



Year-End Report
January – December 2002

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Highlights 2002 and onwards

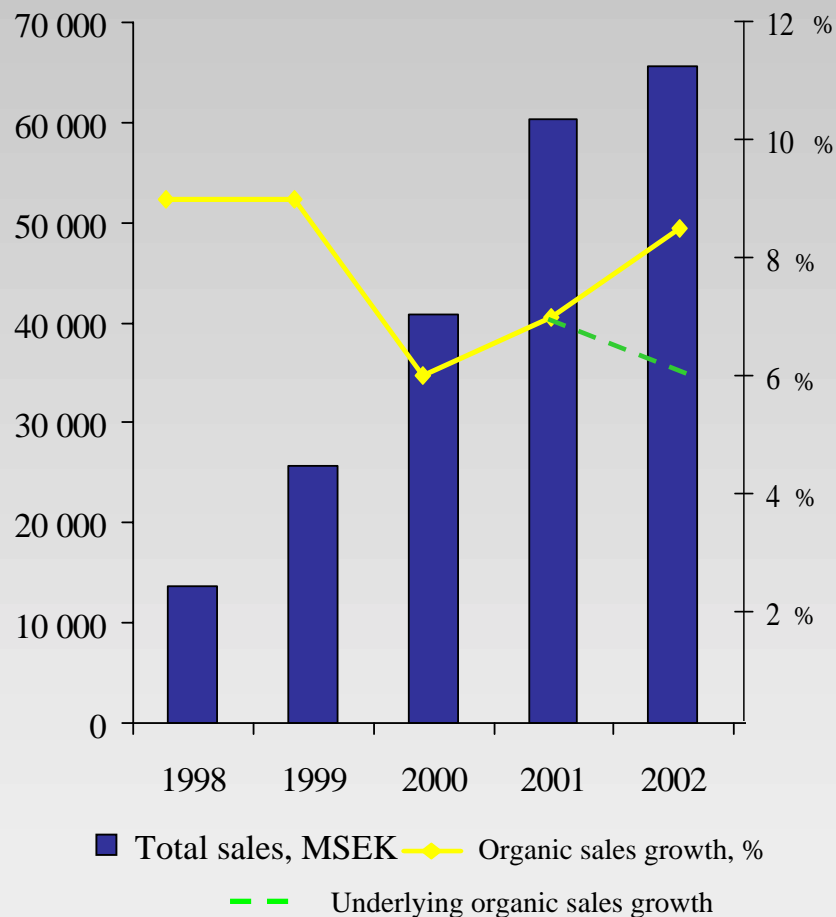
Major achievements

- ❑ 2002 one of our best years so far
- ❑ US platform integrated and paying off
- ❑ Unchanged long-term view on US growth and margin potential
- ❑ Refinement and organizational development pays off in Europe

Remaining challenges

- ❑ Restructuring of CHS German operation
- ❑ Growth speed in the US – economic and political uncertainties

Total sales & organic sales growth 1998-2002

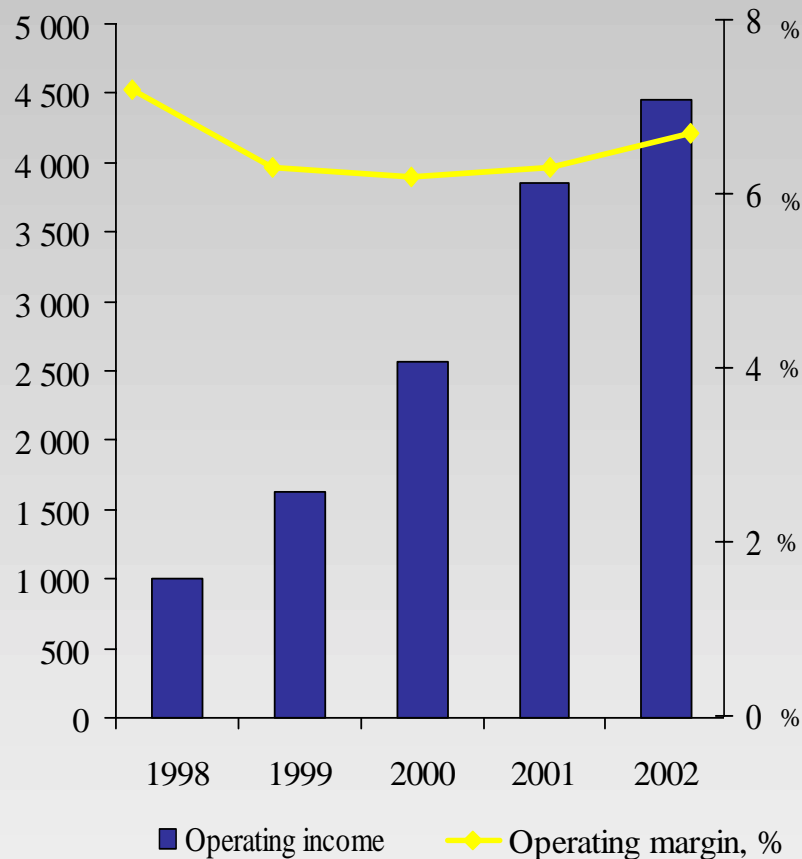


FY 2002:

- Organic sales growth 8 %
- Underlying sales growth 6 %
- Within the 6-8 % span during 5 years

