



Interim Report
January - September 2003

9M results 2003

Today's agenda

14.00

Information meeting in Stockholm

Results presentation followed by Q & A

Live webcast at www.securitasgroup.com

Call in number: +44 (0)207 162 0125 – listen in only

16.00

Q & A conference call

Results highlights followed by Q & A

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9M results 2003

Information meeting

Introduction

Henrik Brehmer

Group & divisional performance

Thomas Berglund

Financial review

Håkan Winberg

Outlook 2003

Thomas Berglund

Q & A

Thomas Berglund
Håkan Winberg

Closing

Henrik Brehmer

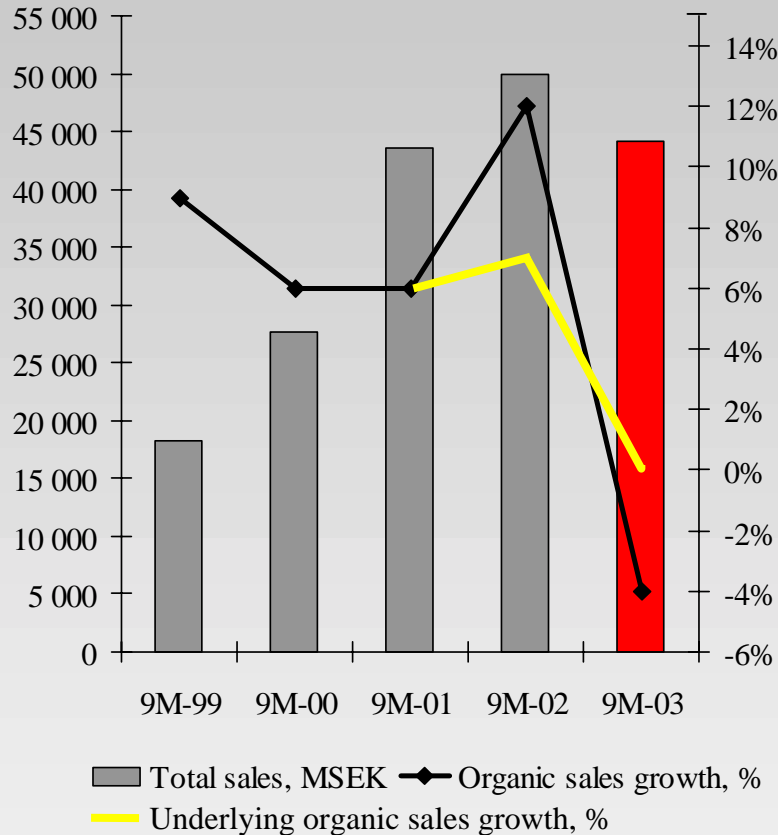


Group Performance
January-September 2003

Summary

- ❑ Security Services USA
 - Continued improvement in growth and margin
- ❑ Security Services Europe
 - Margin improvement but slowdown in extra sales
- ❑ Security Systems and Direct
 - Continued strong improvement in growth and margin
- ❑ Cash Handling Services
 - Burdened by projects but underlying improvements in sales growth and margin

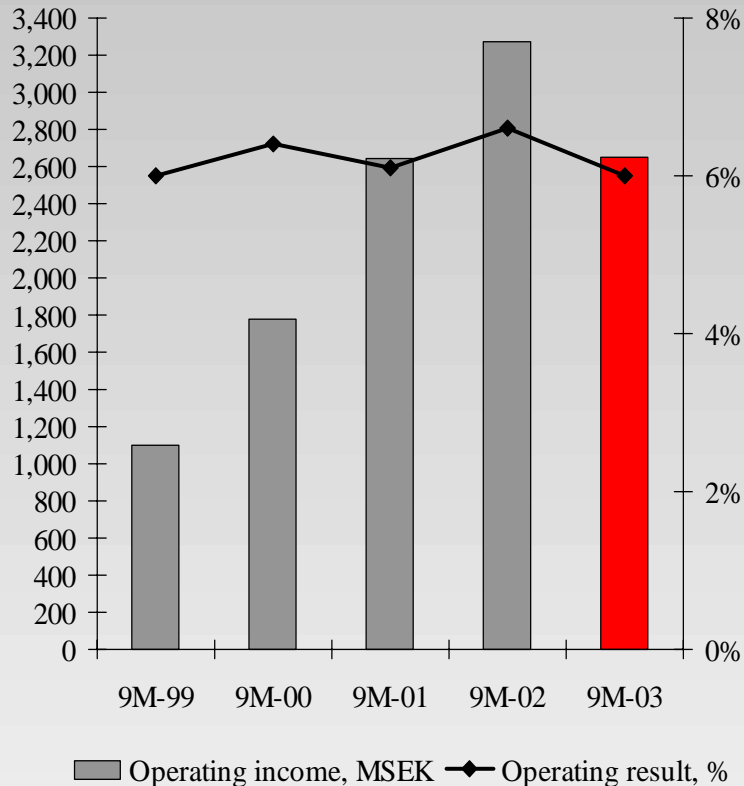
Total sales & organic sales growth 9M 1999-2003



9M 2003:

- **Underlying organic sales growth 0% (7)**
 - Somewhat slower due to lower extra sales in Europe in the third quarter
- **Total sales growth -4% (12)**
 - Total negative currency impacts MSEK 4,300

Operating income & margin 9M 1999-2003



9M 2003:

