

August 6, 2010



# January – June 2010



Alf Göransson, President and CEO

# Highlights H1



- Organic sales growth -1% (0), real sales growth including acquisitions 2%
- The security market seems to have stabilized
- Operating margin improved to 5.5% (5.4), attributable to lower bad debts, cost control and low employee turnover
- Operating margin improved in all business segments
- Price adjustments approximately corresponded to wage cost increases within the Group

***4% real improvement of operating income***



# Financial Highlights

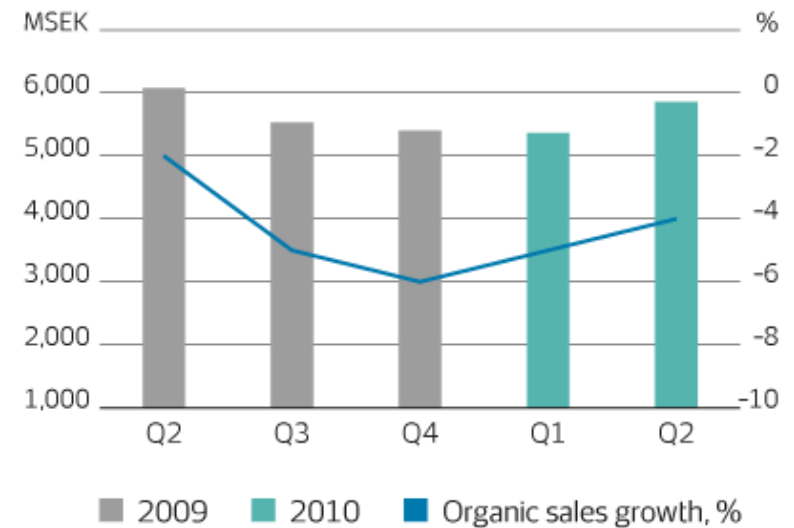


MSEK	Q2 2010	Q2 2009	Total change %	H1 2010	H1 2009	Total change %
<b>Sales</b>	<b>15,424</b>	<b>15,907</b>	<b>-3</b>	<b>30,295</b>	<b>32,332</b>	<b>-6</b>
<i>Organic sales growth, %</i>	0	0		-1	0	
<i>Real sales growth, incl. acq. %</i>	3	3		2	4	
<b>Operating income before amortization</b>	<b>859</b>	<b>880</b>	<b>-2</b>	<b>1,676</b>	<b>1,752</b>	<b>-4</b>
<i>Operating margin, %</i>	5.6	5.5		5.5	5.4	
<i>Real change, %</i>	4	2		4	2	
<b>Income before taxes and items affecting comparability</b>	<b>671</b>	<b>679</b>	<b>-1</b>	<b>1,314</b>	<b>1,394</b>	<b>-6</b>
<i>Real change, %</i>	4	-7		2	-2	
<b>Income before taxes</b>	<b>671</b>	<b>679</b>	<b>-1</b>	<b>1,314</b>	<b>1,394</b>	<b>-6</b>
<i>Real change, %</i>	4	-7		2	-2	
<b>Net income</b>	<b>470</b>	<b>468</b>	<b>0</b>	<b>921</b>	<b>978</b>	<b>-6</b>
Earnings per share (SEK)	1.29	1.28	1	2.53	2.68	-6

# Security Services North America – Sales Development H1



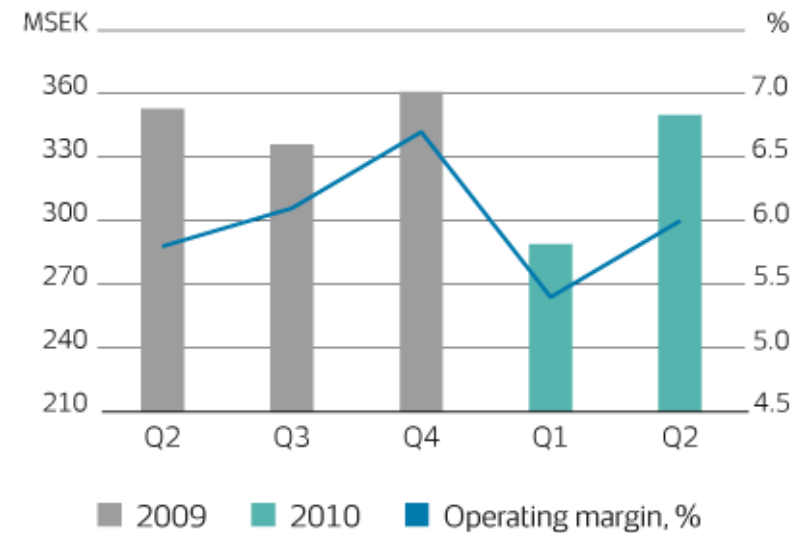
- Organic sales growth -5% (-2), but improving in the second quarter
- Net change growth in the contract portfolio is slow, but steady
- Expansion into primary government security services through acquisition of Paragon Systems



