



*Security solutions
through people*

Interim Report January – September 2006

Stockholm, 16 November 2006

Agenda

Information meeting – Quarter 3, 2006

- Introduction *Henrik Brehmer*
- Group Summary *Thomas Berglund*
- Divisional Performance *Thomas Berglund*
- Financial Review *Håkan Winberg*
- Outlook *Thomas Berglund*
- Q&A *Thomas Berglund/Håkan Winberg*
- Closing *Henrik Brehmer*



Group Summary

2006 – Third Quarter Highlights

Group	Q3 - 06	Q3 - 05	9M - 06	9M - 05
• Organic sales growth	6%	4%	6%	4%
• <i>Operating margin</i> ¹	6.2%	6.1%	5.7%	5.8%
• Profit before tax, MSEK ¹	805	770	2,150	2,068
• <i>Real Change</i> ¹	9%	1%	4%	6%

¹ Excluding non-recurring costs of MSEK -158 in the third quarter and MSEK -557 for the first nine months 2006

- Securitas Direct AB and Securitas Systems AB successfully listed September 29, 2006
- Security Services USA and Security Services Europe show strong organic sales growth of 6% and the previously weak margin trend in Europe has turned positive
- Increased organic sales growth to 6% in Cash Handling but operating margin broadly flat at a 7% level
- Non-recurring costs amounted to MSEK -158 in the third quarter and MSEK -557 for the first nine months





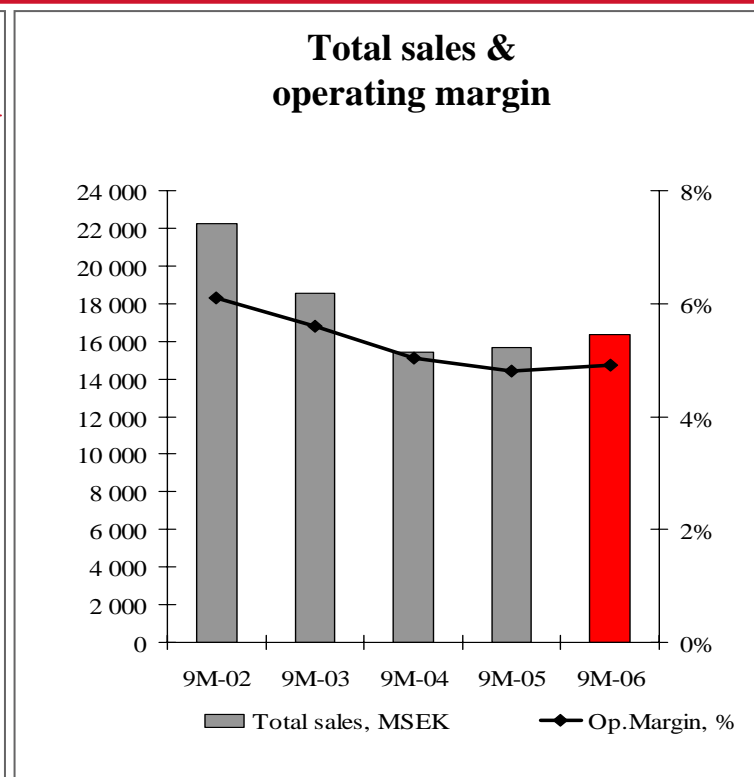
Divisional Performance

Security Services USA

MSEK	Q3 2006	Q3 2005	9M 2006	9M 2005
Total sales	5,466	5,655	16,363	15,636
<i>Organic sales growth, %</i>	5	6	6	3
Operating income	277	285	805	749
<i>Operating margin, %</i>	5.1	5.0	4.9	4.8
<i>Real change, %</i>	4	4	7	-2
Operating capital employed	-	-	1,380	1,232
<i>Op. cap employed as % of sales</i>	-	-	6	6
Capital employed	-	-	7,765	8,134
<i>ROCE, %¹</i>	-	-	15	12

Numbers adjusted to include the transfer of Canada and Mexico from Security Services Europe

¹ Calculation is based on end rates for balance sheet and average rates for the statement of income