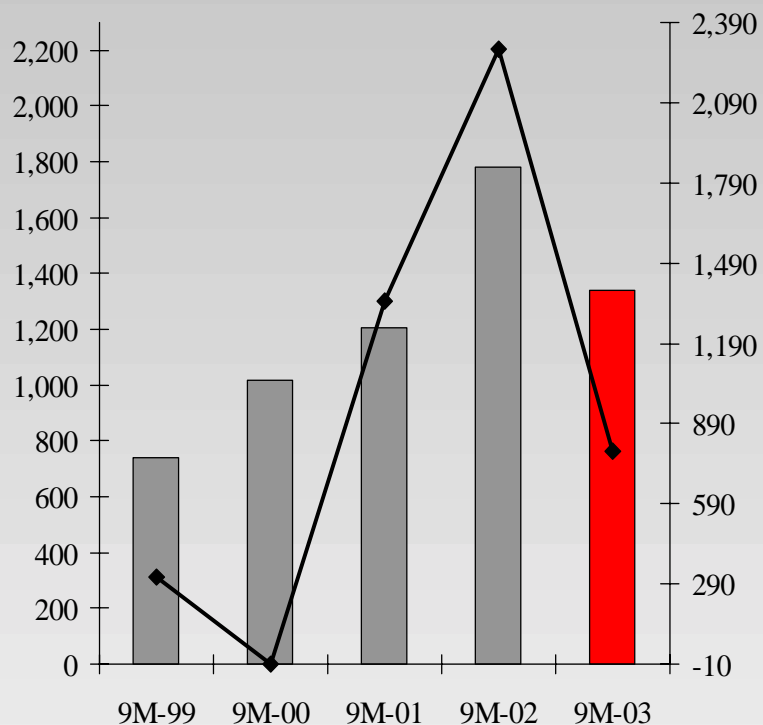
□ Operating Margin 6.0% (6.6)

- Burdened by problems in Cash Handling
- 6.2% in the third quarter

□ Operating income MSEK 2,648 (3,268)

- Negative currency impact of MSEK 200

Income before taxes & free cash flow 9M 1999-2003



■ Income before taxes, MSEK —◆ Free cash flow, MSEK

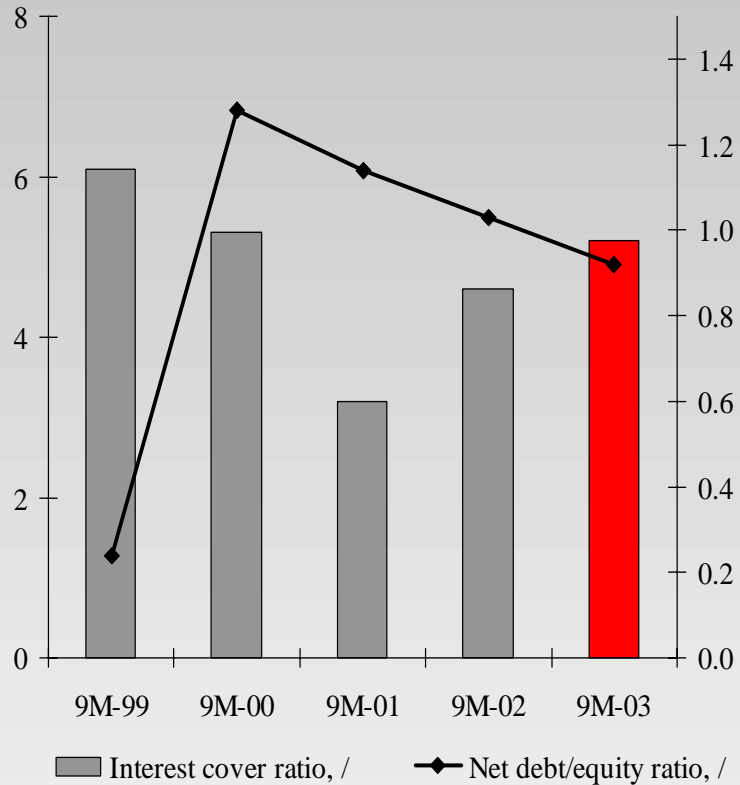
9M 2003:

- **Income before taxes MSEK 1,340 (1,783)**
- **Free cash flow MSEK 788 (2,288)**
 - 106% of adjusted income* in the third quarter adjusted for the non-recurring payment of MSEK 195

* Adjusted income: Operating income (before amort. of goodwill) adjusted for net financial items and current taxes



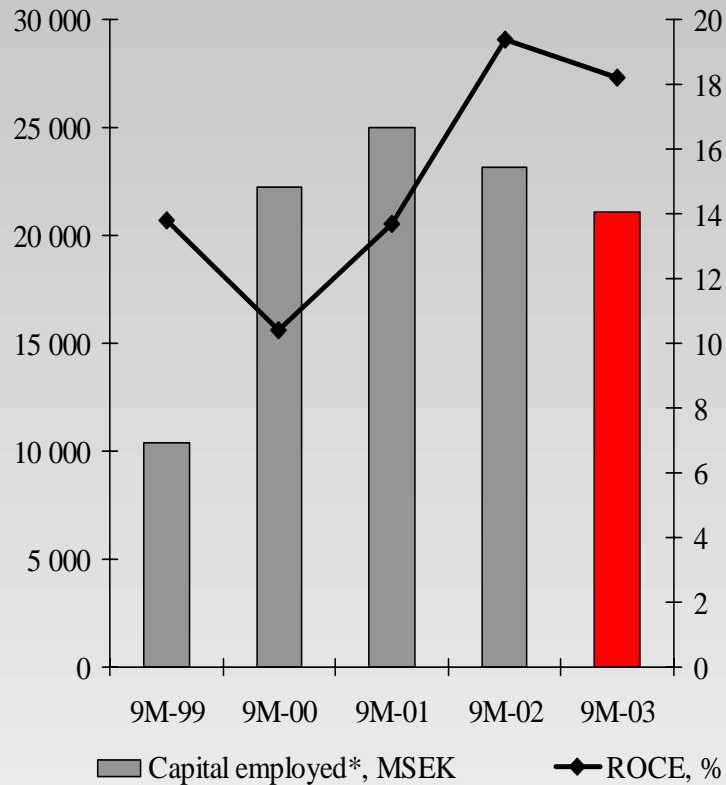
Interest cover and net debt/equity ratio 9M 1999-2003



