

GÖTEBORG, Sweden--([BUSINESS WIRE](#))--Regulatory News:

Gunnebo (STO:GUNN):

Comments by Gunnebo's President and CEO Per Borgvall

"During the second quarter, Group sales increased organically by 6% to MSEK 1,419. Growth was primarily in Region Asia-Pacific (APAC) and Region Americas. In Region Europe, Middle East & Africa (EMEA), sales have continued to stabilise which is satisfactory taking into account developments in recent years. It is also pleasing to see that strategically important product segments for the Group, such as cash handling and entrance security, are continuing to show good growth and margin improvements.

Order intake during the quarter decreased by 10% organically on the previous year. In the Americas, a large order was received in Mexico last year with a three-year delivery agreement; no equivalent order was received this year. In APAC, the political elections in India have led the bank sector to pursue a policy of wait and see. The order book is still at a satisfactory level.

During the quarter the Group divested the French subsidiary Fichet-Bauche Telesurveillance (FBT), which provides alarm monitoring and call-out services for companies and private customers on the French market. The divestment was part of the ongoing refinement of the Group and it produced capital gains of MSEK 73.

Restructuring costs during the period burdened the results by MSEK 30 (12). The costs partly relate to the closure of the production unit in Uckfield, UK, announced in the first quarter, and partly to continued cost adaptations in Europe.

Operating profit excluding items of a non-recurring nature increased to MSEK 98 (69) and the operating margin to 6.9% (5.2%). Operating profit increased to MSEK 141 (57) and

the operating margin to 9.9% (4.3%).

The improvements in profit can primarily be attributed to EMEA where work on cost adaptations has continued to have a positive effect on profit. APAC reported a strong quarter during which the good sales growth contributed to further improvements in the operating margin.

The Group's cash flow during the period was strong as a result of an improved operating profit and the divestment of FBT."

SECOND QUARTER 2014

- Order intake amounted to MSEK 1,330 (1,454), organically a decrease of 10%.
- Net sales increased to MSEK 1,419 (1,325), organically they increased by 6%.
- Operating profit increased to MSEK 141 (57) and the operating margin to 9.9% (4.3%).
- Operating profit excluding items of a non-recurring nature of MSEK 43 (-12) amounted to MSEK 98 (69) and the operating margin to 6.9% (5.2%).
- Profit after tax for the period increased to MSEK 106 (34).
- Earnings per share were SEK 1.40 (0.45).

- Free cash flow*) improved to MSEK 44 (-47).

· 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.

JANUARY-JUNE 2014

- Order intake amounted to MSEK 2,836 (2,953), organically a decrease of 4%.

- Net sales increased to MSEK 2,669 (2,480), organically they increased by 7%.

- Operating profit increased to MSEK 159 (58) and the operating margin to 6.0% (2.3%).

- Operating profit excluding items of a non-recurring nature of MSEK 23 (-22) amounted to MSEK 136 (80) and the operating margin to 5.1% (3.2%).

- Profit after tax for the period increased to MSEK 103 (22).

- Earnings per share were SEK 1.36 (0.29).

- Free cash flow*) improved to MSEK -24 (-99).

* Free cash flow is cash flow from operating and investing activities excluding acquisitions and divestments.

Full report is attached to this press release. Invitation to Telephone Conference on July 16, 09.00 (CET)

To participate in the conference, please sign up using the link below:

<https://eventreg2.conferencing.com/webportal3/reg.html?Acc=467472&Conf=216075>

Once registered, you will receive a phone number and a password.

08:55 Call in to the conference

09:00 Review of the interim report by Gunnebo's President and CEO, Per Borgvall, and CFO, Christian Johansson

09:25 Questions and answers 09:45 Closing of telephone conference

Copies of the presentation will be available 30 minutes prior to the telephone conference on www.gunnebogroup.com. Attending from Gunnebo AB are President and CEO, Per Borgvall, and CFO, Christian Johansson.

A recording of the telephone conference will be available on www.gunnebogroup.com from late afternoon July 16.

GUNNEBO AB (publ) Group Finance

Gunnebo discloses the information provided herein pursuant to the Swedish Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted

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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.

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