Specialized divisions and customer segment focus drives organic sales growth

Operating income & margin 1998-2002

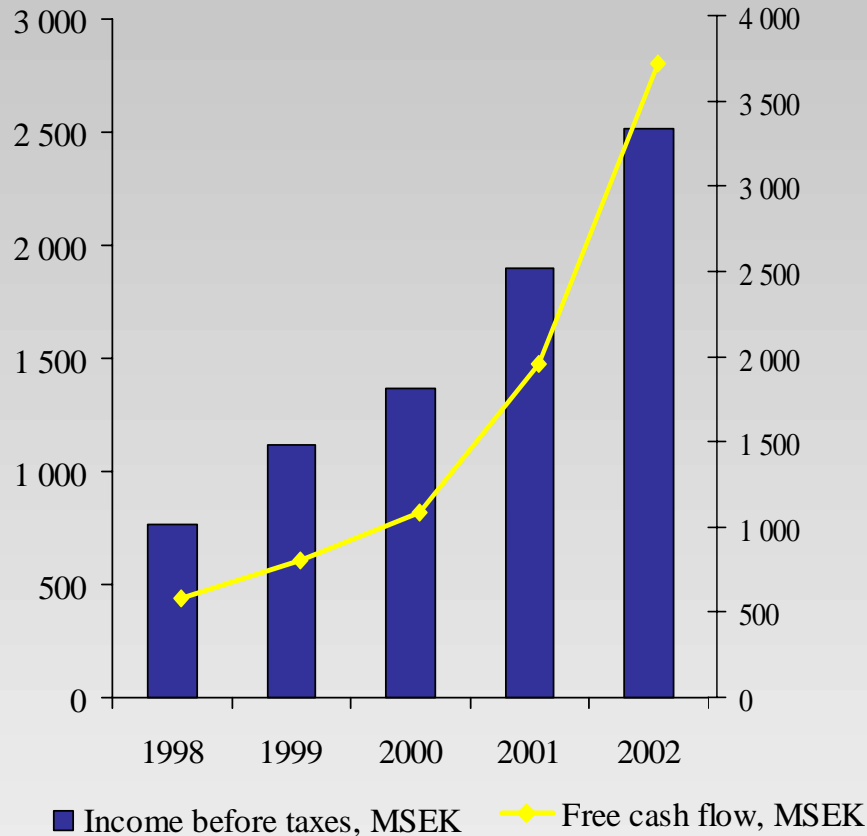


FY 2002:

■ Operating margin 6.8 % (6.4)

Integration and organic refinement lift margin on sales 4 times higher than in 1998

Income before taxes & free cash flow 1998-2002



FY 2002:

- Income before taxes increased 38 % in local currencies and 32 % underlying

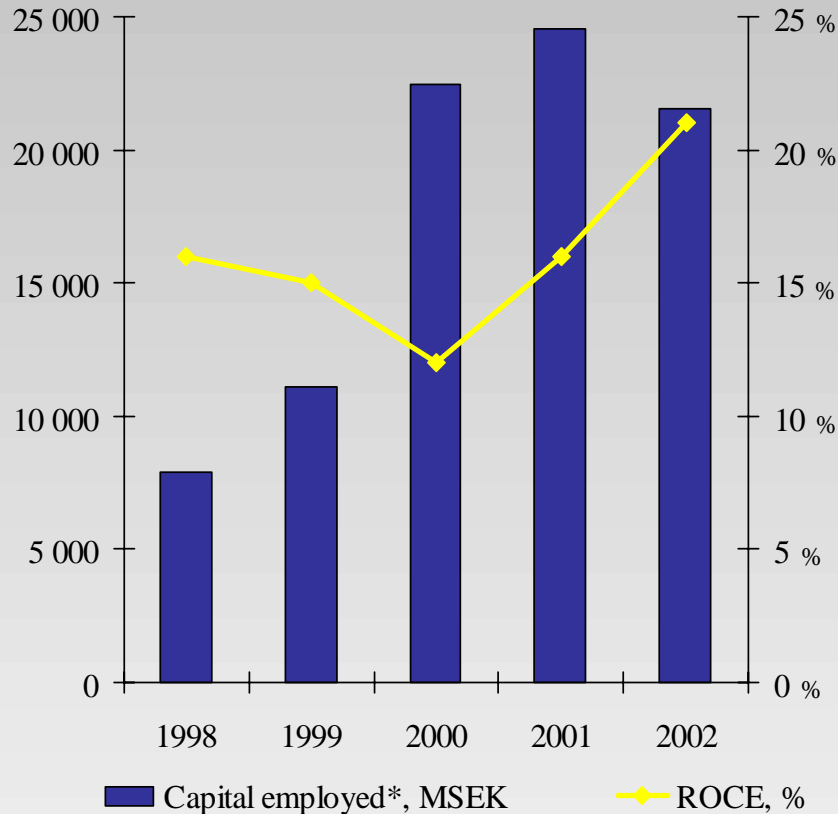
- Free cash flow 122 % of adjusted income*

- Average PBT increase over 5 years: 33 %

- Average free cash flow of adj. income over 5 years: 82 %

* Adjusted income: Operating income (pre goodwill) adjusted for net financial items and current taxes

Return on capital employed 1998-2002



FY 2002:

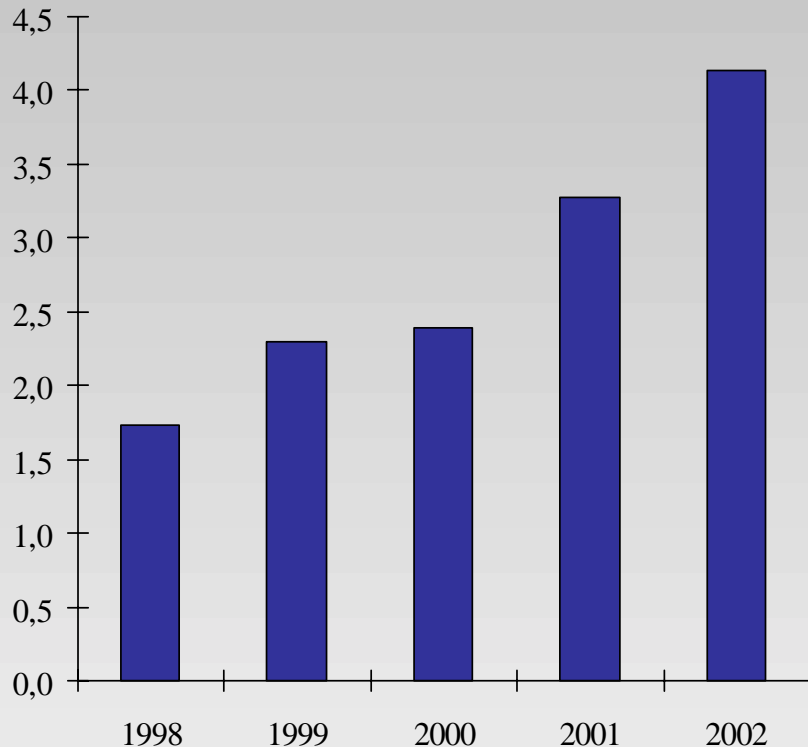
- Return on capital employed* increased to 21 %
- Group long-term objective is 20 % return on capital employed*