9M 2003:

- Interest cover ratio **5.2** (4.6)
- Net debt/equity ratio **0.92** (0.85 per December 31, 2002)

Return on capital employed 9M 1999-2003



* Including goodwill

9M 2003:

□ Operating capital employed

- As percentage of sales 10% (9)
- Stable DSO 44 days (44)

□ Return on capital employed*

- Stable at 18% (19)
- Group long term target 20%

Earnings per share 9M 1999-2003

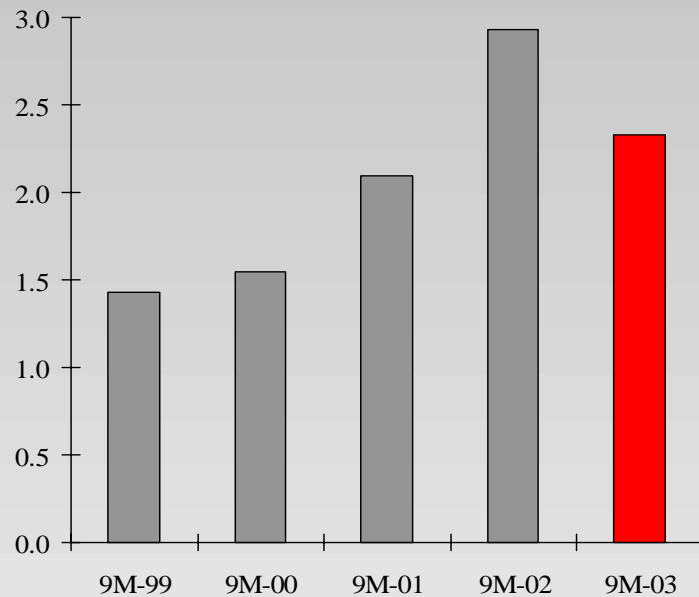
9M 2003:

□ Earnings per share

– SEK 2.33 (2.93)

□ Full tax

– 37.8% (40.5)



■ Earnings per share, SEK





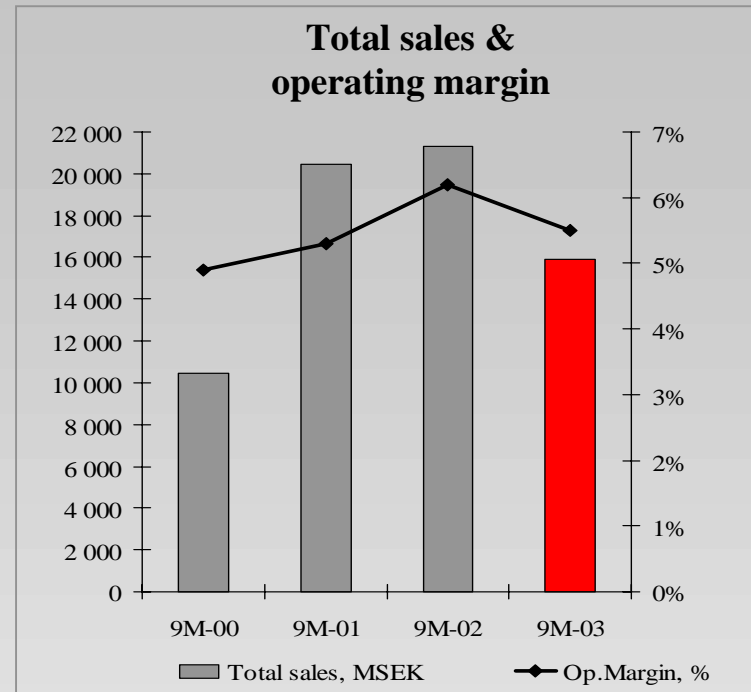
Divisional Performance
January-September 2003

Security Services USA

MSEK	Q3 2003	Q3 2002	9M 2003	9M 2002
Total sales	5,306	6,793	15,883	21,315
<i>Organic sales growth, %*</i>	-10	13	-11	12
<i>Underlying org.sales growth, %</i>	-2	4	-4	4
Operating income	298	444	874	1,319
<i>Operating margin, %</i>	5.6	6.5	5.5	6.2
<i>Op.cap.employed as % of sales</i>	-	-	7**	6**
Capital employed	-	-	6,583	8,394
<i>ROCE, %</i>	-	-	19	22

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

** Calculated after the reversal of the sale of accounts receivable of MSEK 1,724 (1,977)

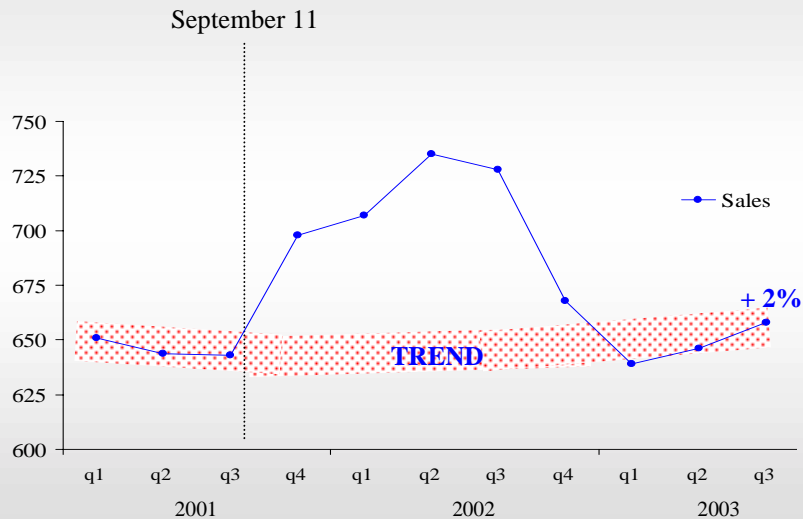


Stable development of key drivers:

