

## **The Board's statement pursuant to Chapter 18, section 4 of the Swedish Companies Act.**

### **Proposed allocation of earnings**

The statements of income and the balance sheets of the Parent Company and the Group are subject to adoption by the Annual General Meeting on May 5, 2014.

Retained earnings in the Parent Company available for distribution:

	SEK
Hedging reserve	- 373,991
Translation reserve	366,183,418
Retained earnings	16,262,340,749
Net income for the year	<u>695,827,197</u>
<b>Total</b>	<b>17,323,977,373</b>

### **The Board of Directors propose that the earnings are allocated as follows;**

		SEK
a dividend to the shareholders of	SEK 3.00 per share	1,095,176,691
retained earnings to be carried forward		<u>16,228,800,682</u>
<b>Total</b>		<b>17,323,977,373</b>

### **The Board's statement on the proposed dividend**

With reference to the Board's dividend proposal, the Board of Directors hereby makes the following statement pursuant to Chapter 18, section 4 of the Swedish Companies Act.

The Company's unappropriated earnings as per December 31, 2013, amount to SEK 16,628,150,176. The net income for the year amounts to SEK 695,827,197 of which SEK 288,000 is related to Group contributions to subsidiaries and SEK 587,902 is the result of financial instruments being valued pursuant to Chapter 4, section 14 a of the Swedish Annual Accounts Act.

The Company's equity would not have been impacted as per December 31, 2013, if financial instruments, having been valued at fair value pursuant to Chapter 4, section 14 a of the Swedish Annual Accounts Act, had instead been valued at the lower of cost or market as there is no difference as of this date.

Unappropriated earnings of SEK 17,323,977,373 are therefore at the Annual General Meeting's disposal.

Provided that the 2014 Annual General Meeting resolves to allocate the earnings in accordance with the Board's proposal, SEK 16,228,800,682 will be carried forward. After distribution of the proposed dividend, there will be full coverage for the Company's restricted equity.

The Board has considered the Company's and the Group's consolidation requirements and liquidity through a comprehensive assessment of the financial position of the Company and the Group, as well as the possibilities of the Company and the Group to discharge at sight its

obligations. The proposed dividend and the Group contributions to subsidiaries do not jeopardize the Company's ability to make the investments that have been deemed necessary. The Company's financial position does not give rise to any other assessment than that the Company can continue its operations and that the Company is expected to comply with its obligations in a short as well as long term perspective. In addition to the assessment of the Company's consolidation requirements and liquidity, the Board has also taken into consideration all other known circumstances that may impact the Company's financial position.

With reference to the above, the Board makes the assessment that the dividend and Group contributions to subsidiaries are justifiable considering the requirements that the nature, scope and risks of the operations pose on the size of the Company's and the Group's equity as well as the Company's and the Group's consolidation requirements, liquidity and position in general.

### **Proposal on record date for dividend**

As record date for dividend, the Board proposes May 8, 2014. If the Annual General Meeting so resolves, the dividend is expected to be distributed by Euroclear Sweden AB starting May 13, 2014.

Stockholm February 7, 2014

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The Board of Directors