



*Security solutions  
through people*

January – December 2007

*President and CEO Alf Göransson*

Stockholm February 12, 2008

# Highlights Q4 2007

- Good growth in the Security Services business and stable operating margins
- Mobile and Monitoring continues to invest in sales resources in order to speed up the organic sales growth
- Sale of assets and operation of LCM in the United Kingdom to Vaultex UK Ltd resulting in a loss of MSEK 160
- Additional provision of MSEK 169 for non-compliance of Note Circulation Rules (NCS) in the United Kingdom
- Provision of MSEK 187 recognized for labor overtime compensation claims in Spain
- Bart Adam, presently Chief Operational Officer, is appointed new Divisional President of Security Services Europe



# Financial Highlights Q4 and FY 2007

MSEK	Q4 2007	Q4 2006	FY 2007	FY 2006
<b>Sales</b>	<b>16,097</b>	<b>15,180</b>	<b>62,908</b>	<b>60,523</b>
<i>Organic sales growth, %</i>	6	5	5	6
<b>Operating income before amortization</b>	<b>745</b>	<b>996</b>	<b>3,182</b>	<b>3,591</b>
<i>Operating margin, %</i>	4.6	6.6	5.1	5.9
<i>Real change, %</i>	-24	3	-8	4
<b>Income before taxes, items affecting comparability and impairment losses of goodwill</b>	<b>537</b>	<b>844</b>	<b>2,465</b>	<b>2,943</b>
<i>Real change, %</i>	-22	2	-12	4
<b>Income before taxes</b>	<b>18</b>	<b>-659</b>	<b>1,397</b>	<b>883</b>
<i>Real change, %</i>	121	-183	72	-67
<b>Net income for the period, continuing operations</b>	<b>-34</b>	<b>-550</b>	<b>526</b>	<b>513</b>
Earnings per share, before items affecting comparability, continuing operations (SEK)	1.04	1.71	4.78	6.00
Earnings per share, continuing operations (SEK)	-0.10	-1.50	1.44	1.41

# Security Services Development

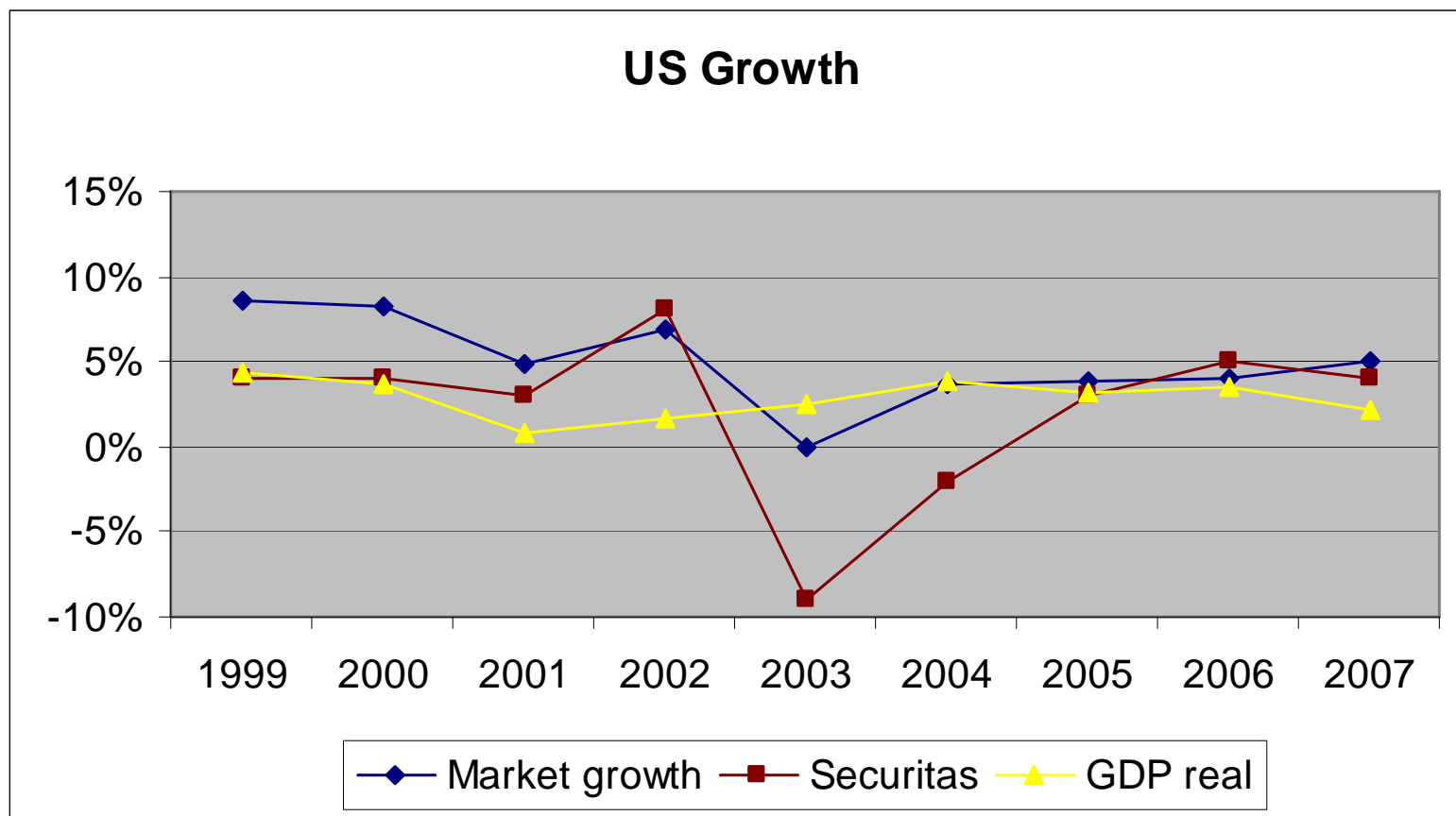
	October – December				January – December			
	Organic sales growth	%	Operating margin	%	Organic sales growth	%	Operating margin	%
<b>MSEK</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Security Services North America	5	3	5.3	5.3	4	5	5.2	5.0
Security Services Europe	8	8	6.3	6.6	8	7	5.7	5.8
Mobile and Monitoring	7	5	12.3	13.6	7	4	12.0	13.5
<b>Security Services</b>	<b>7</b>	<b>5</b>	<b>5.9</b>	<b>6.1</b>	<b>6</b>	<b>6</b>	<b>5.6</b>	<b>5.6</b>
Loomis	1	4	-1.4	8.4	1	5	2.3	7.3
<b>Group</b>	<b>6</b>	<b>5</b>	<b>4.6</b>	<b>6.6</b>	<b>5</b>	<b>6</b>	<b>5.1</b>	<b>5.9</b>

