

Full Year Report 2005



Three new listed companies

Stockholm, 9 February 2006

Agenda

Information meeting

- Introduction

Henrik Brehmer

Full year 2005 presentation

- Group Summary
- Divisional Performance
- Financial Review
- Ready for next step

Thomas Berglund

Thomas Berglund

Håkan Winberg

Thomas Berglund

Three new listed companies

- Background and motives
- The listing process

Thomas Berglund

Håkan Winberg

- Q&A
- Closing

Thomas Berglund/Håkan Winberg

Henrik Brehmer



Group Summary

2005 – Full Year/Fourth Quarter Highlights

<u>Group</u>	<u>Q4 - 05</u>	<u>Q4 - 04</u>	<u>2005</u>	<u>2004</u>
❑ Organic sales growth	5%	3%	5%	3%
❑ Operating margin	7.6%*	7.3%	6.7%*	6.7%
❑ Income before taxes, MSEK	1,170*	945	3,812*	3,384
<i>Real Change</i>	<i>16%*</i>	<i>6%</i>	<i>10%*</i>	<i>18%</i>

* Excluding capital loss of MSEK -151 arising from the sale of Cash Handling Services in Germany

*Strong fourth quarter and good performance in all divisions
brings confidence for 2006*

Ready for next step

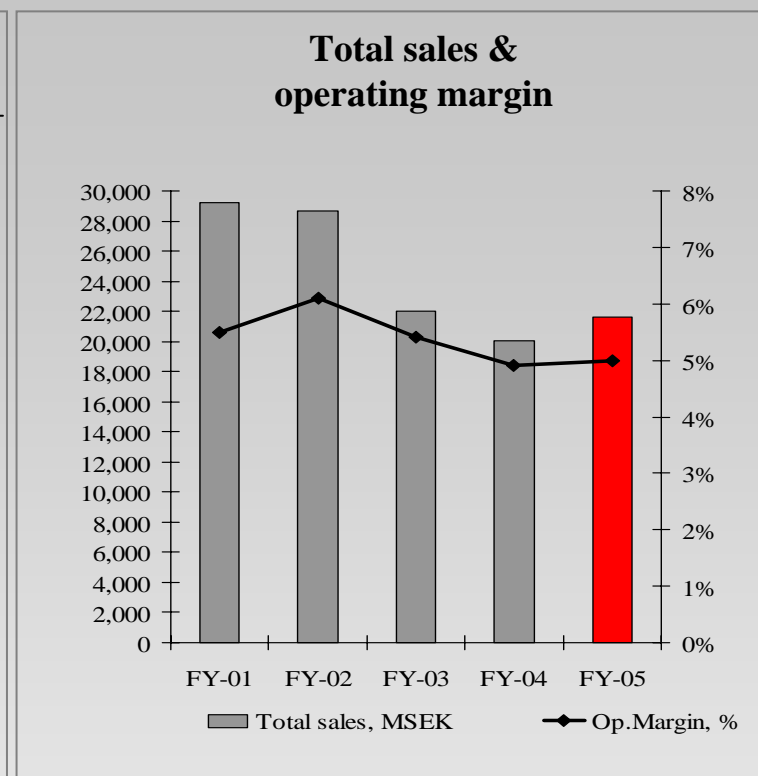


Divisional Performance

Security Services USA

MSEK	Q4 2005	Q4 2004	FY 2005	FY 2004
Total sales	5,980	4,723	21,616	20,017
<i>Organic sales growth, %</i>	8	-2	4	-2
Operating income	331	213	1,080	982
<i>Operating margin, %</i>	5.5	4.5	5.0	4.9
<i>Real change, %</i>	35	-22	6	-11
Operating capital employed	-	-	1,339	938
<i>Op. cap employed as % of sales</i>	-	-	6	5
Capital employed	-	-	8,250	6,811
<i>ROCE, %¹</i>	-	-	13	14

Numbers adjusted to include the transfer of Canada and Mexico from Security Services Europe
¹ Calculation is based on end rates for balance sheet and average rates for the statement of income



2005 was the turning point in Security Services USA – good momentum going forward

Key Drivers: (annualized)

- Contract portfolio growth 3-4 %
- Wages up and prices up 2 %
- Client retention >90 %
- Employee turnover 60 %



