	7 325,6				7 325,6
Cost of goods sold	-4 910,3				-4 909,6
Gross operating profit	2 415,3			0,7	2 416,0
Other operating costs	-2 131,6	75,1	-94,8		-2 151,3
Operating profit	283,7	75,1	-94,8	0,7	264,7
Net financial items	-59,2			-1,0	-60,2
Profit after financial items	224,5	75,1	-94,8	-0,3	204,5
Minority interests	-1,0			1,0	-
Taxes	-63,7			0,1	-63,6
Net profit for the year	159,8	75,1	-94,8	0,8	140,9

Acquisitions

100 % of the shares capital of Eurofence, a French company that manufactures and sells fencing, fenceposts and gates, was acquired on 4 January 2005. Eurofence's turnover for the January - December 2005 period amounted to MSEK 218 and its net profit to MSEK 13.

Specification of acquired net assets and goodwill

Price paid, including acquisition costs	102.4
Market value of acquired net assets	-65.1
Goodwill	37.3

The goodwill is due to high profitability of the acquired company and the synergies that are expected to arise as a result of the acquisition.

Specification of assets and liabilities of acquired company

	Fair value	Value in books of Eurofence
Intangible fixed assets	0.1	0.1
Tangible fixed assets	39.3	40.6
Financial fixed assets	0.5	0.5
Inventories and operating receivables	111.9	110.5
Liquid funds	3.6	3.6
Total assets	155.4	155.3
Interest-bearing provisions and liabilities	-28.0	-28.5
Other provisions and liabilities	-62.3	-62.8
Total acquired net assets	65.1	64.0

Financial information

Annual report 2005	March 2006
Annual General Meeting 2006	30 March 2006
Interim report January - March 2006	27 April 2006
Interim report January - June 2006	21 July 2006
Interim report January - September 2006	27 October 2006
Year-end release 2006	8 February 2007

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