# Security Services North America – Income Development H1



- Improved operating margin 5.7% (5.6), related to
  - Focus on cost control, and lower bad debt losses and provisions
  - The effect was partly offset by higher payroll taxes not entirely recouped



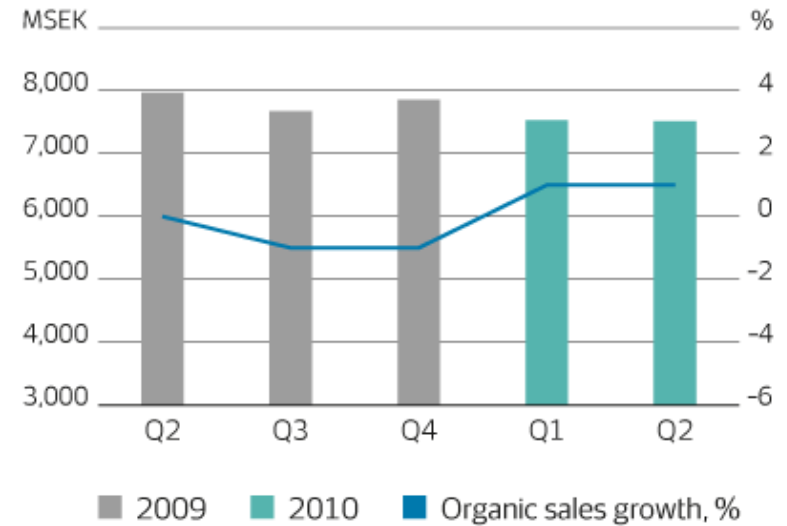
# Security Services Europe – Sales Development H1



- Organic sales growth 1% (1)
- Differences in growth rates between markets
- Organic sales growth in France was flat H1 - Spain is still negative

## Aviation:

- Good organic sales growth



# Security Services Europe

## – Income Development H1

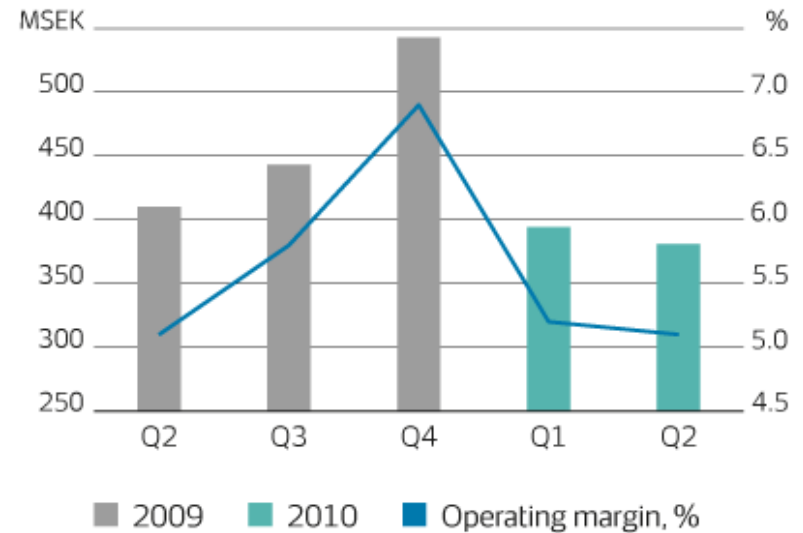


- Operating margin 5.2% (5.1\*) positively affected mainly by lower bad debt losses and provisions
- Lower extra sales affected negatively

### Aviation:

- Operating margin declined due to provisions for bad debts and negative impact related to the flight interruptions caused by the ash cloud in April