- Positive trend in organic sales growth and margin - set to continue
- GM contract retained and expanded from 1 January 2007, annual sales 130 MUSD
- Strong sales and portfolio growth. Fourth quarter organic sales growth will be impacted by tough comparatives from the hurricanes 2005

Key Drivers: (annualized)

- Contract portfolio growth 4 %
- Wages and prices up 2 %
- Client retention >90 %
- Employee turnover 72%

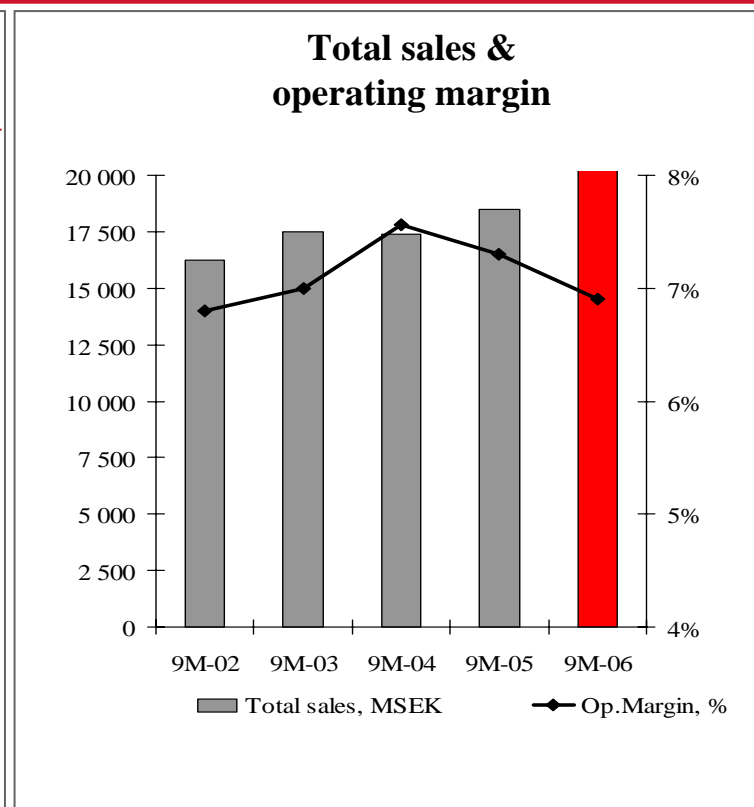


Security Services Europe

MSEK	Q3 2006	Q3 2005	9M 2006	9M 2005
Total sales	6,996	6,325	20,346	18,500
<i>Organic sales growth, %</i>	8	4	6	5
Operating income	516	460	1,394	1,343
<i>Operating margin, %</i>	7.4	7.3	6.9	7.3
<i>Real change, %</i>	14	-7	4	0
Operating capital employed	-	-	1,922	1,384
<i>Op. cap employed as % of sales</i>	-	-	7	6
Capital employed	-	-	7,981	7,069
<i>ROCE, %¹</i>	-	-	24	27

Numbers adjusted to exclude Canada and Mexico which has been transferred to Security Services USA, and to include the third party monitoring business

¹ Calculation is based on end rates for balance sheet and average rates for the statement of income



- Strong development of portfolio and organic sales growth
- Third quarter turn around in Aviation Security
- Positive trend set to continue

Key Drivers: (annualized)

- Contract portfolio growth 5 %
- Wages and prices up 1.5 %
- Client retention ~ 90 %
- Employee turnover 37%



Security Services Total

MSEK	Q3 2006	Q3 2005	9M 2006	9M 2005	12M 2005	12M 2004
Total sales	12,472	11,991	36,742	34,168	46,655	43,348
<i>Organic sales growth, %</i>	6	5	6	4	5	2
Operating income²	740	683	1,995	1,910	2,695	2,557
<i>Operating margin, %</i>	5.9	5.7	5.4	5.6	5.8	5.9
<i>Real change, %</i>	12	4	4	0	2	0
Operating capital employed	-	-	4,008	3,510	3,551	2,546
<i>Op. cap employed as % of sales</i>	-	-	8	8	8	6
Capital employed	-	-	16,637	16,284	16,528	13,491
<i>ROCE, %¹</i>	-	-	17	16	16	19