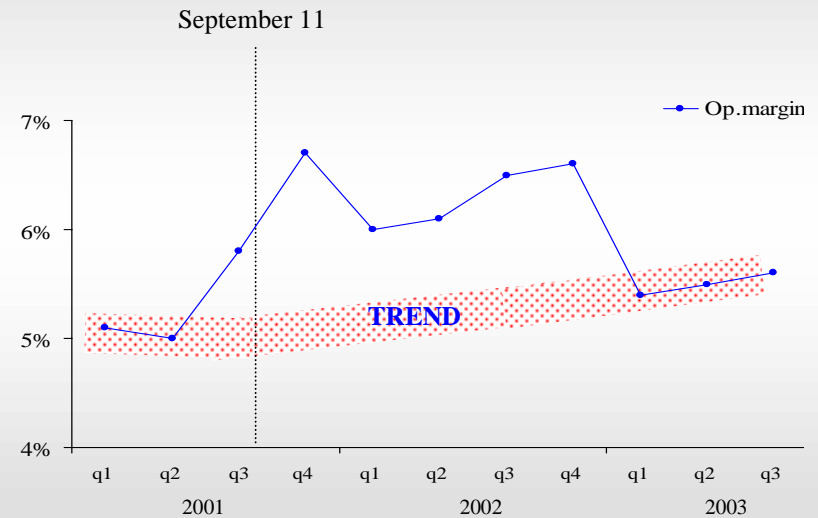
- ❑ Contract portfolio grows by 3% on an annualized basis
- ❑ Client retention 89%
- ❑ Employee turnover 59%
- ❑ Prices up 2% and wages 1.5%

Security Services USA - Volume and margin development

Development: Volume



Development: Operating Margin

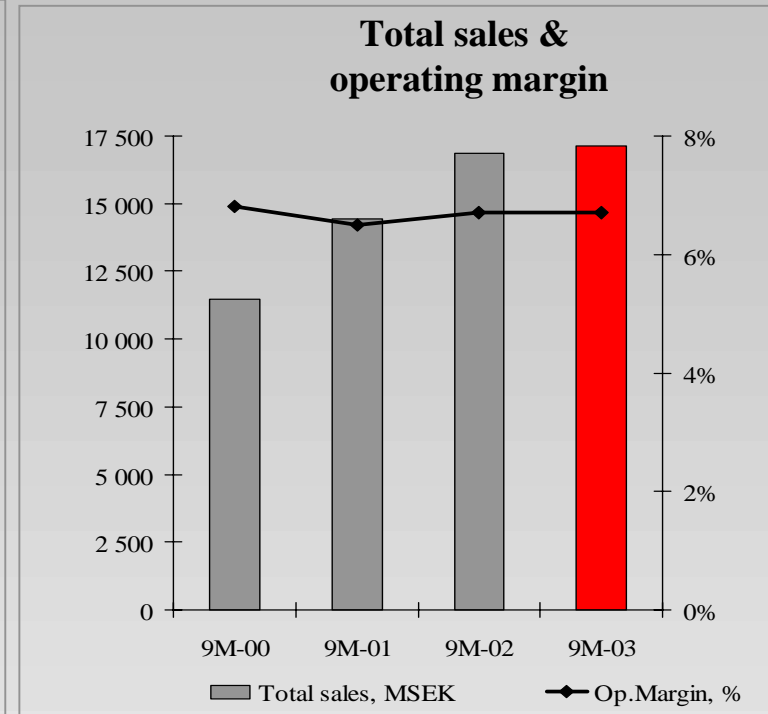


United under the Securitas name
- stable platform going forward

Security Services Europe

MSEK	Q3 2003	Q3 2002	9M 2003	9M 2002
Total sales	5,706	5,798	17,134	16,848
<i>Organic sales growth, %*</i>	<i>1</i>	<i>9</i>	<i>3</i>	<i>9</i>
Operating income	413	413	1,148	1,121
<i>Operating margin, %</i>	<i>7.2</i>	<i>7.1</i>	<i>6.7</i>	<i>6.7</i>
<i>Op.cap.employed as % of sales</i>	-	-	9	11
Capital employed	-	-	6,743	6,832
<i>ROCE, %</i>	-	-	24	22

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



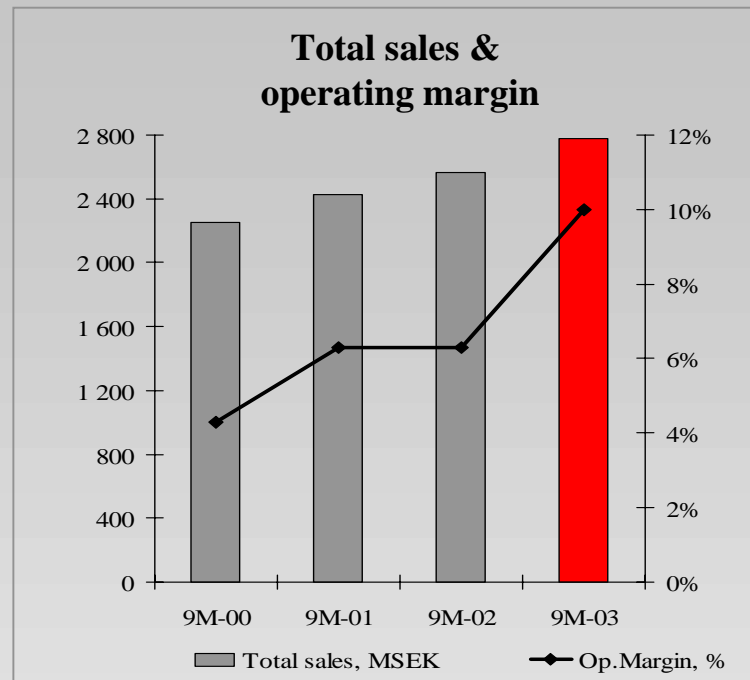
Lower extra sales - but continuing stable key drivers:

- ❑ Contract portfolio grows by 5% on an annualized basis
- ❑ Client retention stable above 90%
- ❑ Employee turnover stable around 30%
- ❑ Prices and wages are up by 4%

Security Systems

MSEK	Q3 2003	Q3 2002	9M 2003	9M 2002
Total sales	887	814	2,776	2,566
<i>Organic sales growth, %*</i>	6	6	6	5
Operating income	80	57	277	161
<i>Operating margin, %</i>	9.0	7.0	10.0	6.3
<i>Op.cap.employed as % of sales</i>	-	-	19	21
Capital employed	-	-	1,353	1,391
<i>ROCE, %</i>	-	-	28	16

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

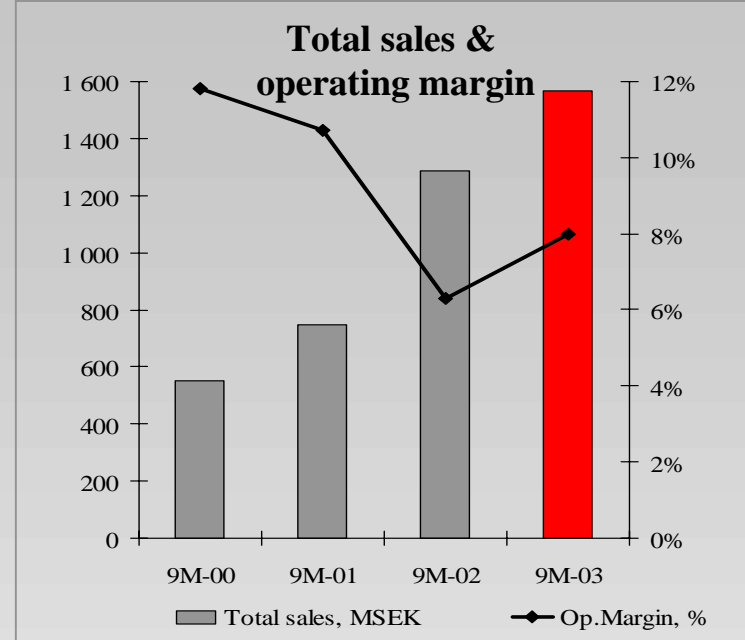


- ❑ Refinement is driving the development
- ❑ Continued strong improvement
- ❑ Platform established in Germany

Direct

MSEK	Q3 2003	Q3 2002	9M 2003	9M 2002
Total sales	544	461	1,568	1,286
<i>Organic sales growth, %*</i>	<i>19</i>	<i>20</i>	<i>19</i>	<i>15</i>
Operating income	55	31	125	81
<i>Operating margin, %</i>	<i>10.1</i>	<i>6.6</i>	<i>8.0</i>	<i>6.3</i>
<i>Op.cap.employed as % of sales</i>	-	-	<i>31</i>	<i>29</i>
Capital employed	-	-	1,174	972
<i>ROCE, %</i>	-	-	<i>15</i>	<i>12</i>

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



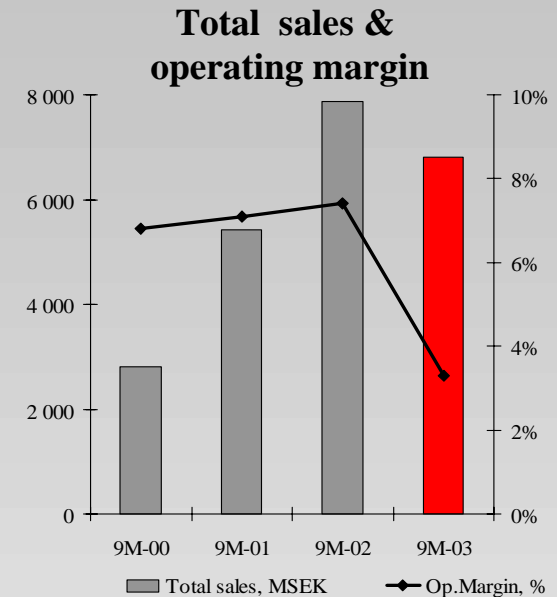
Concept focus is driving the development:

- ❑ New alarms installed increased with 39%
- ❑ New wireless concept - 75% of new sales
- ❑ Third party improves operating margin