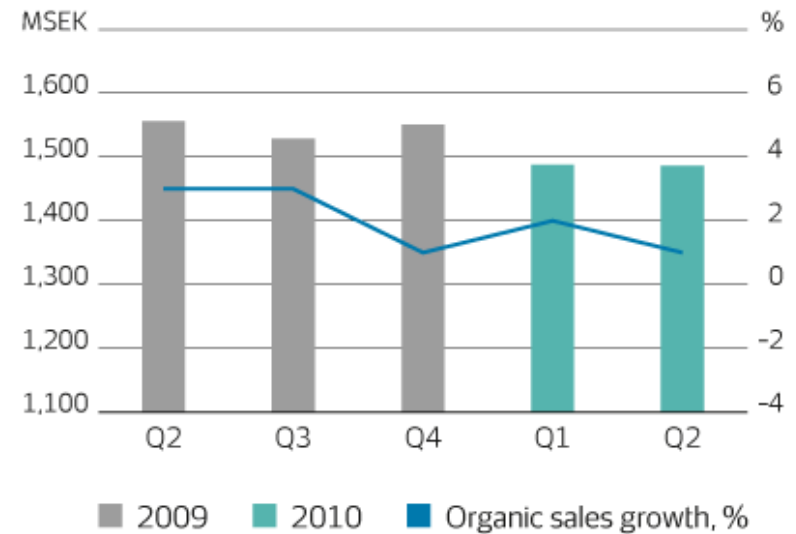
\* Restated due to operations moved between the segments Security Services Europe and Mobile and Monitoring.



# Mobile and Monitoring – Sales Development H1



- Organic sales growth 2% (4)
- In Mobile, positive organic sales growth in e.g. Germany, Netherlands, Norway, Portugal and Sweden
- In Monitoring, good organic sales growth was seen in the Nordic countries

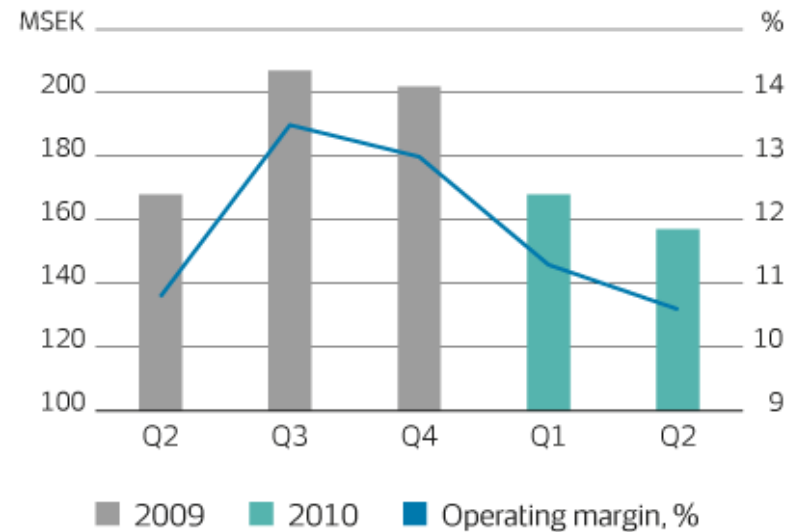




# Mobile and Monitoring – Income Development H1



- Improved operating margin 10.9% (10.7\*)
- Lower impact from bad debt provisions and losses affected positively
- The entry into the monitoring market in Spain also contributed positively



- *Restated due to operations moved between the segments Security Services Europe and Mobile and Monitoring.*



# Cash flow



MSEK	Q2 2010	Q2 2009	H1 2010	H1 2009	FY 2009
<b>Operating income before amortization</b>	<b>859</b>	<b>880</b>	<b>1,676</b>	<b>1,752</b>	<b>3,756</b>
Investments in non-current tangible and intangible assets	-204	-256	-425	-490	-951
Reversal of depreciation	226	232	453	467	928
Change in accounts receivable	-354	-31	-644	-321	198
Change in other operating capital employed	-185	-280	1	-626	-556
<b>Cash flow from operating activities</b>	<b>342</b>	<b>545</b>	<b>1,061</b>	<b>782</b>	<b>3,375</b>
<i>Cash flow from operating activities, %</i>	<i>40</i>	<i>62</i>	<i>63</i>	<i>45</i>	<i>90</i>
Financial income and expenses paid	-317	-112	-403	-297	-482
Current taxes paid	-295	-237	-404	-362	-728
<b>Free cash flow</b>	<b>-270</b>	<b>196</b>	<b>254</b>	<b>123</b>	<b>2,165</b>
<i>As % of adjusted income</i>	<i>-49</i>	<i>37</i>	<i>24</i>	<i>11</i>	<i>88</i>
<i>Free cash flow to net debt</i>	<i>-</i>	<i>-</i>	<i>0.24</i>	<i>0.18</i>	<i>0.26</i>