¹ Calculation is based on end rates for balance sheet and average rates for the statement of income

² Including head office costs excluding non-recurring items

- Strong development of portfolio and organic sales growth
- Positive trend in margin development set to continue

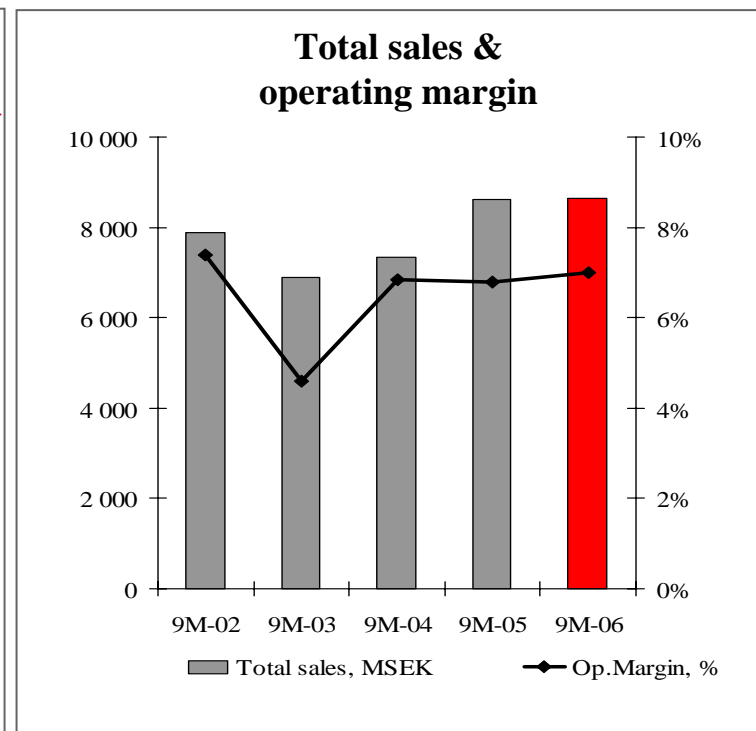


Cash Handling Services

MSEK	Q3 2006	Q3 2005	9M 2006	9M 2005
Total sales	2,905	2,995	8,630	8,621
<i>Organic sales growth, %</i>	5	2	6	3
Operating income¹	217	231	600	586
<i>Operating margin, %</i>	7.5	7.7	7.0	6.8
<i>Real change, %</i>	-4	4	2	17
Operating capital employed	-	-	2,505	2,784
<i>Op. cap employed as % of sales</i>	-	-	22	24
Capital employed	-	-	5,192	5,735
<i>ROCE, %²</i>	-	-	16	14

¹ Excluding the Welo provision of MSEK -373

² Calculation is based on end rates for balance sheet and average rates for the statement of income



- Strong development of organic sales growth but margin broadly unchanged
- Focus on business back after turbulence from evaluation of a possible sale and change in management