Cash Handling Services

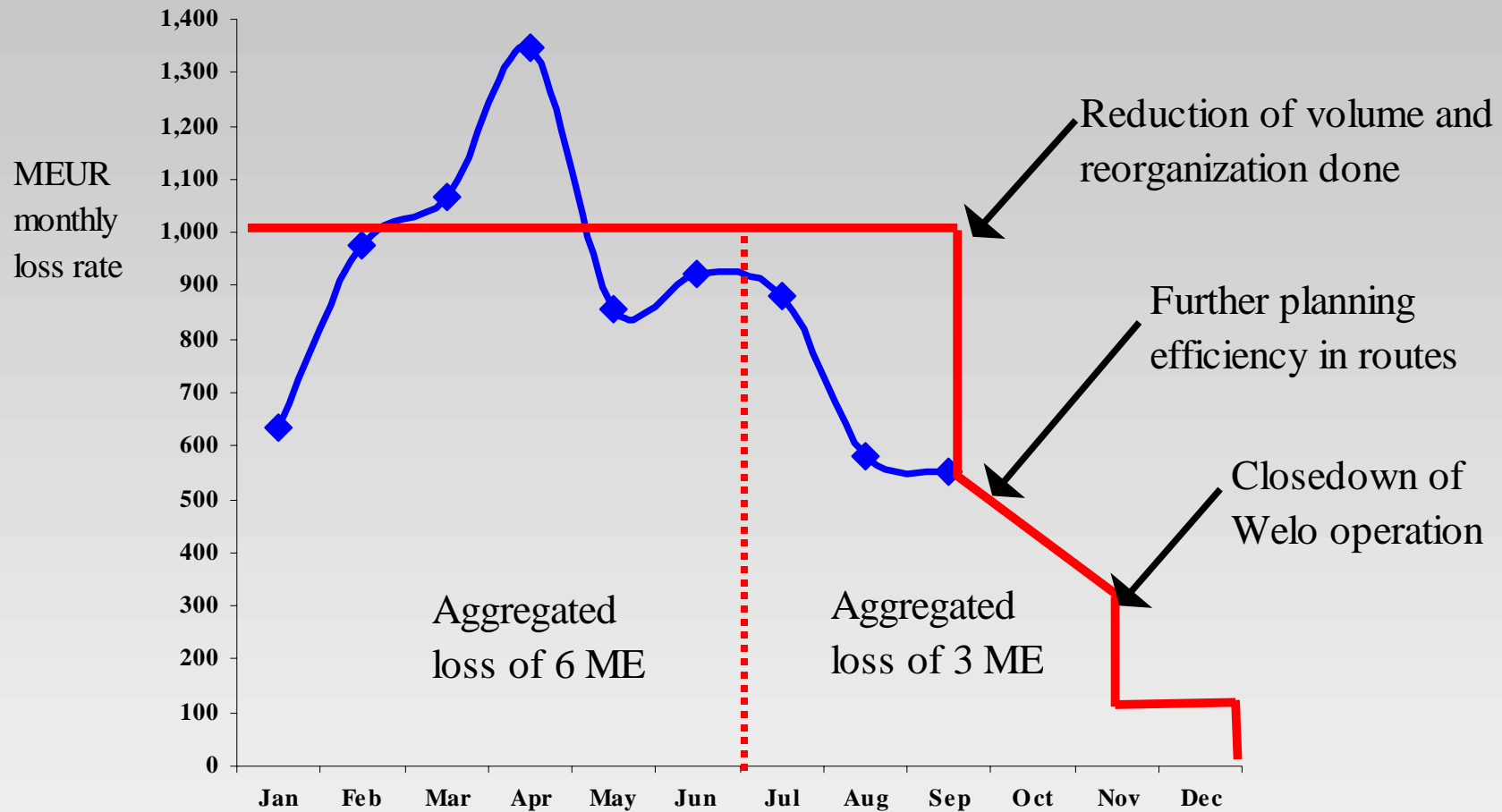
MSEK	Q3 2003	Q3 2002	9M 2003	9M 2002
Total sales	2,331	2,492	6,813	7,876
<i>Organic sales growth, %*</i>	-1	6	-5	20
<i>Underlying growth, %</i>	-1	6	-2	15
Operating income	67	186	224	586
<i>Operating margin, %</i>	2.9	7.5	3.3	7.4
<i>Op.cap.employed as % of sales</i>	-	-	26	23
Capital employed	-	-	5,222	5,543

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



- ❑ Cash Handling business ex projects has 3% organic sales growth and 7.6% operating margin in the third quarter
- ❑ USA operating margin up 0.5% to 7.9% in the third quarter
- ❑ Total effect of projects MSEK 110 in the quarter

Cash Handling Services Germany



Cash Handling Services Europe 2003

	<u>Q1</u>	<u>Q2</u>	<u>H1</u>	<u>Q3</u>	<u>9M</u>	<u>Q4</u>	<u>FY</u>
Sales	1,394	1,307	2,701	1,339	4,040	1,324	5,364
<i>Organic sales growth, %</i>	-17	-6	-12	-2	-9	-2	-7
Operating result	75	-50	25	-11	14	60	74
<i>Operating margin, %</i>	5.4	-3.8	0.9	-0.8	0.3	4.5	1.4
Germany	-30	-118	-148	-48	-196	-25	-221
WELO	-5	-7	-12	-30	-42	-15	-57
Cash Management UK	9	-15	-6	-32	-38	-15	-53
Total projects	-26	-140	-166	-110	-276	-55	-331
<i>Margin impact, %</i>	-1.9	-10.7	-6.1	-8.2	-6.8	-4.2	-6.2
Operating result excluding projects	101	90	191	99	290	115	405
<i>Operating margin excluding projects, %</i>	7.2	6.9	7.1	7.4	7.2	8.7	7.6