Return on capital employed* 2002:

U.S. Services:	23 %
Europe Services:	25 %
Systems:	20 %
Direct:	12 %
Cash Handling:	15 %

*) Including goodwill

Earnings per share 1998-2002



■ Earnings per share, SEK

FY 2002:

- Earnings per share after full taxes (post goodwill) increased 27 percent
- Proposed dividend SEK 2

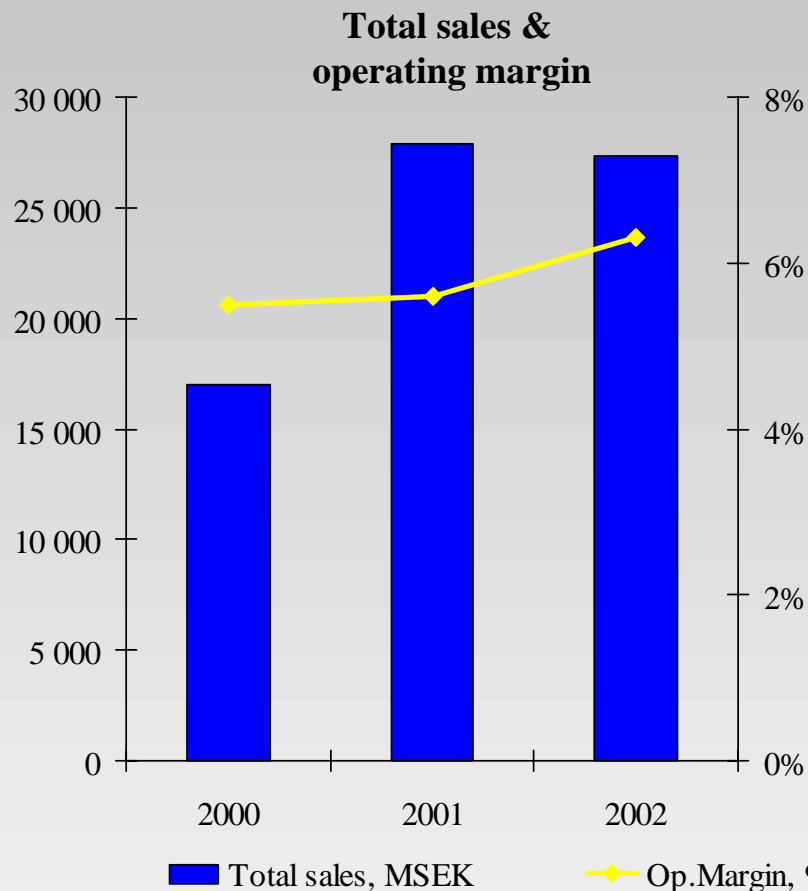
Average annual increase 1998-2002

Earnings per share: 23 %

Dividend: 24 %

Security Services USA

MSEK	Q4 2002	Q4 2001	FY 2002	FY 2001
Total sales	6,045	7,480	27,360	27,922
<i>Organic sales growth, %*</i>	-4%	7%	8%	3%
<i>Underlying sales growth, %</i>	-5%	-	2%	-
Operating income	394	510	1,715	1,577
<i>Operating margin, %</i>	6.6%	6.7%	6.3%	5.6%
<i>Underlying margin, %</i>	6.4%	-	6.2%	-
<i>Op. capital employed as % of sales</i>			5%**	8%**
Capital employed			7,442	10,251
Return on capital employed			23%	15%



* Total sales growth adjusted for currency effects, acquisitions and divestments

** Calculated after the revised of the sale of account receivable of MSEK 1,989 (2,381)

The Securitas model works: 17 % increase in operating income



USA 1999-2002

MUSD	1999 1)	2000 2)	2001	2002
Total sales	557	1 806	2 677	2 838
<i>Organic sales growth %</i>	<i>n/a</i>	4	3	8
Operating income	24	99	150	178
<i>Operating margin, %</i>	4,3	5,5	5,6	6,3
Cash flow from operations as % of operating income	-3	99	90	122
<i>Op. capital employed as % of sales</i>	9	10	8	5
Capital employed	395	1209	969	843
<i>Return on capital employed, %</i>	6	8	15	21 ³⁾
SEK/USD average rate	8,37	9,39	10,44	9,64
SEK/USD closing rate	8,53	9,54	10,58	8,83

