

Press release - June 2, 1998

Gunnebo enters into global co-operation with De La Rue and acquires Garny Sicherheitstechnik GmbH, Germany
Gunnebo has entered into a global alliance with UK company De La Rue plc, within the framework of which it has also acquired Garny Sicherheitstechnik GmbH, which is Germany's leading manufacturer of safes and security products with annual sales of some 300 million kronor.

The alliance will also involve Gunnebo/Rosengrens taking over the manufacturing of safes for De La Rue's Swedish business.

The acquisition will make the business area Gunnebo Security the largest manufacturer of products for physical security in Europe, with annual sales of more than 900 million kronor.

Gunnebo AB and De La Rue plc have today announced the formation of a global alliance for the manufacture and sale of security products, mainly for the banking industry.

De la Rue, which is one of the world's leading companies in cash-to-card including cash handling systems, has annual sales of some 10 billion kronor and approximately 10,000 employees.

As one stage in the restructuring of the European market for security products, Gunnebo's subsidiary E A Rosengrens is to acquire Garny Sicherheitstechnik GmbH, Germany's leading manufacturer of safes and security products for banks.

Garny AG, the parent company of Garny Sicherheitstechnik, is listed on the Frankfurt Stock Exchange, and is 95.7 per cent owned by De La Rue. The acquisition is subject to the approval of Garny AG's General Meeting to be held on July 24, 1998 and of the German competition authorities. The acquisition of Garny Sicherheitstechnik GmbH is expected to be completed by the end of July 1998.

Garny Sicherheitstechnik has an annual turnover of some 300 million kronor and around 300 employees. The business is located in Mörfelden, outside Frankfurt.

Gunnebo is to pay 63 million kronor for the net assets of Garny Sicherheitstechnik, which is 40 million kronor below their book value. Garny Sicherheitstechnik has been incurring losses during the past few years. A reconstruction programme begun last year is expected to restore the company to profitability in the future. The acquisition will only have a marginal effect on Gunnebo's results for the current year.

Gunnebo/Rosengrens is also taking over the manufacture of safes for note-handling products for De La Rue's Swedish business. This will make Rosengrens Produktions AB, Mora, the leading supplier to De La Rue's Swedish business.

Rosengrens' and Garny's deliveries of safes to De La Rue in Sweden and Germany will initially amount to approximately 50 million kronor per year.

Following the acquisition of Garny Sicherheitstechnik, Gunnebo Security will have an annual turnover of more than 900 million kronor, which will make it the largest manufacturer of security products in Europe.

The global alliance between Gunnebo and De La Rue includes marketing each other's products on a number of markets. Initially, these will be the Nordic countries and the Benelux region. In Germany Garny Sicherheitstechnik and De La Rue will jointly market each others products.

There is a trend in the security products industry towards further integration of physical security products incorporating electronics and automation. In the case of note handling and currency exchange machines there are growing demands for physical security for the safes which house the note-dispensing mechanisms.

The alliance will enable Gunnebo/Rosengrens as an OEM customer to sell De La Rue's mechanisms for cash dispensers and other cash-handling machines. Rosengrens will develop and manufacture the safes housing De La Rue's cash-handling products.

"The global alliance, the acquisition of Garny Sicherheitstechnik GmbH and taking over De La Rue's production of safes in Sweden, are of very great importance for the future development of Gunnebo Security," comments Bjarne

Holmqvist, President and Group Chief Executive of Gunnebo AB.

"The acquisition will give us a larger production base and access to the very important German market. Gunnebo will take over the Garmy brand name, which has an extremely strong position on the German market. The benefits of the alliance with De La Rue are expected to give a positive effect in the results with effect from next year, and will make their full impact in about two years," adds Bjarne Holmqvist.

Following the acquisition of Garmy Sicherheitstechnik, and including other acquisitions completed earlier this year, Gunnebo's annual turnover will amount to some 4 billion kronor, and the enlarged Group will have 3,500 employees.

Göteborg, June 2, 1998

GUNNEBO AB

Information

For more information, please contact: Bjarne Holmqvist, President and CEO, Gunnebo AB, tel +46(0)31-83 68 00 or Lennart Gustavsson, Financial director, Gunnebo AB, tel +46(0)31-83 68 00 or Bertil Engman, President, E A Rosengrens AB, tel +46(0)31-727 79 00