# Security Services North America

	<b>Q4 2007</b>	<b>Q4 2006</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>Total sales</b>	<b>5,210</b>	<b>5,373</b>	<b>20,933</b>	<b>21,736</b>
<i>Organic sales growth, %</i>	5	3	4	5
<b>Operating income</b>	<b>276</b>	<b>283</b>	<b>1,080</b>	<b>1,088</b>
<i>Operating margin, %</i>	5.3	5.3	5.2	5.0
<i>Real change, %</i>	6	-	8	-

- Good organic sales growth in the fourth quarter, as a result of large, new contracts
- The trend of improved operating margin continues on a full year basis, in line with the strategy

# The Security Services Market in the US

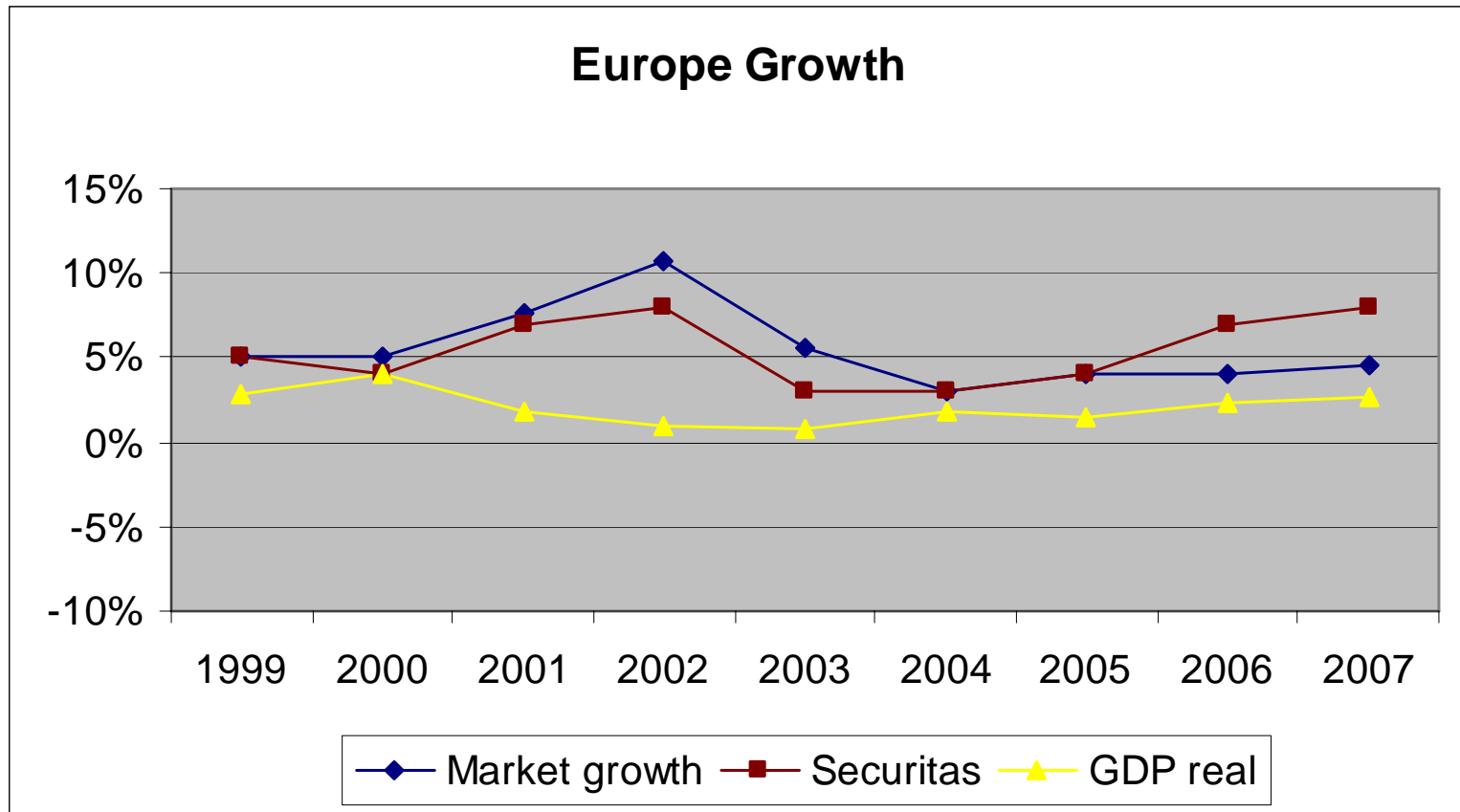


# Security Services Europe

<b>MSEK</b>	<b>Q4 2007</b>	<b>Q4 2006</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>Total sales</b>	<b>6,625</b>	<b>5,808</b>	<b>25,353</b>	<b>22,786</b>
<i>Organic sales growth, %</i>	8	8	8	7
<b>Operating income</b>	<b>416</b>	<b>383</b>	<b>1,433</b>	<b>1,316</b>
<i>Operating margin, %</i>	6.3	6.6	5.7	5.8
<i>Real change, %</i>	6	-	9	-

- Strong organic sales growth in several countries
- Aviation continues to show double digit organic sales growth
- Stable operating margin, but still pressure on the price level and the gross margin