1) Pinkerton 9 months

2) Burns included 4 months

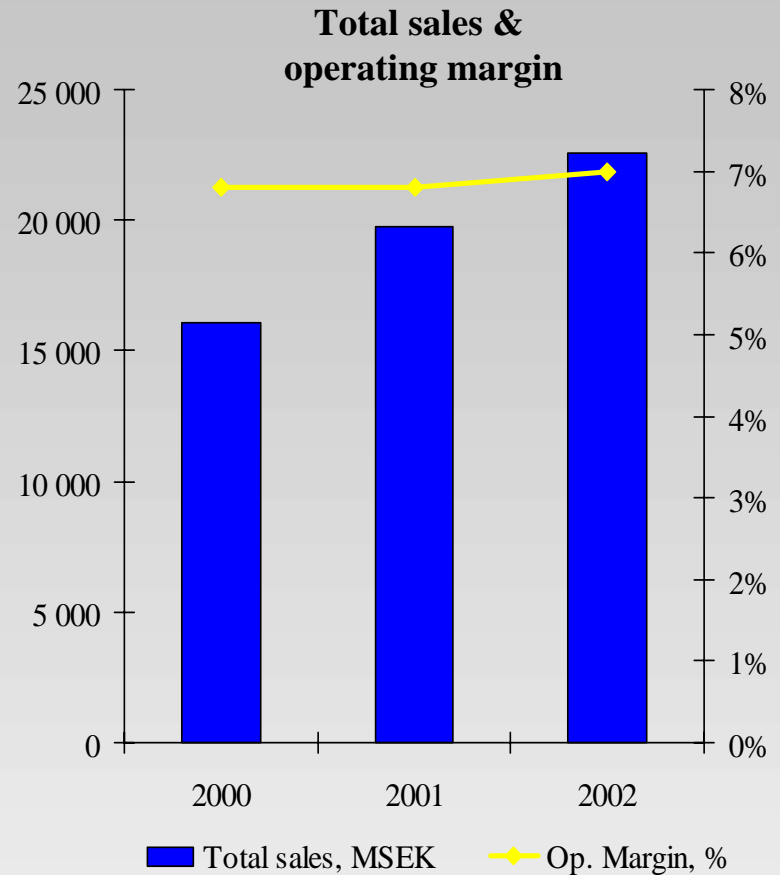
3) Calculated in USD

- ❑ Created a market leader with BUSD 2.7
- ❑ Implemented the Securitas model
- ❑ Doubled margin from time of acquisition
- ❑ Cash flow from operations 122 %
- ❑ 21 % return on capital employed



Security Services Europe

MSEK	Q4 2002	Q4 2001	FY 2002	FY 2001
Total sales	5,746	5,291	22,594	19,745
<i>Organic sales growth, %*</i>	3%	10%	8%	7%
Operating income	450	387	1,571	1,333
<i>Operating margin, %</i>	7.8%	7.3%	7.0%	6.8%
<i>Op. capital employed as % of sales</i>			9%	10%
Capital employed			6,379	6,101
<i>Return on capital employed</i>			25%	22%



* Total sales growth adjusted for currency effects, acquisitions and divestments

Specialization, time-sharing and combined contracts drive development: 20 % increase in operating income

Security Services Europe quarterly development

MSEK	2001	2002				FY 2002
	Q4	Q1	Q2	Q3	Q4	
Total sales	5,291	5,420	5,630	5,798	5,746	22,594
<i>Organic sales growth*, %</i>	<i>10</i>	<i>8</i>	<i>11</i>	<i>9</i>	<i>3</i>	<i>8</i>
Operating income	387	339	369	413	450	1,571
<i>Operating margin, %</i>	<i>7.3</i>	<i>6.3</i>	<i>6.6</i>	<i>7.1</i>	<i>7.8</i>	<i>7.0</i>

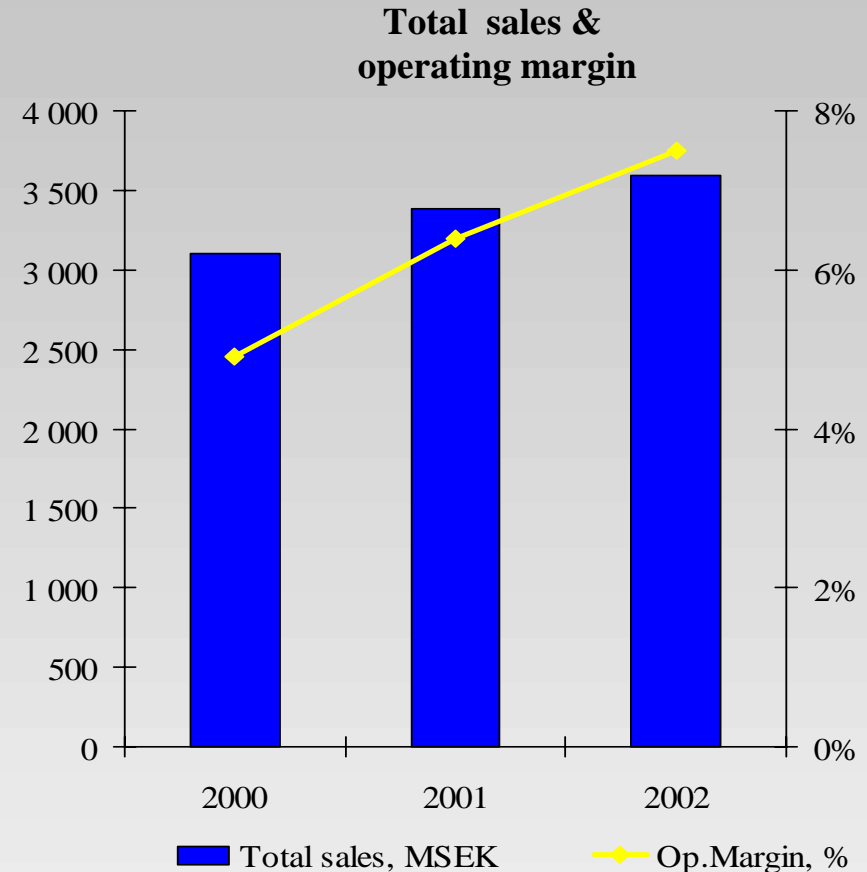
- ❑ Current organic sales growth in the lower end of 6-8 %
- ❑ Further refinement of operations has increased operating margin in the second half of 2002
- ❑ Well in line with the five-year vision

* Total sales growth adjusted for currency effects, acquisitions and divestments



Security Systems

MSEK	Q4 2002	Q4 2001	FY 2002	FY 2001
Total sales	1,026	959	3,592	3,388
<i>Organic sales growth*, %</i>	<i>10%</i>	<i>1%</i>	<i>6%</i>	<i>1%</i>
Operating income	108	65	269	218
<i>Operating margin, %</i>	<i>10.5%</i>	<i>6.8%</i>	<i>7.5%</i>	<i>6.4%</i>
<i>Op. capital employed as % of sales</i>			<i>21%</i>	<i>24%</i>
Capital employed			1,371	1,496
<i>Return on capital employed</i>			<i>20%</i>	<i>15%</i>



