

Annual General Meeting, April 17, 2007

Ladies and Gentlemen:

My name is Alf Göransson. Six weeks ago I assumed the position of President and CEO of Securitas AB.

Before being entrusted with the leadership of this company, I was the Chief Executive Officer of the NCC construction company for six years. Prior to that, I served in various international Swedish engineering companies, which involved me working in abroad for several years – in Brazil, Canada and Spain.

Let me begin by briefly summarizing the most important events that have occurred at Securitas in 2006 and then say a few words about the agenda for 2007.

On September the 29th last year, the former divisions, Securitas Systems and Securitas Direct, were listed on the stock market. They are now independent listed companies with ongoing, close and productive commercial co-operation with Securitas's guarding operations.

As regards Loomis – the Securitas cash management services and secure transportation operations – we intend to divest the division to shareholders and list the operation on the stock market in the second half of the year, following the same procedure as was used for Systems and Direct. This time plan is however dependent on stability in the UK cash management operation.

Loomis is the new joint brand name for these operations. Replacement of the Securitas logo with the Loomis logo on cars, uniforms and security depots is currently under way.

Let me first clarify one point: all the figures I quote here are taken from the Annual Report and do not relate to discontinued operations – that is, Systems and Direct. In other words, these are the figures for Securitas AB and Loomis.

Net sales in 2006 amounted to just over SEK 60 billion, with total organic growth amounting to 6%. This 6% consists of an organic growth of 5% in North America, which is in line with the growth of the North American market last year, and organic growth of 7% in Europe, which in turn is approximately 2% higher than the growth of the European security market.

The operating margin declined by 0.2 percentage points compared with 2005 – that is, from 6.1% to 5.9%, which is attributable to lower margins in aviation security and a few nonrecurring items in the European operations.

Aside from that, income in 2006 were reduced by items affecting comparability that amounted to just over SEK 2 billion.

The items in the Security Services operations refer to:

- the final settlement of a 15-year-old litigation, with the bankruptcy estate of the seller of some of the current Spanish operations
- a provision for a doubtful receivable from the US Federal Aviation Administration
- the loss of a bank guarantee due to our decision not to complete the acquisition of a Brazilian security company, because its financial position had significantly deteriorated
- and finally, provisions for losses on leases for properties in Germany and the impairment of certain German properties

The items under Cash Handling Services (Loomis) refer primarily – to the sum of MSEK 866 – to variances at the English cash centers at which Loomis processes cash for HSBC and Barclays banks.

Securitas Cash Management, SCM, has been responsible for this processing since 2001. Loomis owns 75% of the company, while the remaining 25% is owned by the two banks. The cause of the variances has not yet been determined; however, the large number of manual processes has created room for error.

Measures have been taken to strengthen control and an investigation is under way to clarify Loomis's rights and obligations regarding the estimated variances, which is assessed and provided for in conjunction with financial report for the full year 2006.

This matter and the questions it raises are described in more detail in the Annual Report.

Moreover, provisions have also been made in the former German cash handling operations, most of which refers to payments to a customer that demanded compensation for losses in conjunction with the introduction of the euro in Germany. Since the company that asserted the legal claim had applied for insolvency proceedings in 2006, even though it was Securitas that had the financial interest in the claim, the amount paid has been expensed. The matter is now being pursued as an insurance claim.

Finally, the Group level was charged with costs attributable to the stock market listings and to the fact that we are closing the Head Office in London and relocating to Stockholm. This relocation will be completed this summer, when we will be fully staffed at Lindhagensplan here in Stockholm.

As the graph shows, the guarding operations in the US have achieved stable organic growth and the operating margin has stabilized.

My impression is that our US organization is strong and well organized, and that the acquisitions carried out from 1999 to 2001, that have made Securitas the market leader, are now truly together under one and the same flag and that management has successfully corralled the operations' history and diverse roots under the Securitas banner.

We are well equipped to take on new challenges in the USA.

In Europe, organic growth was strong and amounted to 7%. The margins declined somewhat, as I mentioned earlier.

During the past year, management in Europe has divided operations and organized them to serve customers – with permanent guarding for large customers, and patrolling and electronic alarm monitoring for small and medium-sized customers.

This specialization improves each area's ability to develop its services, increase its growth and create a focus within Securitas to develop the right type of customer service – regardless of whether it concerns a large multinational corporation, a small store in a large city or rural community, or a security installation installed by a third party.

As you may already have noted, since February 1, security at Arlanda and Bromma airports has been managed by Securitas. This is our largest single guarding and security assignment in Sweden, and the also our largest in Scandinavia.

For Loomis, the past year has been turbulent. Even so, the company achieved organic growth of 5% and maintained its operating margin.

In September, the company acquired a new president in the form of Håkan Ericson – *motion to Håkan*. Håkan has focused on moving the Head Office from the US to Stockholm, implementing a new management structure, identifying a clearer strategic orientation, establishing a unique new identity in the market, increasing security in secure vehicle transport in response to the numerous robberies and attacks reported in the press, and monitoring and improving the governance, quality and reconciliation routines in the English cash processing operations – SCM – for which we are responsible.

Many of these points will be key items on the agenda for 2007 – however, it is my impression that management has set the right priorities and is guiding Loomis, step by step, towards becoming an independent and dynamic company. The time plan is, among other things, dependent on the quality in management of the UK cash management operation.

Concerning financial targets for cash flow in relation to adjusted operating income, and cash flow in relation to net debt, the outcome was that Securitas is only marginally off target, as this slide shows.

Let me now conclude with a few words about 2007 and the work we have ahead of us.

The starting point for my work and Securitas's future undertakings is to begin where Thomas Berglund ended: We must take and use everything that is positive and make it even better, and we must improve whatever *can* be made better.

Securitas is a strong company with a strong, distinct culture and a well-established philosophy of delegated profitability. It is my impression that we do not have so much to learn from other security companies, but there is no doubt that we can learn from other service industries.

After a number of years marked by major acquisitions in the US and the integration of these acquisitions, followed by specialization and the internal “divorce” involved in the dividend of Securitas Systems, Direct and, eventually, Loomis, to shareholders, I believe the focus of our work will now be on customer relations and *how* to create added value by offering customers the best security solutions based on modern communications technology.

How to manage the knowledge possessed by our countless everyday heroes and make it available to many others – both employees and customers.

How to enhance our added value and be perceived by our customers as the best security consultant and the best security company, for both the multinational corporation and the small store, whether that store is in a large city or in a rural community.

We have begun the process of taking the Securitas strategy one step further, and I intend to summarize and present this endeavor, providing more substance and concrete examples, in conjunction with the presentation of our six-month interim report in August.

Taking over where Thomas left off is no easy task. During his 22 years with the company – 14 of them as President and CEO – he created a global group with over 200,000 employees and a stable platform on which to build further. From this platform, I look forward to the challenge of bringing further enhancements, developments and value, for both our customers and you, our shareholders.

The one thing I *can* promise is that I will do my very best!

Thank you.