# Net Debt Development



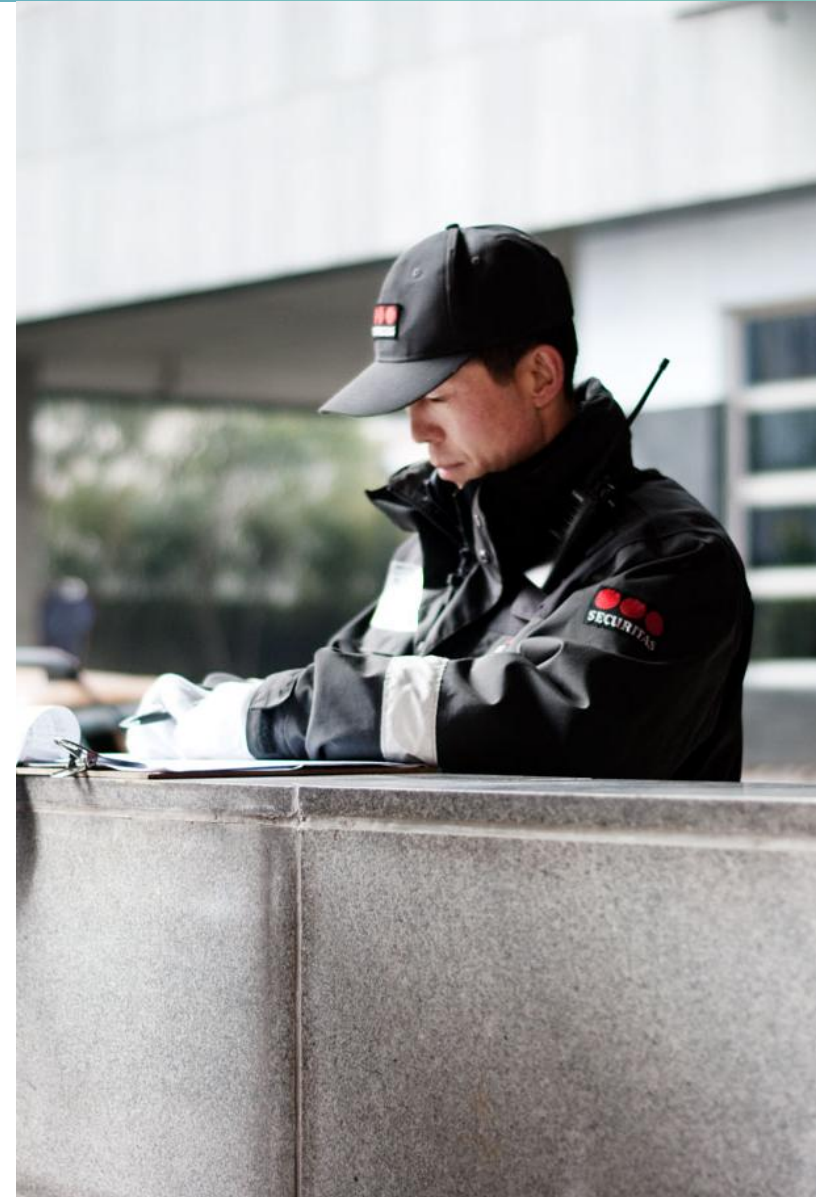
## MSEK

<b>Net debt January 1, 2010</b>	<b>-8,388</b>
Free cash flow	254
Acquisitions	-450
IAC payments	-2
Dividend paid	-1,095
<b>Change in net debt</b>	<b>-1,293</b>
Translation and revaluation	-19
<b>Net debt June 30, 2010</b>	<b>-9,700</b>

# Summary H1



- Organic sales growth -1% (0)
- Improved operating margin 5.5% (5.4)
- Operating margin improved in all business segments
- 4% real improvement of operating income
- Price/wage balance kept approximately on par in the Group





# Questions and Answers





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