* Total sales growth adjusted for currency effects, acquisitions and divestments

**Refinement starts to pay off: 23 %
increase in operating income**



Security Systems quarterly development

MSEK	Q1	Q2	Q3	Q4	FY 2002
Total sales	825	927	814	1,026	3,592
<i>Organic sales growth*, %</i>	<i>0</i>	<i>9</i>	<i>6</i>	<i>10</i>	<i>6</i>
Operating income	39	65	57	108	269
<i>Operating margin, %</i>	<i>4.7</i>	<i>7.0</i>	<i>7.0</i>	<i>10.5</i>	<i>7.5</i>

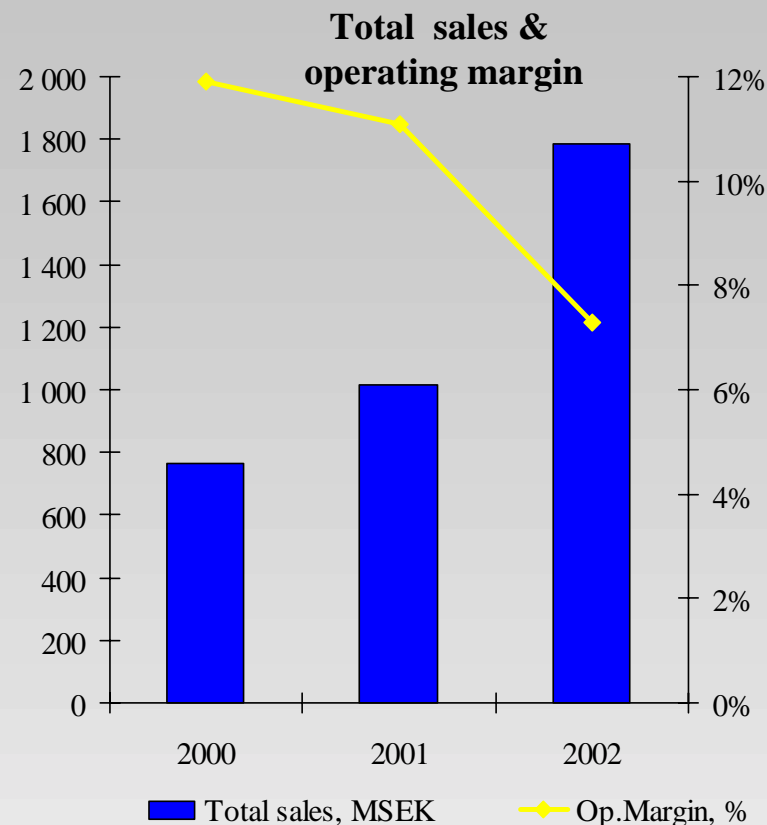
* Total sales growth adjusted for currency effects, acquisitions and divestments

- ❑ Europe: Separation of installation and maintenance and customer segment organization
- ❑ USA: Stabilized organization and performance
- ❑ Increased sales growth and operating margins over the year
- ❑ Well in line with the five-year vision

Direct Europe

MSEK	Q4 2002	Q4 2001	FY 2002	FY 2001
Total sales	500	269	1,786	1,018
<i>Organic sales growth*, %</i>	27%	25%	18%	25%
Operating income	50	33	131	113
<i>Operating margin, %</i>	10.0%	12.3%	7.3%	11.1%
<i>Op. capital employed as % of sales</i>			31%	35%
Capital employed			1,102	390
Return on capital employed			12%	29%

* Total sales growth adjusted for currency effects, acquisitions and divestments



Traditional Direct

Installations during the period

Total numbers of connections

Jan-Dec 2002

83,067

336,531

Jan-Dec 2001

71,469

261,356

Change

16%

29%

Total Direct (including Belgacom and France)