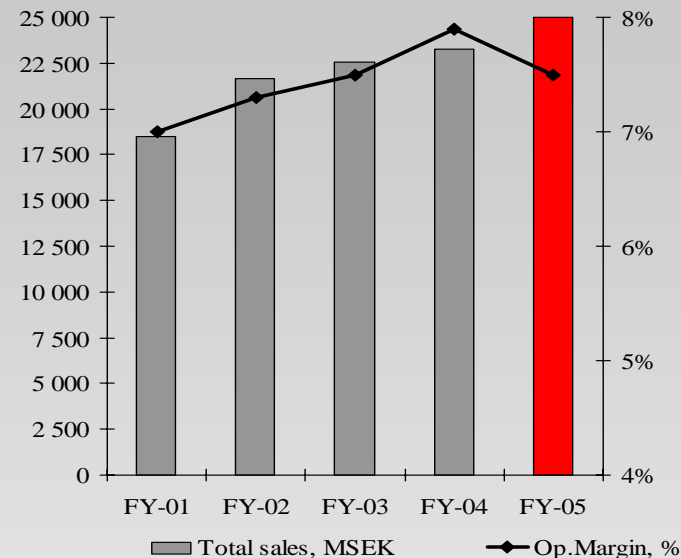
Security Services Europe

MSEK	Q4 2005	Q4 2004	FY 2005	FY 2004
Total sales	6,496	5,897	24,996	23,289
<i>Organic sales growth, %</i>	4	5	5	4
Operating income	531	535	1,873	1,849
<i>Operating margin, %</i>	8.2	9.1	7.5	7.9
<i>Real change, %</i>	-5	10	-1	8
Operating capital employed	-	-	1,431	1,592
<i>Op. cap employed as % of sales</i>	-	-	6	7
Capital employed	-	-	7,308	6,654
<i>ROCE, %¹</i>	-	-	26	28

Numbers adjusted to exclude Canada and Mexico which has been transferred to Security Services USA, and to include the third party monitoring business

¹Calculation is based on end rates for balance sheet and average rates for the statement of income

Total sales & operating margin



New customer segmented organization in place - platform for future growth

Key Drivers: (annualized)

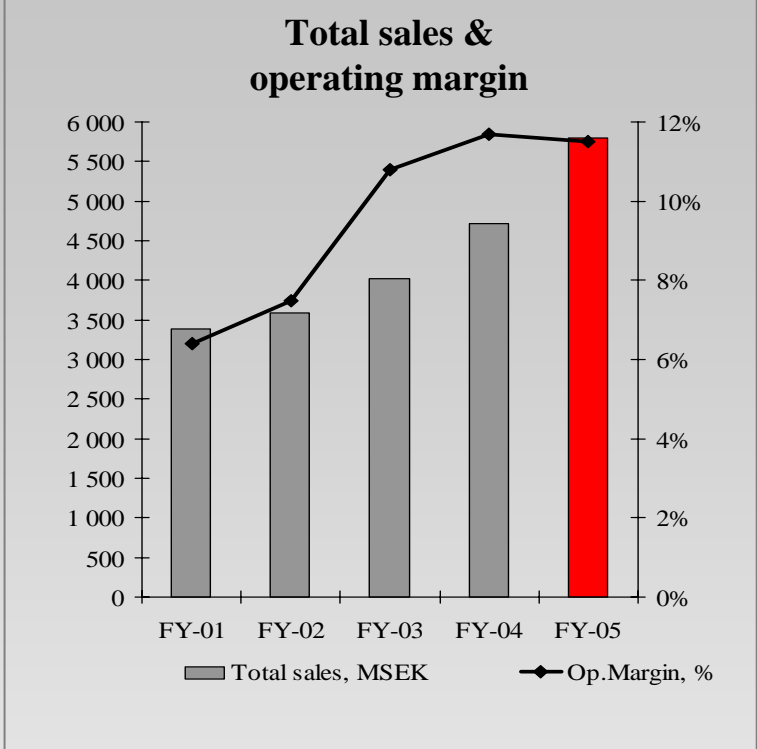
- Contract portfolio growth 3 %
- Wages and prices up 2 %
- Client retention >90 %
- Employee turnover 34 %



Securitas Systems

MSEK	Q4 2005	Q4 2004	FY 2005	FY 2004
Total sales	1,725	1,413	5,798	4,724
<i>Organic sales growth, %</i>	4	-1	6	1
Operating income	241	195	669	554
<i>Operating margin, %</i>	14.0	13.8	11.5	11.7
<i>Real change, %</i>	18	48	18	35
Operating capital employed	-	-	899	575
<i>Op. cap employed as % of sales</i>	-	-	15	11
Capital employed	-	-	3,547	2,719
<i>ROCE, %¹</i>	-	-	19	20