Financial Review

Income

MSEK	Quarter				YTD			
	Actual Q3-06	Non-Recurring	Actual Q3-06	Actual Sep-05 ¹	Actual Sep-06	Non-Recurring	Actual Sep-06	Actual Sep-05 ¹
Total sales	15,369.5	-	15,369.5	14,975.6	45,343.0	-	45,343.0	42,763.4
Organic sales growth, %	6	-	6	4	6	-	6	4
<i>Change y/y, %</i>	3	-	3	10	6	-	6	7
Gross income	2,888.0	-	2,888.0	2,903.4	8,471.9	-	8,471.9	8,288.7
<i>Gross margin, %</i>	18.8	-	18.8	19.4	18.7	-	18.7	19.4
Selling and administrative expenses	-2,089.4	-158.2	-1,931.2	-1,989.1	-6,433.9	-557.3	-5,876.6	-5,792.3
<i>Cost in % of sales</i>	-13.6	-	-12.6	-13.3	-14.2	-	-13.0	-13.5
Operating income bef. amortization	798.6	158.2	956.8	914.3	2,038.0	557.3	2,595.3	2,496.4
Operating margin, %	5.2	-	6.2	6.1	4.5	-	5.7	5.8
Real change, y/y, %	-9	-	8	0	-18	-	4	3
<i>Change y/y, %</i>	-13	-	5	4	-18	-	4	4
Amortization of acq rel. int. fixed assets	-25.3	-	-25.3	-25.8	-72.1	-	-72.1	-74.2
Restructuring costs	-0.2	-	-0.2	-0.5	-0.5	-	-0.5	-0.9
Operating result after amortization	773.1	158.2	931.3	888.0	1,965.4	557.3	2,522.7	2,421.3
Real change, y/y, %	-9	-	9	-	-19	-	4	-
<i>Change y/y, %</i>	-13	-	5	-	-19	-	4	-
Finance net	-126.3	-	-126.3	-117.8	-396.6	-23.0	-373.6	-365.4
Revaluation of financial instr.	-17.8	-17.8	-	-	-27.8	-27.8	-	-
Shares in associated companies	0.4	-	0.4	0.2	1.1	-	1.1	11.5
Income before tax	629.4	176.0	805.4	770.4	1,542.1	608.1	2,150.2	2,067.4
Real change, y/y, %	-16	-	9	1	-27	-	4	6
<i>Change y/y, %</i>	-20	-	4	4	-27	-	4	6
Taxes	31.1%	-	-	24.0%	31.1%	-	-	24.0%
Earnings per share, before non-recurring items	1.52	-	-	1.56	4.37	-	-	4.25
Net income, continuing operations	434	-	-	594	1,063	-	-	1,602
Net income, discontinued operations	68	-	-	131	339	-	-	357
Net income, all operations	502	-	-	725	1,402	-	-	1,959

¹2005 adjusted for IAS 39-revaluation

Significant impact of discontinued operations and non-recurring items



Cash Flow

Operating cash flow MSEK	Jul-Sep 2006	Jul-Sep 2005	Jan-Sep 2006	Jan-Sep 2005
Continuing operations				
Operating activities				
Operating income before amortization	798.6	914.3	2,038.0	2,496.4
Investment in fixed assets	-336.7	-329.6	-1,091.1	-1,074.0
Reversal of depreciation	408.2	377.2	1,146.6	1,129.4
Change in accounts receivable	-774.2	-280.6	-1,127.8	-534.9
Changes in other operating capital employed	758.5	343.4	587.9	26.9
Cash flow from operational activities	854.4	1,024.7	1,553.6	2,043.8
<i>Cash flow from operational activities, %</i>	<i>107</i>	<i>112</i>	<i>76</i>	<i>82</i>
Financial income and expenses paid	-123.0	-93.1	-382.0	-307.2
Current taxes paid	-156.8	-232.2	-495.9	-553.9
Free cash flow	574.6	699.4	675.7	1,182.7
<i>Free cash flow, %</i>	<i>112</i>	<i>111</i>	<i>58</i>	<i>73</i>
Cash flow from investing activities, acquisitions	-32.8	-1.2	-275.1	-646.2
Cash flow from financing activities	3,125.3	-755.7	2,552.7	-1,822.5
Cash flow for the period, continuing operations	3,667.1	-57.5	2,953.3	-1,286.0
Cash flow for the period, discontinued operations	-1,727.2	104.0	-1,251.0	349.9
Cash flow for the period, all operations	1,939.9	46.5	1,702.3	-936.1