Installations during the period

Total numbers of connections

Jan-Dec 2002

103,017

468,281

Jan-Dec 2001

n/a

n/a

Change

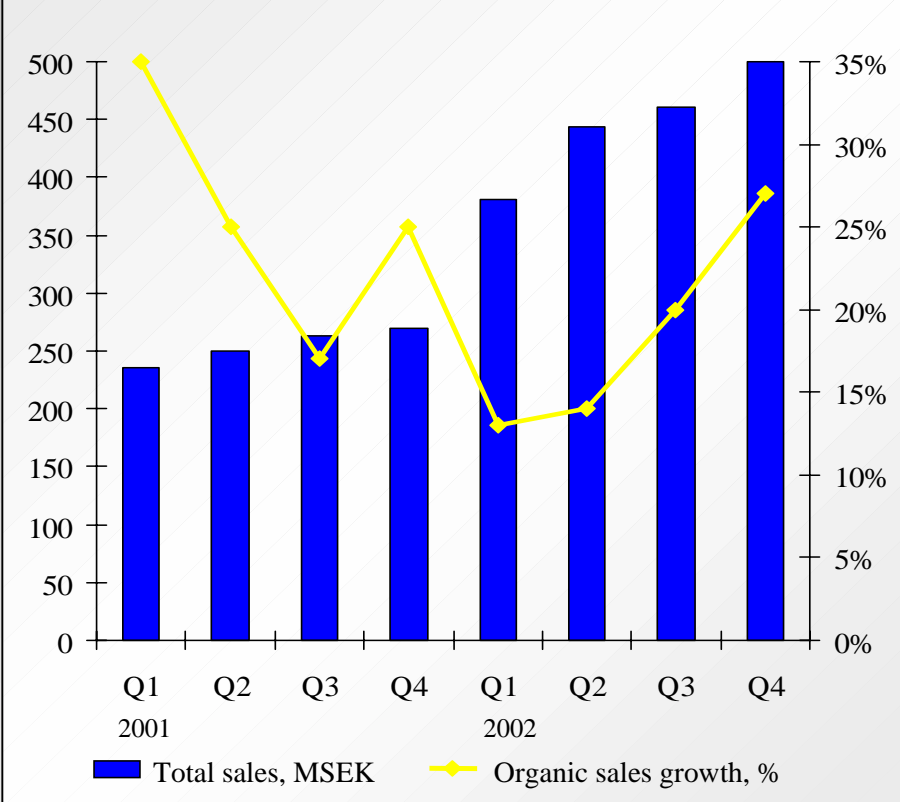
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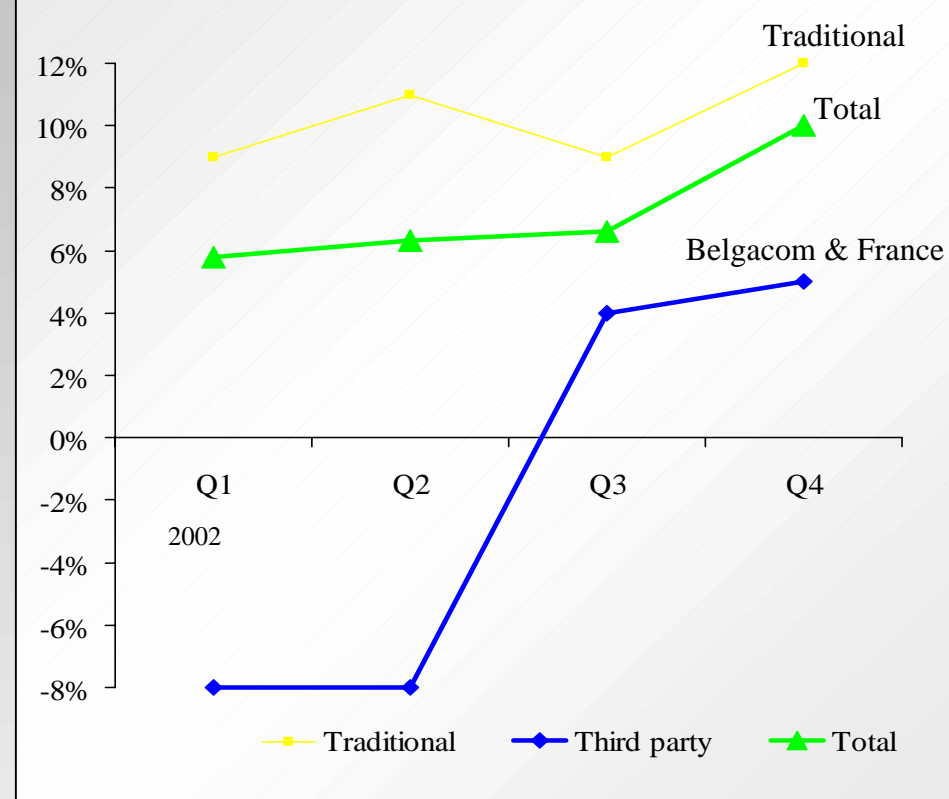
Direct

Organic sales growth 2001-2002



☐ Back on targeted growth speed

Operating margin 2002



☐ On the way back to historic profitability

Cash Handling Services

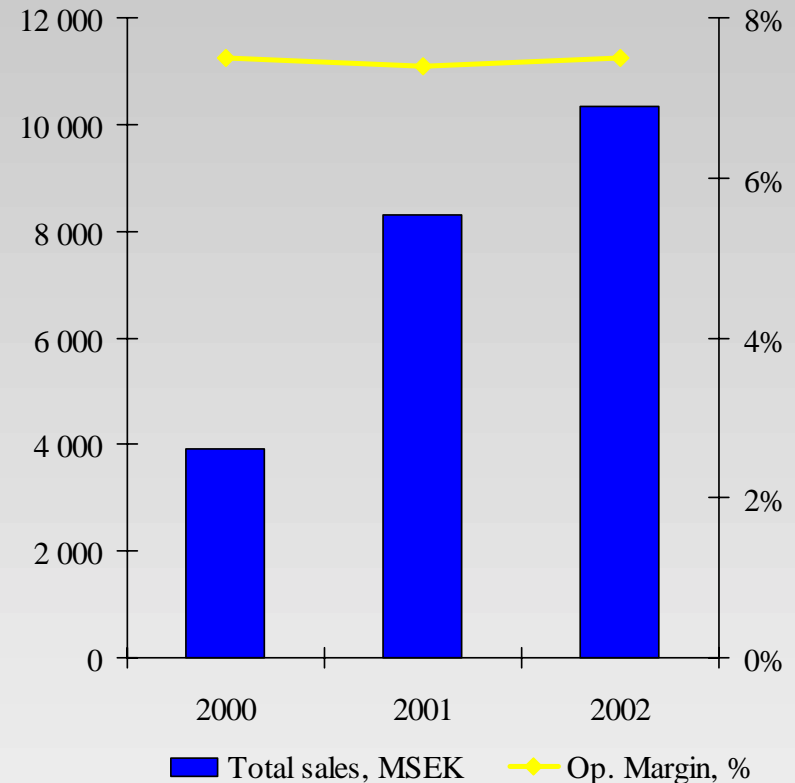
MSEK	Q4 2002	Q4 2001	FY 2002	FY 2001
Total sales	2,477	2,858	10,353	8,291
<i>Organic sales growth, %</i>	<i>-3***%</i>	<i>45%</i>	<i>12%</i>	<i>28%</i>
<i>Underlying organic sales growth, %</i>	<i>6%</i>	<i>25%</i>	<i>12%</i>	<i>28%</i>
Operating income	186	227	772	614
<i>Operating margin, %</i>	<i>7.5%</i>	<i>7.9%</i>	<i>7.5%</i>	<i>7.4%</i>
<i>Op. capital employed as % of sales</i>			<i>22%</i>	<i>27%</i>
Capital employed			5,269	6,256
<i>Return on capital employed</i>			<i>15%</i>	<i>10%***</i>

* Total sales growth adjusted for currency effects, acquisitions and divestments

** Adjusted for the Euro's introduction

*** Including full year effect of Loomis Fargo

Total sales & operating margin



Platform to build a world leader



Cash Handling Services – focus on the parts

MSEK	Europe ex Germany and euro	Germany ex Euro	Euro project	Total Europe	USA	Total CHS
Total sales	4,836	1,087	270	6,193	4,160	10,353
<i>Organic sales growth*, %</i>	18	9	23	17	5	12
Operating income	551	-108	25	467	305	772
<i>Operating margin, %</i>	11.4	-9.9	9.3	7.5	7.3	7.5