Numbers adjusted to exclude the third party monitoring business, which has been transferred to Security Services Europe
¹ Calculation is based on end rates for balance sheet and average rates for statement of income



New platforms in place in USA and UK – opportunities for growth in a fragmented market

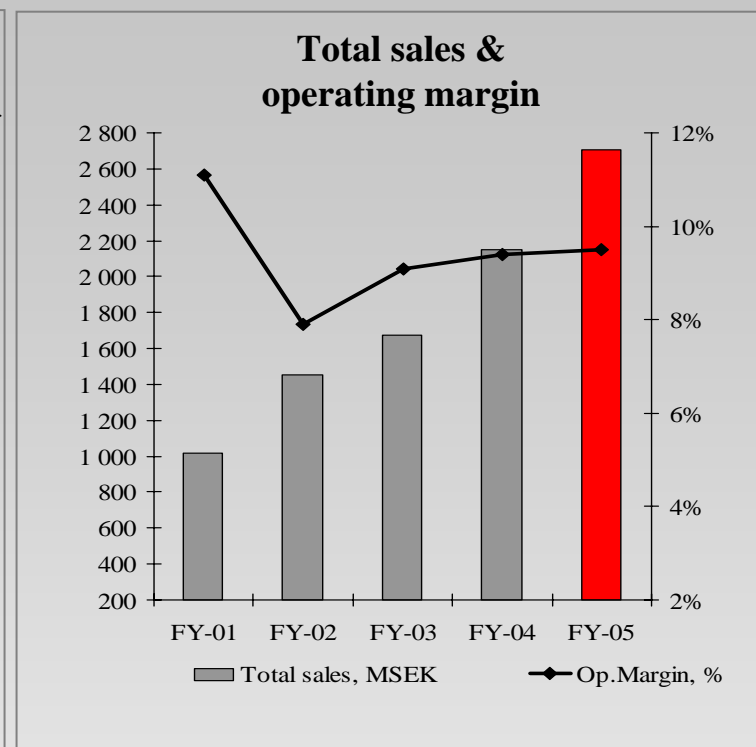


Direct

MSEK	Q4 2005	Q4 2004	FY 2005	FY 2004
Total sales	728	583	2,706	2,148
<i>Organic sales growth, %</i>	19	28	23	28
Operating income	72	49	258	201
<i>Operating margin, %</i>	9.9	8.4	9.5	9.4
<i>Real change, %</i>	39	0	25	32
Operating capital employed	-	-	1,103	831
<i>Op. cap employed as % of sales</i>	-	-	41	39
Capital employed	-	-	1,209	857
<i>ROCE, %¹</i>	-	-	21	24

Numbers adjusted to exclude the third party monitoring business, which has been transferred to Security Services Europe and Direct Switzerland which is included in the segment Other

¹Calculation is based on end rates for balance sheet and average rates for the statement of income



Consumer concepts dominating in all markets – next product generation in pipeline

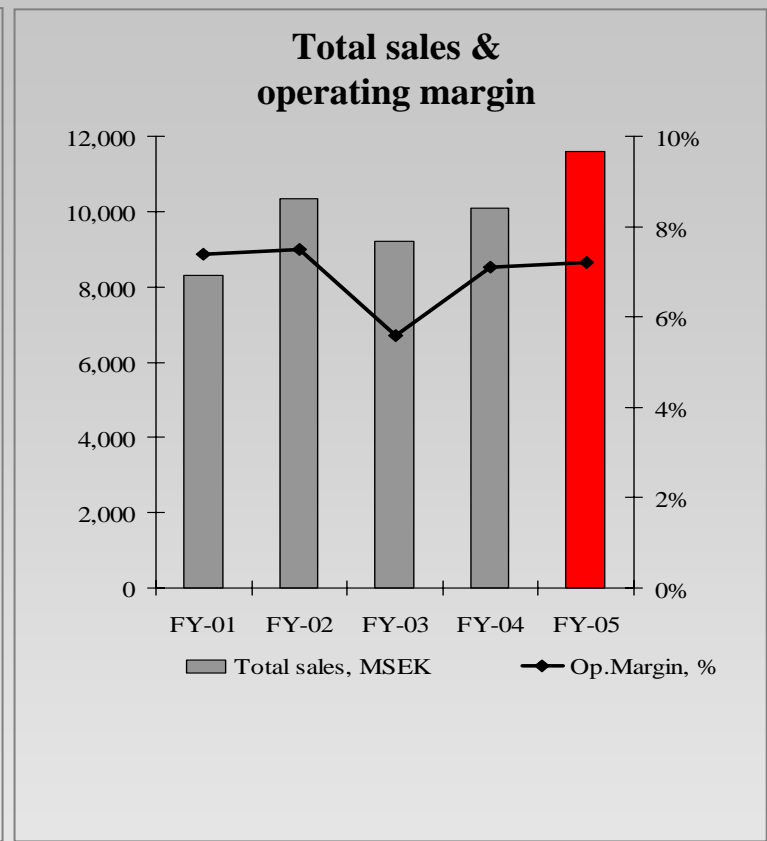
Key Drivers:

