Security solutions through people

January – September 2007

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Agenda

- Highlights Q3 2007
- Divisional Performance
- Financial Review
- Summary
- Summary of the Strategy for the Future
- Q&A

Highlights Q3 2007

Highlights Q3 2007

- The Strategy for the Future has been rolled out
- Improving operating margin and stable organic sales growth in Security Services North America - focus on profitability rather than volume
- Continued high organic sales growth with stable operating margin in Security Services Europe
- Mobile and Monitoring continues to invest in sales resources in order to speed up the organic sales growth
- Loomis burdened by the problems in the LCM operation in the United Kingdom
- Impairment losses of goodwill in the Netherlands of 350 MSEK

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Financial Highlights Q3 and 9M 2007

MSEK	Q3 2007	Q3 2006	9M 2007	9M 2006
Sales	**16,011**	**15,369**	**46,811**	**45,343**
Organic sales growth, %	*4*	*6*	*5*	*6*
Operating income before amortization	**831**	**957**	**2,437**	**2,595**
Operating margin, %	*5.2*	*6.2*	*5.2*	*5.7*
Real change, %	*-10*	*8*	*-2*	*4*
Income before taxes, items affecting comparability and impairment losses of goodwill	**636**	**787**	**1,928**	**2,099**
Real change, %	*-25*	*5*	*-8*	*0*
Income before taxes	**282**	**629**	**1,379**	**1,542**
Real change, %	*-62*	*-16*	*-10*	*-27*
Net income for the period, continuing operations	**94**	**434**	**560**	**1,063**
Earnings per share, before items affecting comparability, continuing operations (SEK)	1.24	1.50	3.74	4.29
Earnings per share, continuing operations (SEK)	0.26	1.19	1.53	2.91

Divisional Performance

Security Services North America

MSEK	Q3 2007	Q3 2006	9M 2007	9M 2006	FY 2006
Total sales	**5,257**	**5,466**	**15,723**	**16,363**	**21,736**
Organic sales growth, %	*3*	*5*	*3*	*6*	*5*
Operating income	**279**	**277**	**804**	**805**	**1,088**
Operating margin, %	*5.3*	*5.1*	*5.1*	*4.9*	*5.0*
Real change, %	*9*	-	*9*	-	-

- Focus on profitability rather than volume explains lower organic sales growth
- The trend of improved operating margin continues
- Higher profitability in new sales compared to average contract portfolio

Security Services Europe

MSEK	Q3 2007	Q3 2006	9M 2007	9M 2006	FY 2006
Total sales	**6,463**	**5,839**	**18,728**	**16,978**	**22,786**
Organic sales growth, %	*7*	*8*	*8*	*7*	*7*
Operating income	**370**	**336**	**1,017**	**933**	**1,316**
Operating margin, %	*5.7*	*5.8*	*5.4*	*5.5*	*5.8*
Real change, %	*10*	-	*10*	-	-

- Strong organic sales growth in e.g. Norway, Denmark, Estonia, Spain and Belgium
- Aviation continues to show double digit organic sales growth
- Stable operating margin, but still pressure on the price level and the gross margins

Mobile and Monitoring

MSEK	Q3 2007	Q3 2006	9M 2007	9M 2006	FY 2006
Total sales	**1,230**	**1,132**	**3,571**	**3,291**	**4,419**
Organic sales growth, %	*5*	*5*	*6*	*3*	*4*
Operating income	**160**	**176**	**423**	**444**	**597**
Operating margin, %	*13.0*	*15.5*	*11.8*	*13.5*	*13.5*
Real change, %	*-9*	-	*-4*	-	-

- Continued strong organic sales growth. Focus on building a stronger sales and marketing organization
- Operating margin affected by the costs for investments in sales and marketing and start up of new mobile routes

Loomis

MSEK	Q3 2007	Q3 2006	9M 2007	9M 2006	FY 2006
Total sales	**2,955**	**2,905**	**8,547**	**8,630**	**11,474**
Organic sales growth, %	*0*	*5*	*0*	*6*	*5*
Operating income	**50**	**217**	**333**	**600**	**838**
Operating margin, %	*1.7*	*7.5*	*3.9*	*7.0*	*7.3*
Real change, %	*-76*	*-4*	*-42*	*1*	*-*
Operating income, excl. LCM	**159**	**204**	**512**	**580**	**789**
Operating margin, excl. LCM, %	*5.8*	*7.6*	*6.5*	*7.3*	*7.5*

- Decreased organic sales growth explained by lower organic sales growth rates in the USA, Denmark and in the United Kingdom
- Strategic focus on profitability before growth
- Operating income burdened by problems in the LCM operation in the United Kingdom

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Loomis

- Lars Blecko appointed new Managing Director of Loomis
- No changes in the LCM provisions of MGBP 61 (MSEK 824) and MGBP 15 (MSEK 206) have been deemed justified
- Negotiations and investigations regarding exiting LCM are expected to be finalized during the fourth quarter 2007, by the time the financial outcome can be finally determined
- The County administrative court has decided that decision to withdraw Loomis Sweden's permit for cash transports is no longer valid (inhibition). The decision is immediately effective and valid until the court finalizes the case
- The listing of Loomis is planned to take place late 2008