* Total sales growth adjusted for currency effects, acquisitions and divestments

- ❑ Europe (excl. Germany): Refinement gives strong growth and margin increase
- ❑ Germany: Restructuring underway – break-even 2nd half 2002
- ❑ USA: Stable with margin potential through leverage of cost structure





Group Financial Review

Håkan Winberg

Sales and growth

	QUARTER 4			FULL YEAR		
	2002	2001	<i>Growth</i>	2002	2001	<i>Growth</i>

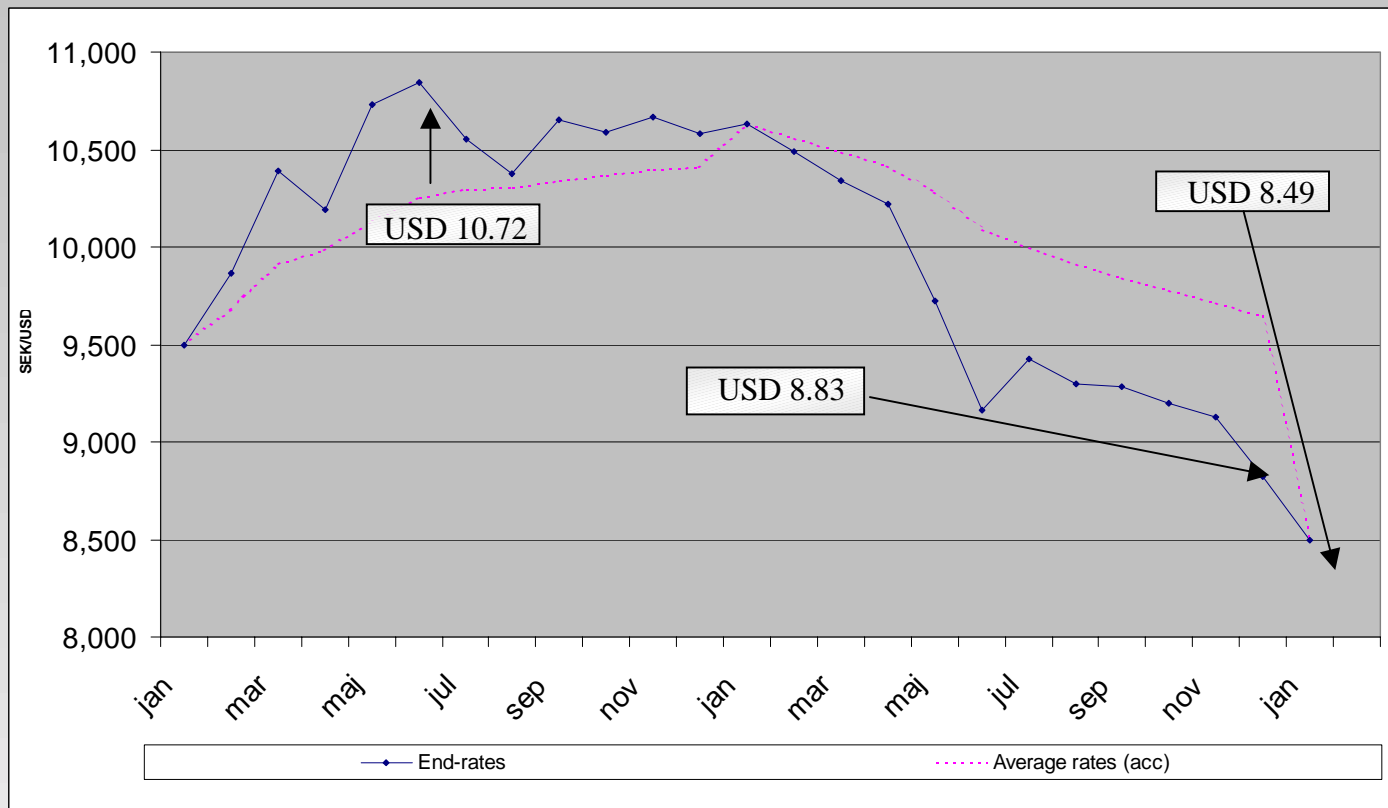
Total sales	15,795	16,857	-6	65,685	60,364	9
Acquisitions/divestitures	-710	-181		-4,104	-523	
Currency change from 2001	1,685	n/a		3,327	n/a	
Organic sales growth	16,770	16,676	1	64,908	59,841	8
Euro introduction	0	-220		-270	-220	
Federalized airport operations	-183	-180		-1,735	-180	
Underlying organic sales growth	16,587	16,276	2	62,903	59,441	6

Trend going forward is 6 percent

Income before tax and growth

	QUARTER 4			FULL YEAR		
	2002	2001	<i>Change</i>	2002	2001	<i>Change</i>
Income before tax	728	696	5	2,512	1,902	32
Currency change	61	n/a		117	n/a	
Income growth	789	696	13	2,629	1,902	38
Euro introduction	0	-18		-25	-18	
Federalized airport operations	-25	-11		-125	-11	
Underlying income growth	764	667	15	2,479	1,873	32

Currency effects (SEK/USD exch. Rate)



- ❑ SEK has strengthened 21 % to the USD June 2001-January 2003
- ❑ PBT 2002 excl. Euro introduction and federalized airport operations calculated using end rates Jan 2003 is MSEK 2,250

Cash flow

	QUARTER 4		FULL YEAR		
	2002	2001	2002	2001	2000
Operating income before amort. of goodwill	1,190	1,212	4,458	3,855	2,560
Capital expenditure on operations	-474	-460	-1,746	-1,764	-1,202
Depreciation (excluding amort. of goodwill)	373	372	1,494	1,377	942
Changes in other op. capital employed	406	-158	913	-103	-363
Cash flow from operations	1,495	965	5,118	3,364	1,937
<i>Cash flow from operations, %</i>	<i>126</i>	<i>80</i>	<i>115</i>	<i>87</i>	<i>76</i>
Net financial items	-178	-219	-782	-863	-489
Current taxes	110	-138	-621	-548	-359
Free cash flow*	1,428	608	3,715	1,953	1,088
<i>Free cash flow, %</i>	<i>127</i>	<i>71</i>	<i>122</i>	<i>80</i>	<i>64</i>