- 168,935 new alarms installed in traditional Direct - sales speed increase 14 %
- Portfolio growth 26 % to 689,245 monitored alarms

Cash Handling Services

MSEK	Q4 2005	Q4 2004	FY 2005	FY 2004
Total sales	2,960	2,758	11,581	10,082
<i>Organic sales growth, %</i>	<i>1</i>	<i>7</i>	<i>2</i>	<i>5</i>
Operating income excl. cap. loss	245	213	831	714
<i>Operating margin, %</i>	<i>8.3</i>	<i>7.7</i>	<i>7.2</i>	<i>7.1</i>
<i>Real change, %</i>	<i>6</i>	<i>14</i>	<i>14</i>	<i>44</i>
Operating income	94	213	680	714
<i>Operating margin, %</i>	<i>3.2</i>	<i>7.7</i>	<i>5.9</i>	<i>7.1</i>
Operating capital employed	-	-	2,416	2,721
<i>Op. cap employed as % of sales</i>	-	-	<i>21</i>	<i>24</i>
Capital employed	-	-	5,295	5,341
<i>ROCE, %¹</i>	-	-	<i>16</i>	<i>13</i>

¹ Calculation is based on end rates for balance sheet and average rates for the statement of income

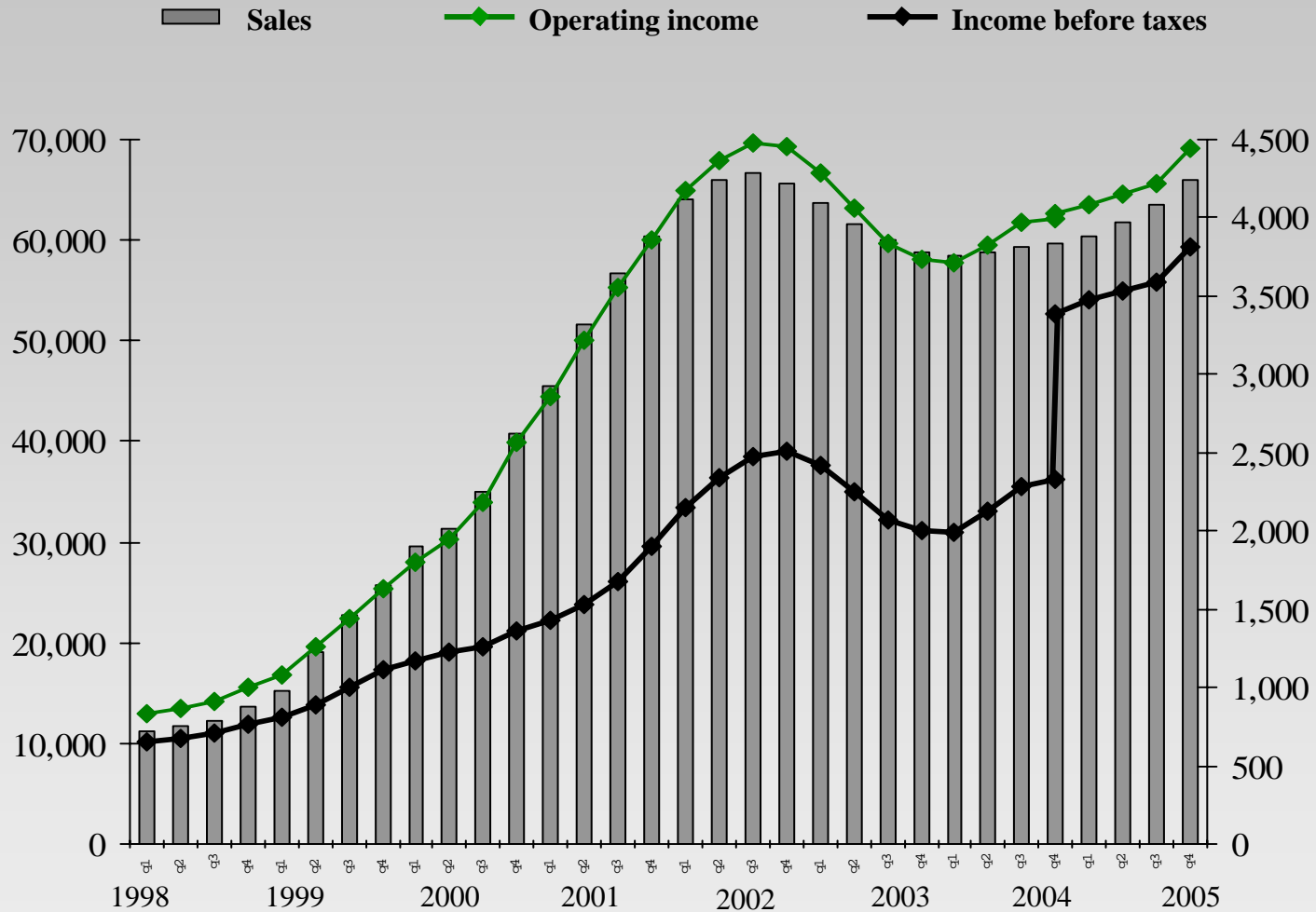


*All units profitable and with strong cash flow –
focus on expanding cash management services*



Financial Review

Rolling 12 Months Trend