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Financial Review

Income

MSEK	Q3 2007	Q3 2006	9M 2007	9M 2006	FY 2006
Total sales	**16,011**	**15,369**	**46,811**	**45,343**	**60,523**
Organic sales growth, %	***4***	***6***	***5***	***6***	***6***
Operating income	**831**	**957**	**2,437**	**2,595**	**3,591**
Operating margin, %	***5.2***	***6.2***	***5.2***	***5.7***	***5.9***
Real change y/y, %	***-10***	***8***	***-2***	***4***	***4***
Amort./Impairment of acq rel. int. fixed assets	-373	-25	-425	-72	-93
Acq. rel restructuring costs	-16	-1	-18	0	-1
Items affecting comparability	-4	-158	-199	-557	-2,060
Operating income after amortization	438	773	1,795	1,966	1,437
Real change y/y, %	*-40*	*-9*	*-4*	*-19*	*-54*
Financial income and expense	-148	-126	-414	-397	-519
Revaluation of financial instr.	-8	-18	-4	-28	-36
Share in income of associated companies	-	0	2	1	1
Income before taxes	**282**	**629**	**1,379**	**1,542**	**883**
Real change y/y, %	***-62***	***-16***	***-10***	***-27***	***-67***
Taxes	-188	-195	-819	-479	-369
%	*66.5*	*31.1*	*59.4*	*31.1*	*42*
Net income for the period	**94**	**434**	**560**	**1,063**	**514**
Earnings per share	0.26	1.19	1.53	2.91	1.41

COMMENTS:

- Main reason for decrease in Q3 operating income is related to Loomis. LCM has impacted MSEK -122
- Income before taxes Q3 of MSEK 282 (MSEK 629) impacted negatively by impairment of goodwill of MSEK 350
- Group´s tax rate Q3 high 66.5 % (31.1 %). Adjusted for non-deductible impairment charge of goodwill and tax on IAC underlying tax rate was 25.5 %

Cash Flow

MSEK	Q3 2007	Q3 2006	9M 2007	9M 2006	FY 2006
Operating activities					
Operating income before amortization	830.8	956.9	2,436.9	2,595.3	3,591.1
Investment in fixed assets	-321.0	-336.7	-1,011.8	-1,091.1	-1,511.8
Reversal of depreciation	368.3	408.2	1,083.5	1,146.6	1,477.9
Change in accounts receivable	-554.7	-774.2	-1,028.3	-1,127.8	-702.6
Changes in other operating capital employed	605.3	702.4	694.4	132.8	210.5
Cash flow from operational activities	**928.7**	**956.6**	**2,174.7**	**1,655.8**	**3,065.1**
Cash flow from operational activities %	***112***	***100***	***89***	***64***	***85***
Financial income and expenses paid	-135.3	-123.0	-355.3	-382.0	-516.1
Current taxes paid	-112.9	-156.8	-557.9	-495.9	-769.0
Free cash flow	**680.5**	**676.8**	**1,261.5**	**777.9**	**1,780.0**
Free cash flow %	***127***	***101***	***79***	***45***	***75***
Cash flow from investing activities, acquisitions	-332.3	-32.8	-594.1	-275.1	-361.2
Cash flow from items affecting comparability	-681.9	-102.2	-710.4	-102.2	-129.3
Cash flow from financing activities	197.2	3,125.3	1,740.5	2,552.7	-1,106.3
Cash flow for the period, continuing operations	**-136.5**	**3,667.1**	**1,697.5**	**2,953.3**	**183.2**
Cash flow for the period, discontinued operations	-	-1,727.2	-	-1,251.0	-1,251.0
Cash flow for the period, all operations	**-136.5**	**1,939.9**	**1,697.5**	**1,702.3**	**-1,067.8**
Free cash flow/Net debt	-	-	*0.21*	0.17	0.18

COMMENTS:

- Free cash flow 79% of adjusted result
- Cash flow during the third quarter negatively impacted by the LCM settlement provided for in December 2006
- Acquisitions Q3 impacted cash flow by MSEK -332
- Free cash flow/Net debt is 0.21 which is in line with group target of >0.20

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Capital Employed and Financing

MSEK	9M 2007	9M 2006	FY 2006
Operating capital employed	**5,545.2**	**6,512.4**	**4,669.2**
DSO	*49*	*46*	*45*
Operating capital employed as % of sales	*9*	*11*	*8*
Return on operating capital employed %	*34*	*47*	*29*
Goodwill	13,635.2	14,692.9	14,031.6
Acquisition related intangible fixed assets	534.1	446.1	464.2
Shares in associated companies	-	177.2	172.7
Capital employed	**19,714.5**	**21,828.6**	**19,337.7**
Return on capital employed %	*9*	*13*	*8*
Capital employed	**19,714.5**	**21,828.6**	**19,337.7**
Net debt	**-10,812.8**	**-10,992.8**	**-9,734.6**
Shareholders' equity	**8,901.7**	**10,835.8**	**9,603.1**
Net debt equity ratio/multiple	*1.21*	*1.01*	*1.01*