* Operating cash flow (pre goodwill) adjusted for net financial items and current taxes



Capital employed and financing

	2002				2001	2000
	Dec	Sep	Jun	Mar	Dec	Dec
Operating capital employed	4 891	5 813	6 164	5 645	5 854	6 743
<i>In percent of sales</i>	<i>7</i>	<i>9</i>	<i>9</i>	<i>8</i>	<i>9</i>	<i>13</i>
Goodwill & minorities	16 672	17 322	17 282	18 942	18 682	15 737
Capital employed	21 563,1	23 135,2	23 446,0	24 587,4	24 536,4	22 480
<i>Return on capital employed^{*)}</i>	<i>21</i>	<i>19</i>	<i>19</i>	<i>17</i>	<i>16</i>	<i>12</i>
Net debt / equity	0,85	1,03	1,13	1,10	1,05	1,23

**) Return on capital employed calculated as EBITA as a percentage of average capital employed*



Security Services USA

Amund Skarholt

Security Services USA – Summary organic growth

❑ Organic growth 2002

- Total business: +8%
- Underlying growth: +2%

❑ Bill rate (ex. Globe) and pay rate

% increase to 2001	Bill rate	Pay rate
New contracts	+3	+2
Existing contracts	+3	+1

❑ Better balanced portfolio

- Reduced dependency on exposed business segments
- Solid growth in regional and local markets

Security Services USA – Summary profitability

❑ Operating margin 2002

- Total business: 6.3%
- Underlying business: 6.2%

❑ Impacted from

- Improved bill rate/pay rate ratio
- Reduced unbilled
- Increased bad debt
- Increased cost of risk and medical cost
- Reduced indirect cost

} 0.7 % margin improvement

❑ Employee turnover steadily improving



Security Services USA – Summary experience

- ❑ The Securitas model works
 - Organization getting stronger and moving faster
 - Qualitative management/success rate
- ❑ The opportunity is there
 - Not one market
 - Balanced approach organic growth/profitability

Security Services USA – Conclusion 2003

- ❑ Follow same strategy
 - Continue organization strengthening
 - Short term/long term balanced approach
 - One Company/One Name July 1
- ❑ Long term growth rates
 - Total opportunity unchanged
 - Different markets/different strategies
 - Internal/external dependency 60/40
- ❑ Conclusion
 - Cautiously optimistic

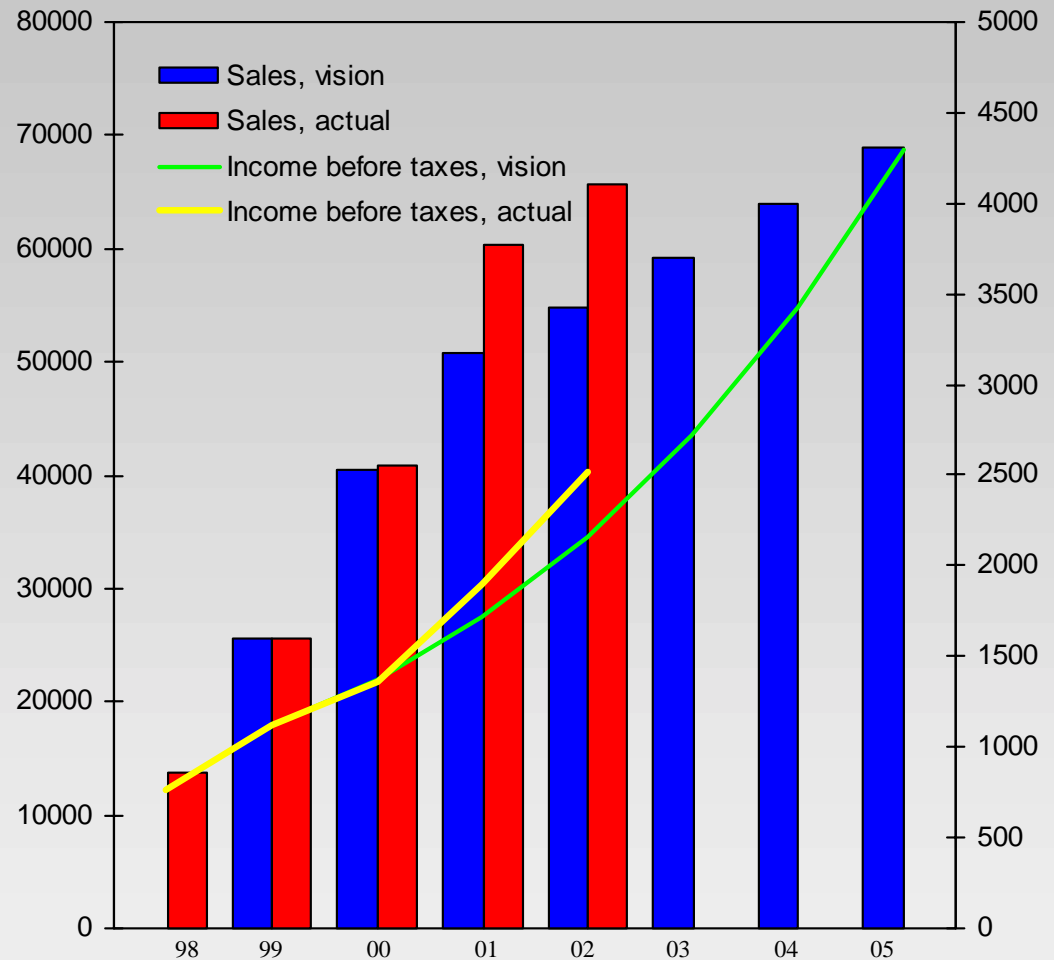


Group outlook

Thomas Berglund

Group outlook

- 2000-2002 – ahead of the five-year vision – 27 % average underlying PBT growth
- 2003-2005 - keeping the 25 % speed - staying ahead
- Leverage through acquisitions





Integrity Vigilance Helpfulness