Income

MSEK	Oct-Dec 2005	Oct-Dec 2004	Jan-Dec 2005	Jan-Dec 2004
Total Sales	17,710.5	15,222.0	66,013.6	59,686.6
<i>Organic sales growth, %</i>	<i>5</i>	<i>3</i>	<i>5</i>	<i>3</i>
Operating income before amortization	1,190.0	1,115.8	4,293.6	4,026.4
<i>Real change, %</i>	<i>-2</i>	<i>3</i>	<i>4</i>	<i>10</i>
<i>Operating margin, %</i>	<i>6.7</i>	<i>7.3</i>	<i>6.5</i>	<i>6.7</i>
Amortization of acquisition related intangibles	-30.3	-25.9	-122.5	-99.6
Acquisition related restructuring costs	-5.3	-22.1	-35.1	-26.5
Operating income after amortization	1,154.4	1,067.8	4,136.0	3,900.3
Net financial items	-131.1	-122.8	-523.1	-516.6
Revaluation of financial instruments	-5.1	-	36.2	-
Share in income of associated companies	0.3	-	11.8	-
Income before taxes	1,018.5	945.0	3,660.9	3,383.7
<i>Real change, %</i>	<i>0</i>	<i>6</i>	<i>5</i>	<i>18</i>
Current taxes	-323.0	-235.5	-934.2	-795.0
Deferred taxes	59.0	-11.9	-14.1	-60.2
Net income for the period	754.5	697.6	2,712.6	2,528.5
Earnings per share after full taxes	2.04	1.87	7.31	6.79

