



Quarterly Report
January – March, 2000

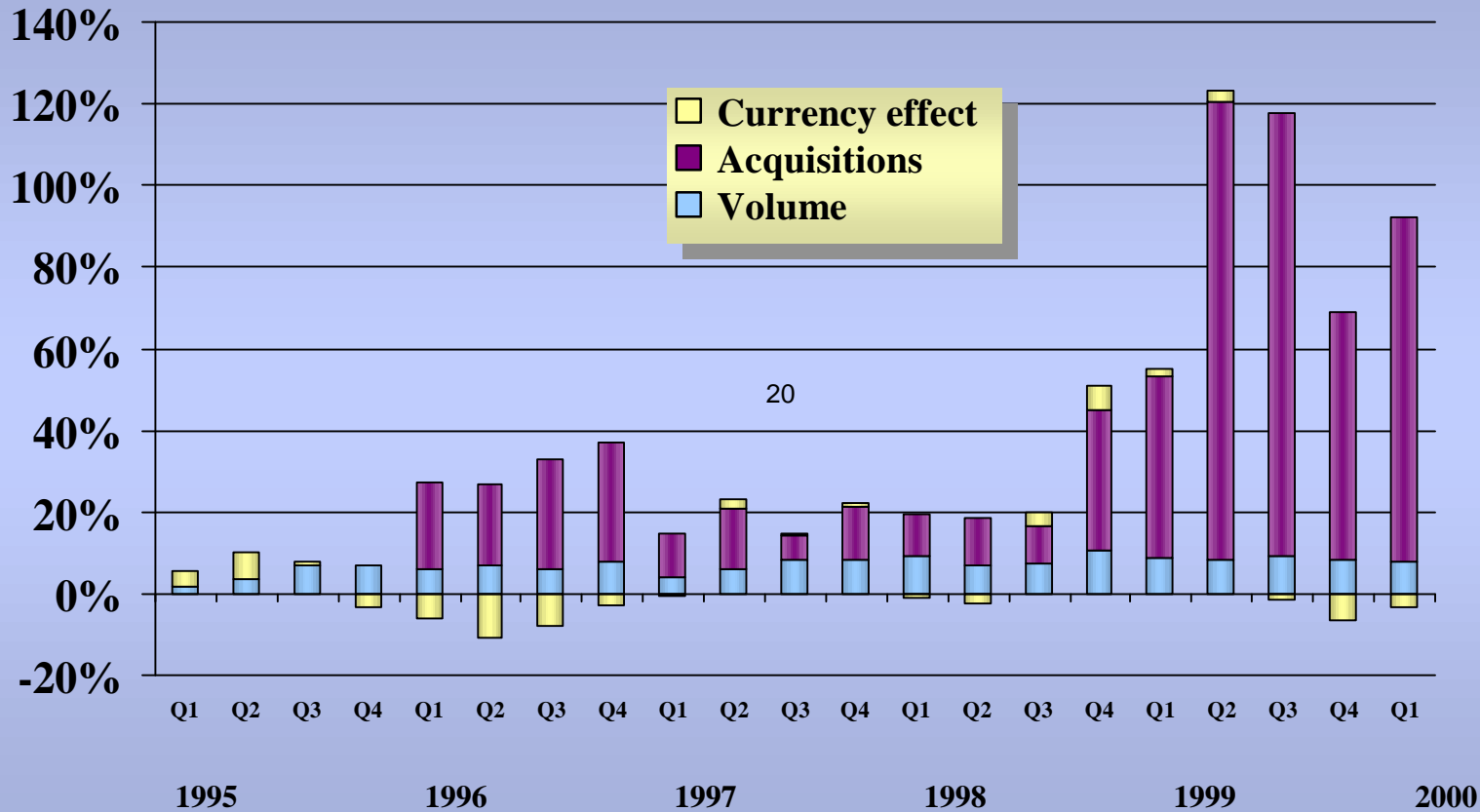
Highlights First Quarter 2000

- ❑ Sales increased by 92 percent in local currencies
- ❑ Organic growth was 8 percent
- ❑ Operating income in local currencies increased by 63 percent to MSEK 464
- ❑ Income before taxes in local currencies increased by 30% to MSEK 257

First Quarter 2000

MSEK	2000	1999	<i>Percentage change</i>	
			Real	Net change
Sales	4,645	3,167	8	
Acquisitions	3,750	1,282	84	
Total	8,395	4,449	92	89
Operating income	464	292	63	59
Operating margin, %	5.5	6.6		
Income before taxes	257	202	30	27
Earnings per share after standard taxes	0.53	0.45		18