# The Security Services Market in Europe





# Mobile and Monitoring

<b>MSEK</b>	<b>Q4 2007</b>	<b>Q4 2006</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>Total sales</b>	<b>1,265</b>	<b>1,128</b>	<b>4,836</b>	<b>4,419</b>
<i>Organic sales growth, %</i>	7	5	7	4
<b>Operating income</b>	<b>155</b>	<b>153</b>	<b>578</b>	<b>597</b>
<i>Operating margin, %</i>	12.3	13.6	12.0	13.5
<i>Real change, %</i>	-2	-	-4	-

- Continued strong organic sales growth.
- Operating margin affected by the costs for investments in sales and marketing and start up of new mobile routes

<b>MSEK</b>	<b>Q4 2007</b>	<b>Q4 2006</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>Total sales</b>	<b>2,850</b>	<b>2,844</b>	<b>11,397</b>	<b>11,474</b>
<i>Organic sales growth, %</i>	<i>1</i>	<i>4</i>	<i>1</i>	<i>5</i>
<b>Operating income</b>	<b>-40</b>	<b>238</b>	<b>293</b>	<b>838</b>
<i>Operating margin, %</i>	<i>-1.4</i>	<i>8.4</i>	<i>2.6</i>	<i>7.3</i>
<i>Real change, %</i>	<i>-117</i>	<i>-</i>	<i>-63</i>	<i>-</i>
<b>Operating income, excl. LCM</b>	<b>89</b>	<b>209</b>	<b>601</b>	<b>789</b>
<i>Operating margin, excl. LCM, %</i>	<i>3.3</i>	<i>8.0</i>	<i>5.7</i>	<i>7.5</i>