Projects into business as usual 2004



Financial Review
January-September 2003

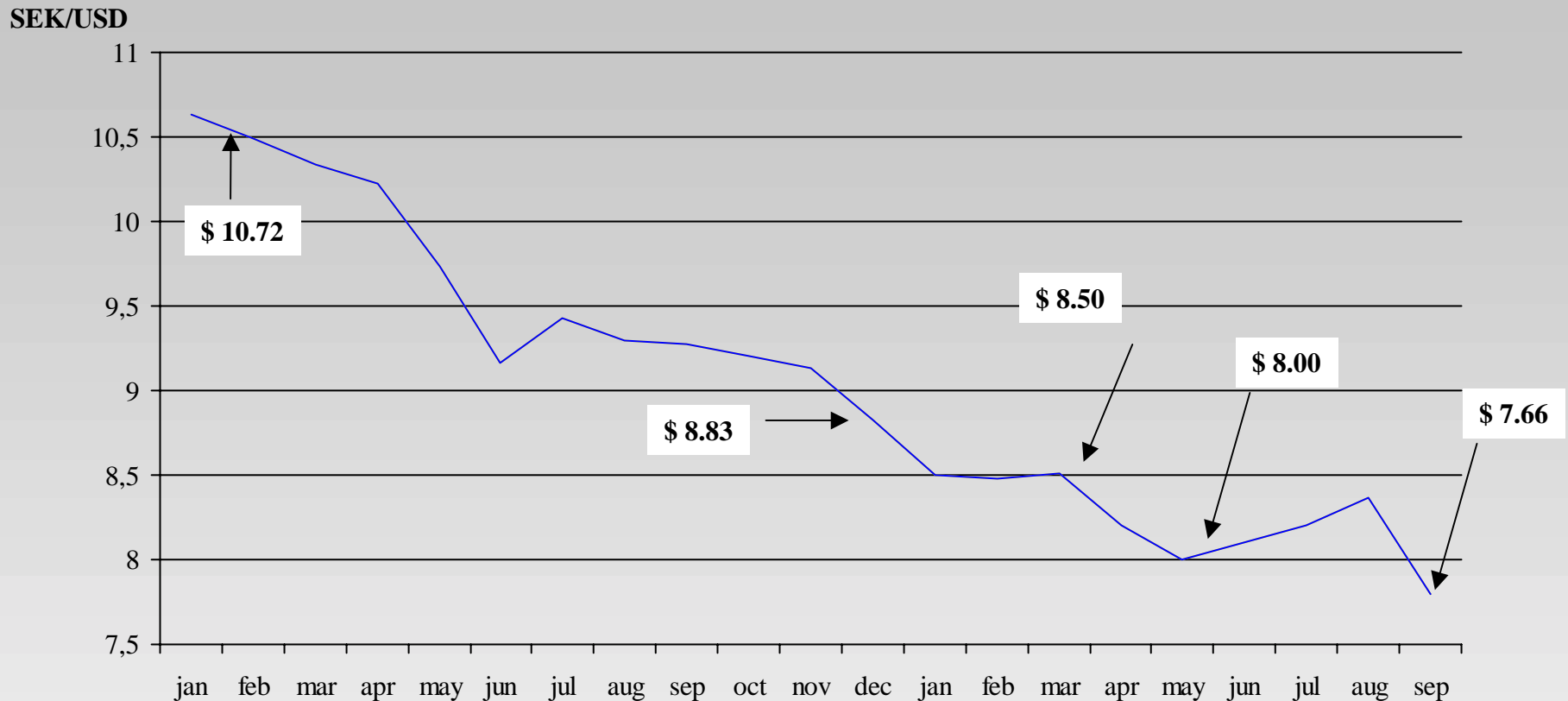
Sales and organic growth

	July-Sep 2003	2002	Growth % (last year)	Jan-Sep 2003	2002	Growth % (last year)
Total sales	14,774	16,358	-10(5)	44,174	49,891	-11(15)
Acquisitions /divestitures	-299	-67		-640	-253	
Currency change from 2002	1,230	-		4,286	-	
Organic sales	15,705	16,291	-4(10)	47,820	49,638	-4(12)
Euro introduction	-	-		-	-270	
Federalized airport operations	-	-565		-	-1,572	
Underlying organic sales	15,705	15,726	0(6)	47,820	47,796	0(7)

Income before tax and growth

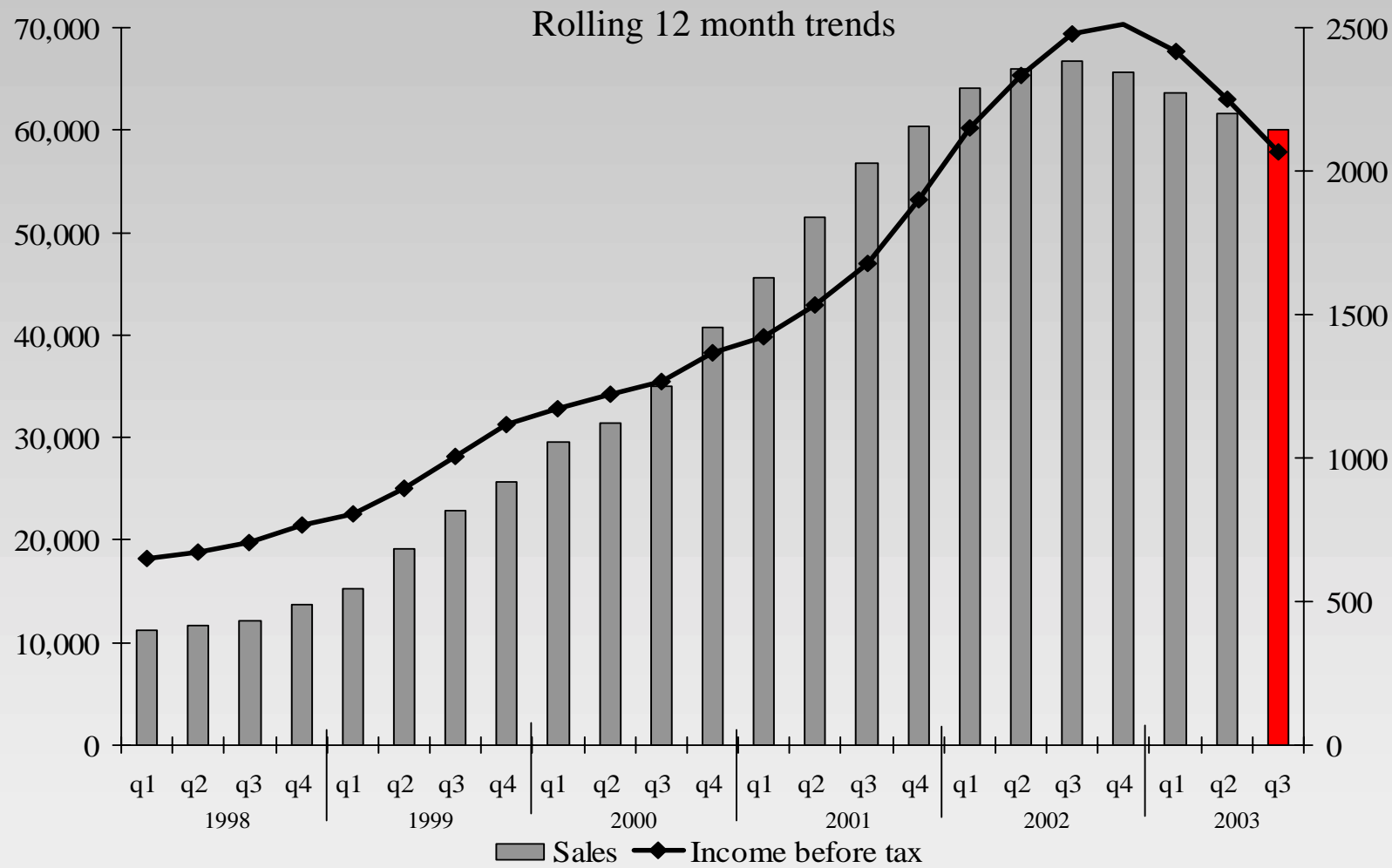
	July-Sep 2003	2002	<i>Growth % (last year)</i>	Jan-Sep 2003	2002	<i>Growth % (last year)</i>
Income before tax	475	656	-28(28)	1,340	1,783	-25(48)
Currency change from 2002	17	-		33	-	
Organic income	492	656	-25(36)	1,373	1,783	-23(53)
Euro introduction	-	-		-	-25	
Federalized airport operations	-	-37		-	-101	
Underlying income	492	619	-21(26)	1,373	1,657	-17(42)