Growth per Quarter



Negative currency effect of 3 percent in First Quarter 2000

Sales and Growth per Country

Country	Jan-Mar 2000	Share of total	Jan-Mar 2000	Change in %	
	MSEK		M(local)	Organic	Total
Sweden	784	9	784	10	8
Norway	326	4	312	7	7
Denmark	88	1	78	5	11
Finland	212	3	149	15	19
Germany	933	11	216	0	8
France	1,034	12	805	4	4
Great Britain	427	5	31	9	54
Spain	463	6	9,132	13	24
Switzerland	89	1	17	20	20
Austria	64	1	105	2	2
Portugal	243	3	5,801	18	25
Belgium	179	2	870	-	-
Hungary	25	<1	754	14	14
Poland	39	<1	19	61	98
Estonia	13	<1	24	31	31
Czech Republic	17	<1	71	41	52
USA	2,975	35	341	-	-
Canada	145	2	24	-	-
Mexico	46	1	50	-	-
Securitas Direct	157	2	157	35	29
Consulting & Investigations	157	2	18	-	-
Elimination	-21	-	-21	-	-
Total	8,395	100	8,395	8	89

Business Areas

	Guarding		Alarm		Direct		CIT		Total	
	March		March		March		March		March	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Sales, MSEK	6,479	2,957	919	669	157	121	841	702	8,395	4,449
<i>Organic growth, %</i>	4	6	12	16	35	30	16	7	8	9
Operating income, MSEK	324	182	64	64	16	11	60	35	464	292
<i>Operating margin, %</i>	5	6	7	10	10	9	7	5	6	7
<i>Operating capital employed as % of sales</i>	8	8	21	21	24	24	40	45	12	12

Acquisitions 1998 – 2000

Included from	Company	Country	Sales (MSEK)	Business Area
Jan. -98	Kessler	France	120	G & A
Apr. -98	Segurcat	Spain	45	G, A & CIT
Jun. -98	Deutsche Sicherheits AG	Germany	290	G
Oct. -98	Proteg	France	3,800	G, A & CIT
Oct. -98	Raab Karcher Sicherheit	Germany	2,000	G
Total 1998			6,255	
Mar. -99	Pinkerton	USA	9,200	G & A
Sep. -99	Seguridad 7	Spain	170	G & A
	Securis	Belgium	780	G
Nov. -99	Sonasa Madeira	Portugal	59	G
Total 1999			10,209	
Jan. -00	APS + First Security	USA	4,430	G & A
Jan. -00	Ausysegur	Spain	530	CIT
Feb. -00	Micro-Route Ltd.	UK	168	CIT
Feb. -00	Baron Security	Belgium	300	G, A & CIT
Apr. -00	Smith Security Inc.	USA	150	G
Total 2000			5,578	

Acquisitions increased sales by 84 percent in 1st Quarter 2000.

Cash Flow

First Quarter, MSEK	2000	1999
Operating income before amortization of goodwill	463.5	291.6
Capital expenditure	-302.1	-217.7
Depreciation	216.5	160.7
Change in working capital	-161.8	-292.6
Operating cash flow	216.1	-58.0
Net financial items	-70.0	-21.0
Taxes paid	-72.8	-55.8
Free cash flow	73.3	-134.8
As % of adjusted income*	23 %	-63 %

* Operating income less financial items and taxes paid

Better start than last year

Organic Development

- ❑ *CIT* and *Small Alarms* speed up growth (16 percent and 35 percent respectively)
- ❑ *France*: successful price increases have more than compensated for the 35 hour working week
 - On track for further margin improvement
 - Growth now confirmed (4 percent)
- ❑ *Germany*: mature for further decentralization in line with the Securitas model - from 30 companies to more than 100 profit centers

Acquisitions

- USA progressing according to plan.
Synergies will be visible from Q2
- Securis in Belgium progressing according to plan.
Acquisition of Baron approved this week
- Slow start for Micro-Route in Great Britain
- Integration of Ausysegur in Spain has just started.
Progressing according to plan, meaning that a slightly negative impact on profit will occur in the year 2000

Forecast 2000

- ❑ Synergies to increase progressively from Q2 2000
- ❑ Full year impact from dilution down to 2.5 percent (from 8 percent in Q1)
- ❑ On track for minimum 25 percent increase in EPS



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