- Decreased organic sales growth explained by lower organic sales growth rates in the USA, Denmark, Sweden and the United Kingdom
- MSEK 158 of the decline in operating income during the fourth quarter is related to LCM; MSEK 357 on a full year basis

# Items Affecting Comparability

## *Impact of impairment losses of goodwill and items affecting comparability*

MSEK	Q4 2007	Q4 2006	FY 2007	FY 2006
<b>Income before taxes, impairment losses of goodwill and items affecting comparability</b>	<b>537</b>	<b>844</b>	<b>2 465</b>	<b>2 943</b>
Impairment losses of goodwill <sup>1)</sup>	-	-	-350	-
<b>Items affecting comparability</b>				
Globe/FAA	-	-69	50	-69
Write-down of Welo	-	-	-	-373
LCM provision for historical variances	-	-824	-	-824
LCM sale of assets and operations	-160	-	-160	-
LCM provision for NCS declarations	-169	-	-375	-
Re-branding	-3	-	-46	-
Listing and re-location of head office	-	-32	-	-216
Overtime compensation Spain	-187	-	-187	-
Other items	-	-578	-	-578
<b>Total items affecting comparability</b>	<b>-519</b>	<b>-1 503</b>	<b>-718</b>	<b>-2 060</b>
<b>Total impact from impairment losses of goodwill and items affecting comparability</b>	<b>-519</b>	<b>-1 503</b>	<b>-1 068</b>	<b>-2 060</b>
<b>Income before taxes</b>	<b>18</b>	<b>-659</b>	<b>1 397</b>	<b>883</b>

<sup>1)</sup> Classified as Amortization and impairment losses of acquisition related intangible fixed assets

# Loomis

- **New Management in place - Lars Blecko, new Managing Director of Loomis AB, started February 1, 2008**
- **Sale of assets and operation of LCM in the United Kingdom to Vaultex UK Ltd resulted in a loss of MSEK 160**
- **Result of final LCM stock take meant that no further provisions for historic variances necessary beyond the provision of MSEK 824 established as of December 31, 2006**
- **Additional provision of MSEK 169 for non-compliance of Note Circulation Rules (NCS) in the United Kingdom**
- **Loomis granted continuous permit to operate cash transports in Sweden**
- **The listing of Loomis is planned to take place late 2008**

# Income

MSEK	Q4 2007	Q4 2006	FY 2007	FY 2006
<b>Total sales</b>	<b>16,096.8</b>	<b>15,180.0</b>	<b>62,907.6</b>	<b>60,523.0</b>
<b>Organic sales growth, %</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>6</b>
<b>Operating income before amortization</b>	<b>745.4</b>	<b>995.8</b>	<b>3,182.3</b>	<b>3,591.1</b>
<b>Operating margin, %</b>	<b>4.6</b>	<b>6.6</b>	<b>5.1</b>	<b>5.9</b>
<b>Real change y/y, %</b>	<b>-24</b>	<b>3</b>	<b>-8</b>	<b>4</b>
Amort./Impairment of acq rel. int. assets	-33.0	-21.2	-458.0	-93.3
Acq. rel restructuring costs	-21.9	0.1	-39.0	-0.4
Items affecting comparability	-518.7	-1,502.9	-718.1	-2,060.2
Operating income after amortization	171.8	-528.2	1,967.2	1,437.2
<i>Real change y/y, %</i>	<i>135</i>	<i>-154</i>	<i>44</i>	<i>-54</i>
Financial income and expense	-150.6	-123.2	-565.2	-519.8
Revaluation of financial instr.	-2.7	-8.0	-6.7	-35.8
Share in income of associated companies	-	0.1	2.2	1.2
<b>Income before taxes</b>	<b>18.5</b>	<b>-659.3</b>	<b>1,397.5</b>	<b>882.8</b>
<b>Real change y/y, %</b>	<b>121</b>	<b>-183</b>	<b>72</b>	<b>-67</b>
Taxes	-52.1	109.7	-871.5	-369.3
%	282	-16.6	62.4	41.8
<b>Net income for the period</b>	<b>-33.6</b>	<b>-549.6</b>	<b>526.0</b>	<b>513.5</b>
Earnings per share	-0.10	-1.50	1.44	1.41