Cash Flow

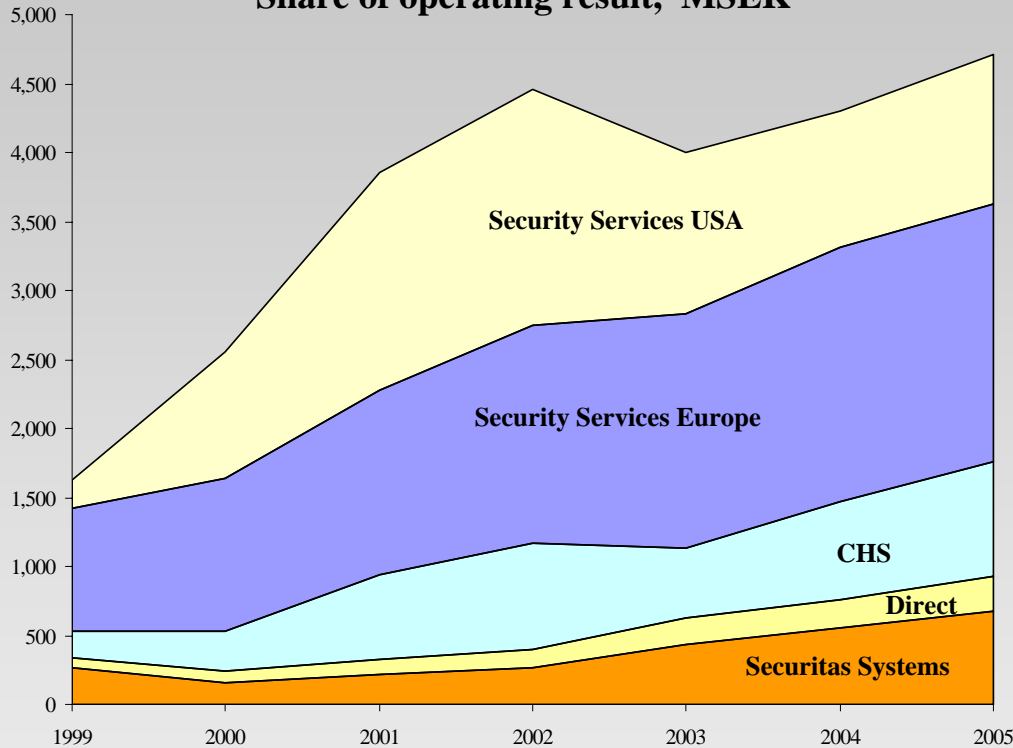
MSEK	Oct-Dec 2005	Oct-Dec 2004	Jan-Dec 2005	Jan-Dec 2004
Operating activities				
Op. income before amortization	1,190.0	1,115.8	4,293.6	4,026.4
Investments in fixed assets	-612.4	-710.3	-2,220.4	-1,969.9
Depreciation	503.3	433.9	1,948.6	1,613.0
Change in accounts receivable	-90.6	-318.9	-443.4	-485.1
Changes in other operating capital employed	815.9	875.0	494.0	445.6
Cash flow from operational activities	1,806.2	1,395.5	4,072.4	3,630.0
<i>Cash flow from operations, %</i>	<i>152</i>	<i>125</i>	<i>95</i>	<i>90</i>
Net financial items paid	-151.4	-127.5	-485.2	-518.4
Income taxes paid	-306.0	-249.6	-926.1	-581.5
Free cash flow	1,348.8	1,018.4	2,661.1	2,530.1
<i>Free cash flow, %</i>	<i>183</i>	<i>134</i>	<i>94</i>	<i>93</i>
<i>Free cash flow to net debt ratio</i>	<i>0.22</i>	<i>0.24</i>	<i>0.22</i>	<i>0.24</i>
Cash flow from investing activities, acquisitions	-480.4	-484.9	-1,213.2	-2,362.3
Cash flow from financing activities	323.0	-943.1	-1,192.6	-1,495.3
Cash flow for the period	1,191.4	-409.6	255.3	-1,327.5

Capital Employed and Financing

MSEK	Dec 31, 2005	Sept 30, 2005	Dec 31, 2004	Sep 30, 2004
Operating capital employed	8,182.1	8,386.9	6,740.9	7,032.8
<i>Op. cap. employed as % of sales</i>	<i>12</i>	<i>13</i>	<i>11</i>	<i>12</i>
<i>Return on op. cap. employed, %</i>	<i>58</i>	<i>56</i>	<i>61</i>	<i>59</i>
Goodwill	17,792.4	17,478.2	15,301.9	16,176.2
Acquisition related intangible fixed assets	638.5	553.0	433.2	472.0
Shares in associated companies	178.6	177.4	-	-
Capital employed	26,791.6	26,595.5	22,476.0	23,681.0
<i>Return on capital employed, %</i>	<i>16</i>	<i>16</i>	<i>18</i>	<i>17</i>
Net debt	-11,944.8	-12,612.1	-10,633.1	-11,838.9
Shareholders' equity	14,846.8	13,983.4	11,842.9	11,842.1

Ready for next step

Share of operating result, MSEK



- Positive development in all divisions in line with expectations
- Strong free cash flow well in line with group target
- Return on capital employed 17* percent

* Calculated excluding capital loss of MSEK -151 arising from the sale of Cash Handling Services in Germany



Integrity Vigilance Helpfulness