COMMENTS:

- Capital employed affected by Items Affecting Comparability and stronger SEK
- Increased net debt and capital employed during Q3 2007 due to partly settlement in LCM

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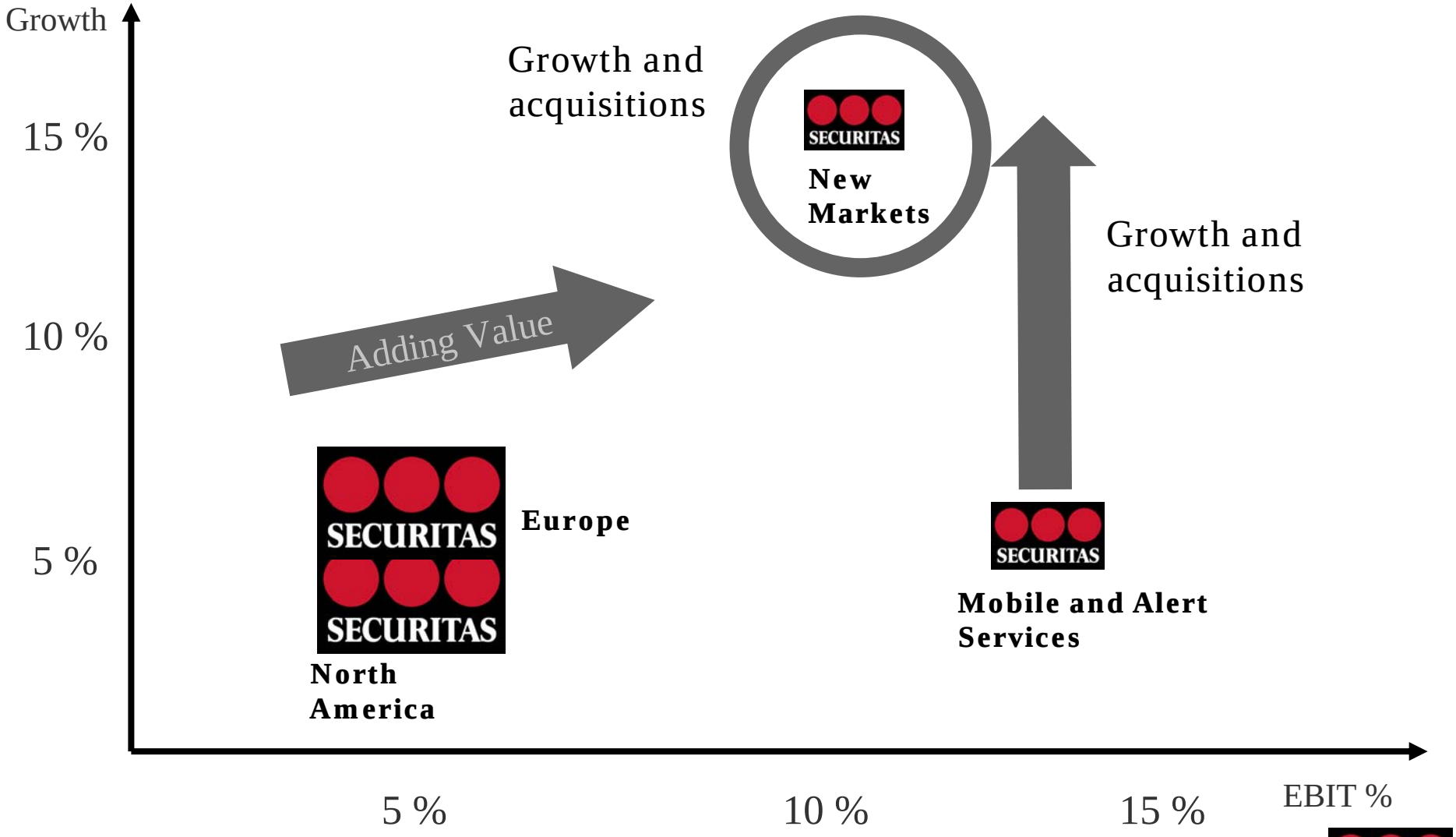
Summary Q3 2007

Summary

- Continued good performance in Security Services operations
  - Improved profitability in new sales in the USA
  - Strong organic sales growth in Europe
- Continued focus on organic sales growth in Mobile and Monitoring operations
  - Improved organic sales growth in Mobile and Monitoring and focus on building stronger sales and marketing organizations
- Loomis operating result burdened by the difficulties in LCM

The Strategy for the Future

The Strategy for the Future



The Path of Specialization

~~Diversification~~

- Customer segmentation
- Security experts
- Solutions and added value
- Acquisitions
- Bonus and incentive structure that supports the strategy

Mobile and Monitoring separated

? ?

Specialization

Systems and Direct listed 2006

Loomis to be listed 2008

- *Higher margin*
- *Higher salaries and guard status*
- *Lower employee turnover*

External Financial Targets

- Earnings Per Share (EPS), annual average improvement of 10 percent
- Free cash flow to net debt of 0.20

Questions and Answers

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Integrity Vigilance Helpfulness