## COMMENTS:

- The impact on operating income from LCM is MSEK -129 in Q4 and MSEK -308 for the full year, explaining MSEK -158 and MSEK -357 respectively of the decrease compared to the same period last year
- The result in the quarter was burdened by items affecting comparability of MSEK -519

# Cash Flow

MSEK	Q4 2007	Q4 2006	FY 2007	FY 2006
<b>Operating activities</b>				
Operating income before amortization	745.4	995.8	3,182.3	3,591.1
Investment in fixed assets	-563.0	-420.7	-1,574.8	-1,511.8
Reversal of depreciation	364.5	331.3	1,448.0	1,477.9
Change in accounts receivable	195.5	425.2	-832.8	-702.6
Changes in other operating capital employed	657.5	77.7	1,351.9	210.5
<b>Cash flow from operational activities</b>	<b>1,399.9</b>	<b>1,409.3</b>	<b>3,574.6</b>	<b>3,065.1</b>
<i>Cash flow from operational activities %</i>	<i>188</i>	<i>142</i>	<i>112</i>	<i>85</i>
Financial income and expenses paid	-150.2	-134.1	-505.5	-516.1
Current taxes paid	-98.8	-273.1	-656.7	-769.0
<b>Free cash flow</b>	<b>1,150.9</b>	<b>1,002.1</b>	<b>2,412.4</b>	<b>1,780.0</b>
<i>Free cash flow %</i>	<i>225</i>	<i>151</i>	<i>115</i>	<i>75</i>
Cash flow from investing activities, acquisitions	-307.7	-86.1	-901.8	-361.2
Cash flow from items affecting comparability	146.4	-27.1	-564.0	-129.3
Cash flow from financing activities	5.4	-3,659.0	1,745.9	-1,106.3
<b>Cash flow for the period, continuing operations</b>	<b>995.0</b>	<b>-2,770.1</b>	<b>2,692.5</b>	<b>183.2</b>
Cash flow for the period, discontinued operations	-	-	-	-1,251.0
<b>Cash flow for the period, all operations</b>	<b>995.0</b>	<b>-2,770.1</b>	<b>2,692.5</b>	<b>-1,067.8</b>
<i>Free cash flow/Net debt</i>	-	-	0.24	0.18

## COMMENTS:

- Free cash flow 115 % of adjusted result
- Free cash flow/Net debt is 0.24 which is in line with group target of >0.20

# Capital Employed and Financing

MSEK	Dec 31 2007	Dec 31 2006
<b>Operating capital employed</b>	<b>4,171.0</b>	<b>4,669.2</b>
<i>Days of Sales Outstanding (DSO)</i>	47	45
<i>Operating capital employed as % of sales</i>	7	8
<i>Return on operating capital employed %</i>	56	29
Goodwill	13,793.5	14,031.6
Acquisition related intangible assets	624.0	464.2
Shares in associated companies	103.5	172.7
<b>Capital employed</b>	<b>18,692.0</b>	<b>19,337.7</b>
<i>Return on capital employed %</i>	13	8
<b>Capital employed</b>	<b>18,692.0</b>	<b>19,337.7</b>
<b>Net debt</b>	<b>-9,878.0</b>	<b>-9,734.6</b>
<b>Shareholders' equity</b>	<b>8,814.0</b>	<b>9,603.1</b>
<i>Net debt equity ratio/multiple</i>	1.12	1.01

## COMMENTS:

- Acquisitions increased consolidated goodwill by MSEK 376
- Impairment loss of goodwill of MSEK -350 recognized in Q3
- Acquisitions increased net debt by MSEK 902
- Return on capital employed was 13 % (8)



# Proposed dividend

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- **The Board of Directors proposes a dividend for 2007 of SEK 3.10 (3.10) per share. The total dividend amounts to 47 percent of free cash flow, which is in line with the dividend level that Securitas should sustain**



# Summary 2007

- **The strategy for the future rolled out throughout Securitas Group in the second half of 2007**
  - Specialization and customized solutions (Security Services)
  - Growth – organic and through acquisitions (Mobile and Monitoring)
  - Improve global presence (New Markets)
- **Good growth in the Security Services business and stable operating margins**
- **Mobile and Monitoring continues to invest in sales resources in order to speed up the organic sales growth**
- **Securitas result burdened by problems in Loomis**
- **Proposed dividend is SEK 3.10 (3.10)**





## Questions and Answers



*Integrity Vigilance Helpfulness*