Target free cash flow, 75-80% of adjusted income



Capital Employed and Financing

MSEK	Sep 30, 2006	Jun 30, 2006	Dec 31, 2005	Sep 30, 2005
Operating capital employed, continuing operations	6,512.4	6,337.7	5,923.7	6,294.4
<i>Operating capital employed as % of sales, continuing operations</i>	<i>11</i>	<i>10</i>	<i>10</i>	<i>11</i>
<i>Return on operating capital employed, continuing operations, %¹</i>	<i>58</i>	<i>58</i>	<i>63</i>	<i>58</i>
Goodwill, continuing operations	14,692.9	14,544.9	15,317.6	15,268.7
Acquisition related intangible fixed assets, continuing operations	446.1	414.3	359.3	278.9
Shares in associated companies, continuing operations	177.2	176.0	178.6	177.4
Capital employed, continuing operations	21,828.6	21,472.9	21,779.2	22,019.4
<i>Return on capital employed, continuing operations %¹</i>	<i>17</i>	<i>17</i>	<i>16</i>	<i>15</i>
Capital employed, discontinued operations	-	4,980.6	4,738.5	4,390.5
Capital employed, all operations	21,828.6	26,453.5	26,517.7	26,409.9
Net debt, all operations	-10,992.8	-12,829.7	-11,944.8	-12,612.1
Shareholders' equity, all operations	10,835.8	13,623.8	14,572.9	13,797.8
<i>Net debt equity ratio/multiple, all operations</i>	<i>1.01</i>	<i>0.94</i>	<i>0.82</i>	<i>0.91</i>

¹ Calculated excluding non-recurring items

Stable capital employed and ROCE



Change in Net Debt

Change in net debt MSEK	Jul-Sep 2006	Jul-Sep 2005	Jan-Sep 2006	Jan-Sep 2005
Opening balance	-12,829.7	-13,560.5	-11,944.8	-10,633.1
Effect of change in accounting principle	-	-	-	-3.8
Opening balance adjusted in accordance with new principle	-12,829.7	-13,560.5	-11,944.8	-10,636.9
Cash flow for the period, all operations	1,939.9	46.5	1,702.3	-936.1
Change in loans, all operations	-1,585.4	721.7	-2,692.4	420.4
Change in net debt before revaluation and translation differences, all operations	354.5	768.2	-990.1	-515.7
Revaluation of financial instruments, all operations	-23.2	12.2	-15.3	41.6
Translation differences, all operations	-126.8	168.0	325.0	-1,501.1
Impact from dividend of discontinued operations	1,632.4	-	1,632.4	-
Change in net debt, all operations	1,836.9	948.4	952.0	-1,975.2
Closing balance	-10,992.8	-12,612.1	-10,992.8	-12,612.1

Split of net debt according to plan



Summary of discontinued operations

Income MSEK	Jan-Sep 2006
Total Sales	6,511.3
Operating income before amortization	599.6
Amortization of acquisition related intangible fixed assets	-18.4
Acquisition related restructuring costs	-14.3
Operating income after amortization	566.9
Financial income and expense	-36.2
Income before taxes	530.7
Taxes	-192.2
Net income for the period	338.5
Cash Flow MSEK	Jan-Sep 2006
Cash flow from operations	563.4
Cash flow from investing activities	-676.4
Cash flow from financing activities	-1,138.0
Cash flow for the period	-1,251.0

Capital employed and financing in discontinued operations	Sep 29, 2006
Operating capital employed	2,469.3
Goodwill	2,513.5
Acquisition related intangible fixed assets	263.6
Capital employed	5,246.4
Net debt	-1,632.4
Net assets in discontinued operations	3,614.0

IFRS 5, Discontinued operations

- Dividend date 29 September
- Included in income and cash flow in one line
- Not included in balance sheet

Summary of Sunflower

- **Securitas Direct AB and Securitas Systems AB successfully listed on the Stockholm Stock Exchange since September 29, 2006**
- **Name change of Cash Handling Services to Loomis AB and rebranding during the next six months**
- **The work with a listing during 2007 of Loomis AB on the Stockholm Stock Exchange continues. The detailed timetable will be announced in connection with the full year report on the February 9, 2007**
- **Capital structures and financial key ratios have developed according to plan and capitalization of Loomis AB will be done by December 31, 2006 according to plan**
- **Alf Göransson was appointed new President and CEO for Securitas AB in August 2006 and will start his position on March 5, 2007**





2006

Outlook 2006



The groups income before tax for the full year 2006, excluding non-recurring items, is expected to be close to MSEK 3,000. Security Services USA and Europe will continue the positive trend from the third quarter 2006. With the change in management and the renewed focus on the business, we are on the right track in Cash Handling Services, but the result will not improve until 2007.



Integrity Vigilance Helpfulness