Currency effects (SEK/USD exch. rate)



Income before tax 2002 excl. Euro introduction and federalized airport operations calculated using SEK/USD rate 7.70 ~ MSEK 2,150

Sales & income before tax 1998-2003



Cash flow

	Q3		9M		FULL YEAR		
	2003	2002	2003	2002	2002	2001	2000
Operating income before amort. of goodwill	912	1,132	2,648	3,268	4,458	3,855	2,560
Investment in fixed assets	-428	-375	-1,317	-1,273	-1,746	-1,764	-1,202
Depreciation (excluding amort. of goodwill)	394	379	1,154	1,121	1,494	1,377	942
Changes in other op.capital employed	-126	735	-899	402	982	-165	-122
Cash flow from operating activities	752	1,871	1,586	3,518	5,188	3,303	2,178
<i>Cash flow, %</i>	82	165	60	108	116	86	85
Net financial items paid	-221	-239	-466	-588	-795	-775	-503
Income taxes paid	-120	-373	-332	-642	-678	-575	-586
Free cash flow	411	1,259	788	2,288	3,715	1,953	1,089
<i>Free cash flow, %</i>	72	193	48	118	122	80	64

Free Cash Flow (ex the MSEK 195) in line with group target



Return on capital employed

	2003 Sep	2002 Dec	Sep	Jun	Mar	2001 Dec
Operating capital employed	5,723	4,891	5,813	6,164	5,645	5,854
<i>Operating capital employed as % of sales</i>	10	7	9	9	8	9
Goodwill and shares in associated companies	15,352	16,672	17,322	17,282	18,942	18,682
Capital employed	21,075	21,563	23,135	23,446	24,587	24,536
<i>Return on capital employed, % *</i>	18	21	19	19	17	16
<i>Net debt / equity / ratio</i>	0.92	0.85	1.03	1.13	1.10	1.05

*Operating income before amortization of goodwill (rolling 12 months) as percent of closing balance capital employed (excluding shares in associated companies)

Target of 20% achievable for all divisions

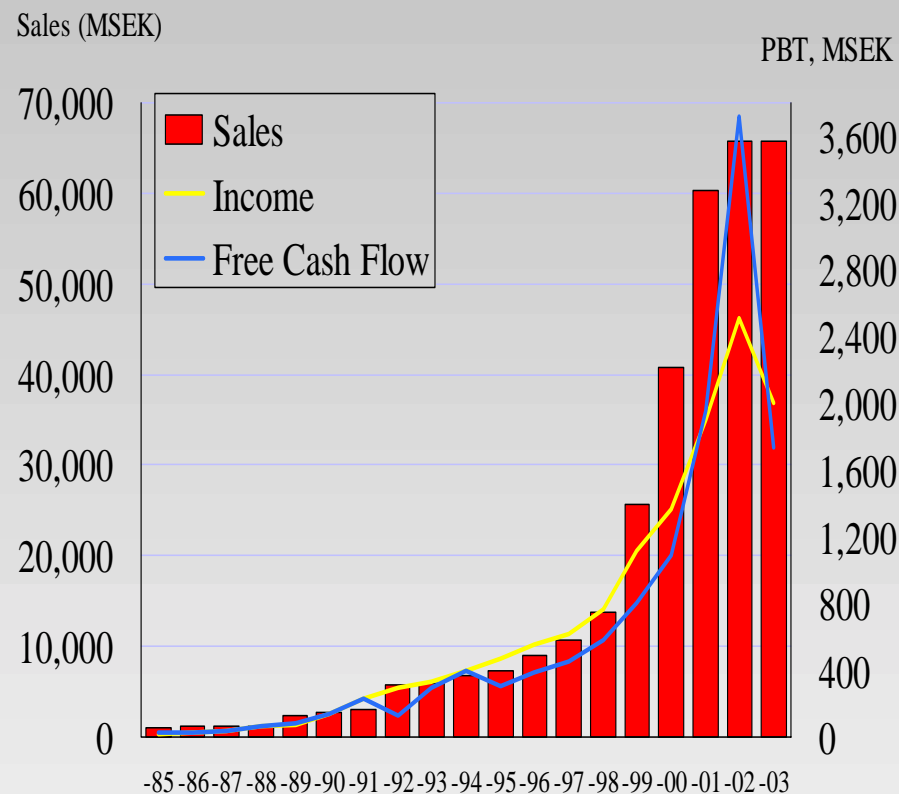




Outlook 2003

Outlook

- Income before tax is expected to be approximately MSEK 2,000 (USD/SEK 8.00, ex. WELO)
- Focus on refinement and operating margins
- Turn problems in Cash Handling Europe into opportunities in 2004
- Ready for 2004





Integrity Vigilance Helpfulness